Places for People Annual Report 2021

Places work when they work for everyone

Places for People

Places for People is a placemaker. We build homes and communities where everyone is welcome and can thrive.

Our purpose is to create and manage living places that are sustainable — economically, socially and environmentally.

With over 50 years' experience, we have a uniquely broad view of what it takes to create a sustainable community.

We take a commercial approach to delivering social outcomes — all our profits go back into helping people achieve their aspirations and making places work for everyone.

Contents

Performance highlights

Turnover

2020 £866.7m

2021 £816.5m

Operating profit

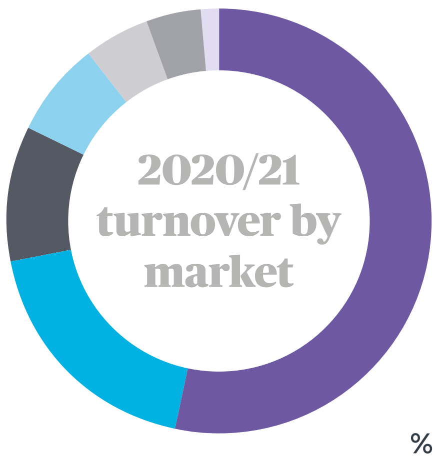
2020 £216.3m

2021 £206.7m

Reserves

£662.0m

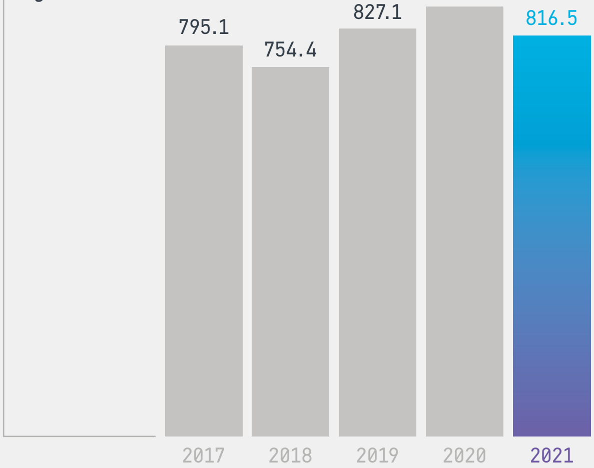
£700.4m



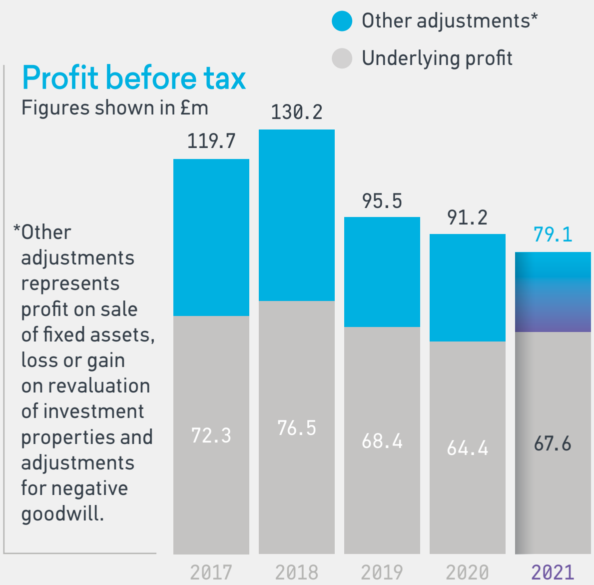
	%
Affordable housing	51.5
Development	19.5
Leisure management	10.7
Property management	7.5
Non-social lettings	4.5
Construction	5.1
Other	1.2

Performance highlights

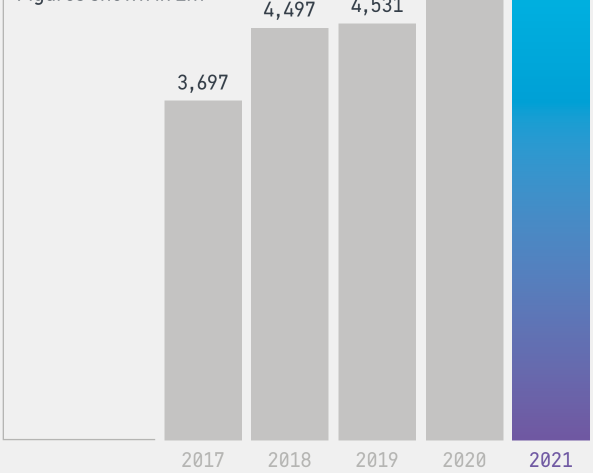
Turnover
Figures shown in £m



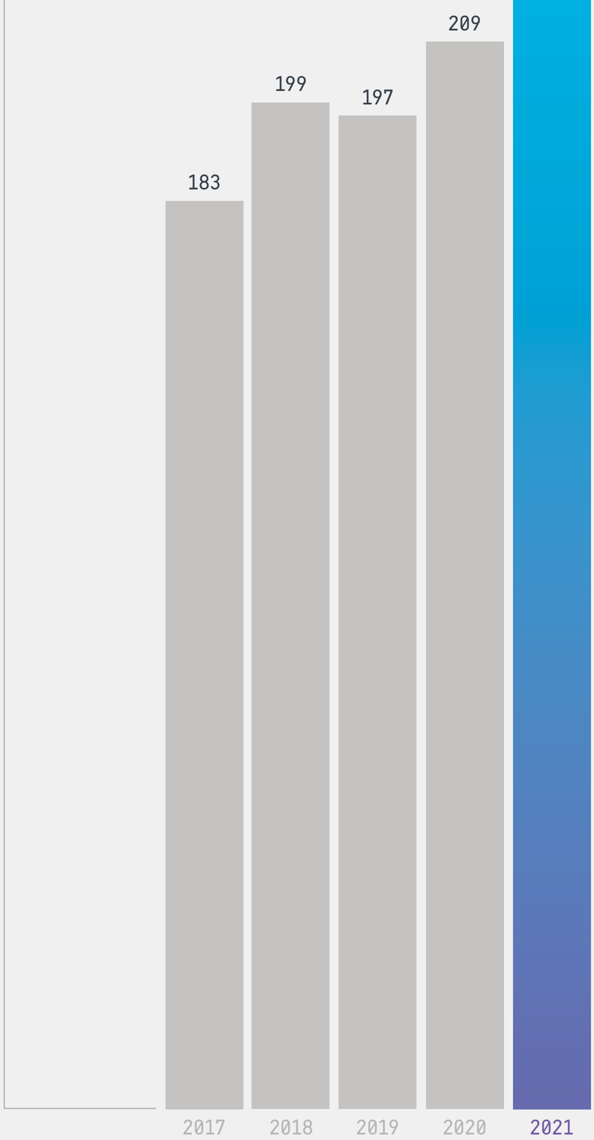
Profit before tax
Figures shown in £m



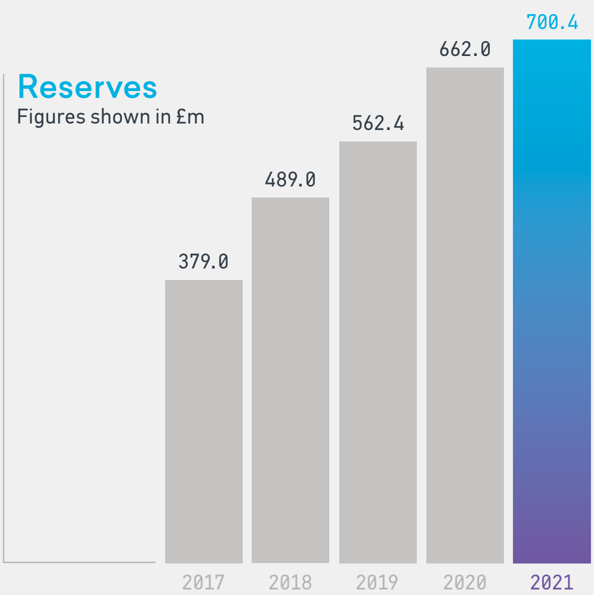
Fixed assets
Figures shown in £m



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



Reserves
Figures shown in £m



"As Places for People's newly appointed Chair, I am delighted to be part of a team with a strong purpose, a commitment to creating social impact, and the skills and resources to continue the successful development of the Group."

A message from our Chair

Richard Gregory

These qualities were what first attracted me to this role alongside the opportunity to continue the excellent work delivered by my predecessor, Chris Phillips. Having served many years on the board, Chris has overseen many progressive changes at Places for People, and I would like to thank him for his hard work, guidance and dedication.

I would also like to say thank you to non-executive directors Adam Cleal, Amjad Hussain, Tracey James and Liz Woolman who stepped down from the Group board in January 2021. Their contribution has helped to further strengthen our activities and create strong foundations for us to build on in the years ahead.

Improving board governance has been a key focus for the Group in recent months and this has led to a number of changes. We have reduced the size of the board and implemented a more simplified structure to drive efficiency, focus accountability on the Group board and ultimately, improve the quality of the service we provide to our customers.

Over the next 12 months, I will be working with the Group board to focus on several key areas as part of a long-term strategic approach.

Following the announcement that David Cowans will be retiring in March 2022, work is already underway to ensure a smooth and successful transition to a new Chief Executive. David has built a very strong executive team throughout the Group businesses and will leave an incredible legacy. Our priority is to make sure this remains in safe hands.

We will also be developing and strengthening the Group's core affordable housing offer, building on the successes of the past year. We will be keeping this momentum going while seeking to maximise the potential of the Group's complementary businesses, recognising the crucial contribution they all make to delivering our placemaking objectives.

As part of our wider strategy to improve governance, another important aim in the year ahead is to enhance accountability, not only to strengthen relationships with our customers but other stakeholders at board level and beyond.

The past year has seen us face a number of challenges and there are more on the way, driven by new statutory standards, higher benchmarks for building standards and fire safety, and the move to zero carbon. As a Group we have already put measures in place to address these changes. This work will continue to ensure we are well positioned for what lies ahead and that our customers benefit from the highest quality homes and neighbourhoods.

I would like to thank all our colleagues for their hard work and commitment over the past year especially with the unprecedented challenges of the Covid pandemic. As Places for People begins its next chapter, I am looking forward to working with people across the Group to build on our achievements in 2020/21 and contributing to the Group's future success.

Richard Gregory OBE
Group Chairman

Our achievements in 2020/21

911

affordable homes completed

2,186

homes built or acquired

More than

217,000

homes under management

£13.4m

invested in fire safety improvements

£117.1m

invested in repairs and capital improvements

£165m

created in social value through our Affordable Housing business (£127m), Places Leisure (£31m) and Developments business (£7m)

Over

700

house sales

Retained Investors in People Gold accreditation

New partnerships formed with Countryside and the National Grid, strengthening our placemaking capabilities and delivering a further

240 affordable homes

Over **65,000** customers contacted in lockdown through a newly formed Taskforce

14

leisure centres repurposed to benefit local communities during Covid-19

Widespread industry recognition for the Group's culture, placemaking abilities and social impact with a total of

25 awards

Strategic Report

Strategic Report

"As a Group, our focus is on creating and managing places, providing products and services to customers across the UK."

Group Chief Executive's statement

David Cowans

The pandemic has had a significant impact on our activities over the past year. From the shift to remote working and closure of parts of our business, through to socially-distanced home visits to ensure our customers' safety and wellbeing, there have been many changes across our operating environment.

I am incredibly proud of everyone who works here and how we have responded to these challenges. I would like to pay tribute to the resilience, energy, and dedication my colleagues have shown, which has enabled us to deliver positive outcomes for the Group, our customers and communities.

In the past year, the Places for People Group delivered a turnover of £816.5m and a profit before tax of £79.1m. We retained our G1/V1 status for governance and financial viability, the highest possible rating to be awarded by the Regulator of Social Housing.

We have also improved our operating model to drive further efficiencies and are proud to have retained our Investors in People Gold accreditation, which is testament to the strength of our People First approach.

The Group's strength and flexibility combined with our SPIRIT values and People First approach, have enabled us to respond quickly to unprecedented change.

Our colleagues have maintained vital services for customers and communities, continued to collaborate to create sustainable places, and supported each other to keep connected and motivated.

Our commitment to delivering social impact has also strengthened over the past year. The effects of the pandemic on our customers and wider communities have been significant, and we have responded in a variety of ways ranging from investment and grants through to volunteering and tailored support.

A key initiative was the formation of an Affordable Housing Customer Taskforce comprising 175 colleagues. This team ensured more than 65,000 customers were contacted during the lockdowns, helping to provide vital support and assistance.

The creation of more affordable homes across the UK has remained a key focus for the Group and we have kept construction on track throughout the pandemic. This has seen us build a total of 911 new affordable homes over the past year with a further 697 under construction.

We now have more than 217,000 homes under management and continue to progress our large-scale placemaking activities. Milestones have been reached across our developments and are set out in this report, along with details of new partnerships that will further bolster our pipeline across tenures.

Our existing homes continue to improve through significant investment. In total, we invested just over £117m in repairs and capital improvements in 2020/21. This included the delivery of a wide range of fire safety measures, which is ensuring we work to stay in step with future changes in legislation.

As a Group, we have learnt a lot from the pandemic, and this is putting us in a strong position for the year ahead.

We have identified opportunities for positive change, including new and more efficient ways of working that could further strengthen the Group. In my last year as Chief Executive, this will be a key focus along with our continued commitment to work to create and manage living places that are sustainable — economically, socially and environmentally.

David Cowans
Group Chief Executive

What we do

Places for People is a leading placemaker, focused on affordable housing.

The Group's placemaking, property investment, development, and management companies are active throughout the UK. Collectively, these companies have the expertise to create and manage entire places, considering all the things a place needs to become a sustainable community.

Our long-term ambition is to change the way places are designed, built and managed to create housing choices that improve people's lives. By taking a commercial approach to placemaking, we also deliver a positive impact on our communities.

Our mission is to create places that work for everyone.

Our values

Everything we do is underpinned by our SPIRIT values. These have been developed with our staff and are embedded in how the Places for People Group is managed and operated.

S — **Support**
Always there to help customers and colleagues

P — **Positive**
A 'can do' attitude; encouraging others to achieve

I — **Integrity**
Always delivering on promises; being open and honest

R — **Respect**
Treating people fairly and with understanding

I — **Innovative**
Open to new ideas; not afraid of failure

T — **Together**
Believing more can be achieved by working well with others

Our purpose is to create and manage living places that are sustainable – economically, socially and environmentally.

- To ensure places are economical, we create homes which are affordable for our customers at every stage of their housing journey.
- We maximise the social impact of our activities, and partner with others, to make a difference to local communities and our customers.
- Our assets are managed in a way that ensures they meet environmental standards and are fit for the future.

We recognise the significant social, economic and environmental issues faced by society and we position ourselves to respond to them through our diverse and complementary businesses. This approach is detailed in our latest environmental, social and governance (ESG) report **placesforpeople.co.uk/news/publications**

Our homes

Where we operate

Tornagrain
Inverness

Tornagrain is a new sustainable town, which builds on the architectural and planning traditions of the Highlands. In partnership with landowners Moray Estates, we are developing a mix of homes in a new community with village parks, tennis courts and allotments. The most recent phase comprises 97 homes across all tenures.

The Engine Yard
Edinburgh

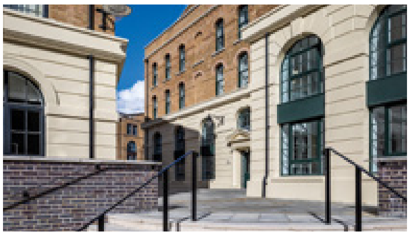
The Engine Yard, Leith Walk, follows the re-development of a former local authority brownfield site in Edinburgh. The ongoing regeneration of this significant city centre site is residential led featuring a total of 386 homes, 76 of which are for social rent, 150 for mid-market rent, three for private rental and 157 for market sale. The Engine Yard also has a Places Gym and a mix of commercial spaces.

Longniddry Village
East Lothian

Longniddry Village, East Lothian, is a community of up 500 homes developed in partnership with landowners Wemyss and March Estates. This new neighbourhood is our first foray into East Lothian, bringing sustainable new homes and designs inspired by local towns.

Chapelton
Aberdeenshire

Chapelton, Aberdeen, is a new sustainable town and community. The masterplan includes five neighbourhood centres, local shops, and close-knit neighbourhood squares. In partnership with the Duke of Fife, the Scottish Government, and Aberdeenshire Council, we will be delivering up to 8,000 homes across all tenures.



Poundbury
Dorset

Work continues at our Poundbury development in Dorset, the Duchy of Cornwall's urban extension to Dorchester. A total of 66 houses are currently being built, with the construction of a further 85 homes on the community's northern quadrant still to come. We have recently handed over the first affordable homes at Saltash Place with homes for sale due to be completed in summer 2021.

Woolmer Copse
Borden

This development in East Hampshire has, to date, comprised three phases and the final four homes will be completed in June 2021. Maple Fields will offer 60 homes for rent and shared ownership. A further phase of circa 90 homes for sale and rent is in the pipeline with a planning application due to be submitted in summer 2021.

Smith's Dock
North Tyneside

Work has continued at Smith's Dock, North Shields, where we have already delivered two phases of the development. We will work with North Tyneside Council to deliver the remaining phases and are currently assessing our options regarding future phases.

Port Loop
Birmingham

The transformation of Port Loop into a new family-focused waterside neighbourhood with Birmingham's first public park in 20 years continues. In total, 1,150 new homes will be created, along with commercial property and community facilities on the 43-acre site close to Birmingham city centre. A total of 77 new homes were delivered in phase one with construction of phase two now underway delivering a further 138 homes. Traditional and modern methods of construction will speed up delivery.

Gilston Park Estate
Hertfordshire

Our planning applications for up to 8,500 new homes and supporting infrastructure, including two new crossings over the River Stort to connect to Harlow New Town, are due to be considered at a planning committee later this year, or early next year. We will invest in the 'Harlow Investment Fund', partnering with Homes England and local councils to drive regeneration and economic growth in Harlow town centre.

East Wick and Sweetwater

London

In a joint venture with Balfour Beatty Investments, we will deliver circa 1,800 homes (including circa 550 affordable homes), community infrastructure, green spaces, business and creative space, leisure and community facilities at this development in London. Phase one will be complete in summer 2021 and phase two is due to start on site in summer 2022.

Egham

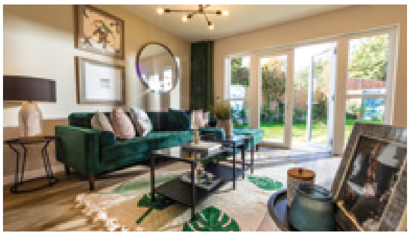
Runnymede

The first development delivered through our partnership with Runnymede Borough Council was Egham Leisure Centre. We are now 12 months into a major mixed-used development in Egham town centre, known as Egham Gateway West. This will deliver 101 apartments, purpose-built student accommodation, a boutique cinema and a number of retail units, all due for completion in early 2022.

Lower Herne

Kent

We have recently exchanged contracts on the first site to come forward at part of the Countryside Framework as signed in December 2020. This large site in Kent spans 44.3 Hectares (110 acres) and has outline planning permission for circa 800 new homes. An application for the approval of reserved matters for the first phase is due to be submitted imminently and new homes will be delivered from early 2023.



Carr Lodge

Doncaster

The second phase of the masterplan for Carr Lodge will see the delivery of 460 new homes. Working in partnership with the lead developer, we are delivering 197 affordable rent / shared ownership homes and a further 30 PRS apartments. The first homes have begun to be let to local families and our shared ownership homes are popular with first time buyers.

Seacroft Crescent

Leeds

Part of the Leeds Brownfield Development Programme, this site is providing 49 two and three bedroom houses for affordable rent and shared ownership, as part of the ongoing regeneration of this neighbourhood. A total of 33 affordable rent and 16 shared ownership homes will be delivered to provide affordable housing in this area.

Alaska Street

Blackburn

Working in partnership with the local authority, we have delivered 73 modular homes for affordable rent in Blackburn, including two, three and four-bedroom homes and two bungalows. Among them are four family homes with bespoke facilities, each created for people caring for severely physically disabled children. The project team adapted the layouts in conjunction with occupational therapists so that the families can live in fit-for-purpose homes.

Brooklands

Milton Keynes

A total of 1,500 homes have now been completed at Brooklands and a further 1,000 are expected to be completed by 2023. Brooklands Square, a development of 121 houses and apartments together with shops, a gym and a public square, was completed in summer 2020. The sales office relocated into the Square at the same time and all but one of the homes has been sold.

Walker Riverside

Newcastle

This development is part of the regeneration of the Walker Riverside area to the east of the city centre. It is providing new, affordable rent homes in partnership with Newcastle City Council. A total of 40 new homes on Chalfont Road were completed in 2019/20 and a further 36 homes were delivered at Wharrier Street in February 2021.

With a focus on affordable housing, we build a wide range of homes for people at every stage of their lives from students, first-time buyers, and young renters right through to those seeking to retire.

From small housing developments through to large-scale regeneration projects, we tailor our homes to the needs of the local area, take responsibility for our environmental impact, and put People First to build a sense of community.

Where possible, we take an infrastructure led approach to development. This means that prior to building new homes, we deliver the services and products needed to make a place thrive — whether those are new schools, shops, leisure facilities, and job opportunities or access to learning, training or specialist support services.

Industry recognition

The quality of our homes and approach to development has been recognised with a string of industry awards over the last financial year. We achieved more awards than any other housebuilder at the WhatHouse? Awards 2020, including the silver award for Best Large Housebuilder.

Our strategy

We use our assets and investment capacity to achieve the Group's purpose. How we deliver our strategy evolves over time as we seek to balance the different priorities of our stakeholders as well as the opportunities and risks which arise from changes in our external environment.

Each year, we assess how best to deploy our resources to create and manage living places that are sustainable — economically, socially and environmentally. This approach has shaped a strategy focused on four priorities:

1 Creating more affordable housing

Creating and maintaining high-quality homes, supported housing, and inclusive neighbourhoods where new and existing customers want to live, is at the heart of what we do. We deliver and manage good quality places, and create more and better affordable housing, providing value for money and a service that enables our customers to thrive.

2 Improving the quality of the service we provide

Over the past year, we have continued to increase levels of customer satisfaction and are always seeking to improve on our previous best. This is reflected in our rising net promoter scores and Trustpilot rating which has increased to four stars. We want to build on this success while continuing to roll out operating models, which identify and deploy the most consistent and efficient practices to manage the Group's activities. This process will ensure that everything we do is fit for the future and delivers what our customers want.

3 Improving the social impact we have on communities

We create social impact through our core work in creating thriving communities by providing specialist support to customers, running leisure facilities, building more affordable homes and providing employment or training opportunities. We also offer grants and volunteering to support charities.

We ensure our social value work addresses four customer priorities, including physical and mental wellbeing, economic and social opportunities, digital and financial inclusion, and sustainable and resilient communities. This work also enables us to meet a wide range of business objectives such as sustaining tenancies, reducing anti-social behaviour, improving neighbourhoods, and reducing voids.

4 Improving the quality of the assets we own

Over the last 50 years, the Group has grown its asset base to become one of the UK's largest housing providers. Over the last 20 years, we have expanded our offer to enable us to create mixed-tenure communities and satisfy housing need across a range of sectors.

In 2020/21, we invested a total of £117.1m in improving our existing homes. This included £61.4m in delivering reactive and responsive maintenance to our affordable homes, and £55.7m was spent on capital improvements, including enhancements to communal areas and open spaces.

Our future investment in affordable housing will be shaped by a number of factors. These include our customers' changing expectations as well as new statutory standards such as those outlined in the Social Housing White Paper, Building Safety Bill, and Fire Safety Order along with tightening energy efficiency requirements and Net Zero targets.

Taking all of these into account, we are identifying what long-term investment may be required to further improve and futureproof our homes as well as the additional services and support which may be needed to ensure our existing neighbourhoods are successful places.

We seek to ensure our non-affordable housing investments deliver annual rent growth, remain attractive to other investors, and contribute to the Group's wider placemaking ambitions.

Our approach

Collaborative working

We build strategic relationships with a range of partners, including developers, investors, local authorities, public sector bodies and community groups. By working collaboratively with likeminded partners, we develop placemaking solutions that are tailored to the specific needs of an area and offer opportunity and choice for the people that live and work there.

Our strategic partnerships and joint ventures are also enabling us to work on regeneration projects across the UK, helping to shape promising futures for constantly evolving communities.

Our People First approach

People First means that we put customers, colleagues and clients at the heart of everything we do. This has led to our people promise:

Places for People Group puts people first. We treat everyone honestly, courteously and fairly. We listen, we learn, we deliver.

This promise incorporates nine principles:

1. **We listen to people and treat everyone with respect and politeness.**
2. **We measure customer satisfaction and take action if we aren't doing as well as expected.**
3. **We use plain English in our letters, website and emails.**
4. **We give a main point of contact for questions or problems.**
5. **We provide services on the web and social media, and customers can get in touch by phone or writing if they prefer.**
6. **We will always try to give customers a choice of service, home and location.**
7. **We will have clear service standards and guidelines so we and our customers know what to expect.**
8. **We tell our customers what the charges they pay are for.**
9. **We have a clear complaints process and publish information about complaints (without using customers' names).**

Operating environment

One of the Group's main strengths is its ability to respond quickly to market changes. This has been particularly evident over the past year with the pandemic causing disruption in our markets and working practices.

We have continued to support our customers and colleagues, including adapting our services and the way we work to meet their changing needs. We have also closely monitored the impact of Covid-19 on the economy and the impact this could have on the Group.

We have prioritised effective cash management ensuring we are in a strong liquidity position. To minimise our exposure to shocks and changes in the housing for rent and sale markets, we have been analysing yield and sales values across the UK. We have reduced standing stock and prioritised the construction of affordable housing over other tenures to reduce our sales exposure.

We have also increased the proportion of affordable housing we develop as part of our strategic partnership with Homes England.

If there is a substantial drop in the sales market, the Group is well positioned to change the tenure of new housing to market rent to protect revenue. Unlike many other large developers, we have a significant private rental business, which can manage and market these properties, enabling us to weather difficult economic conditions.

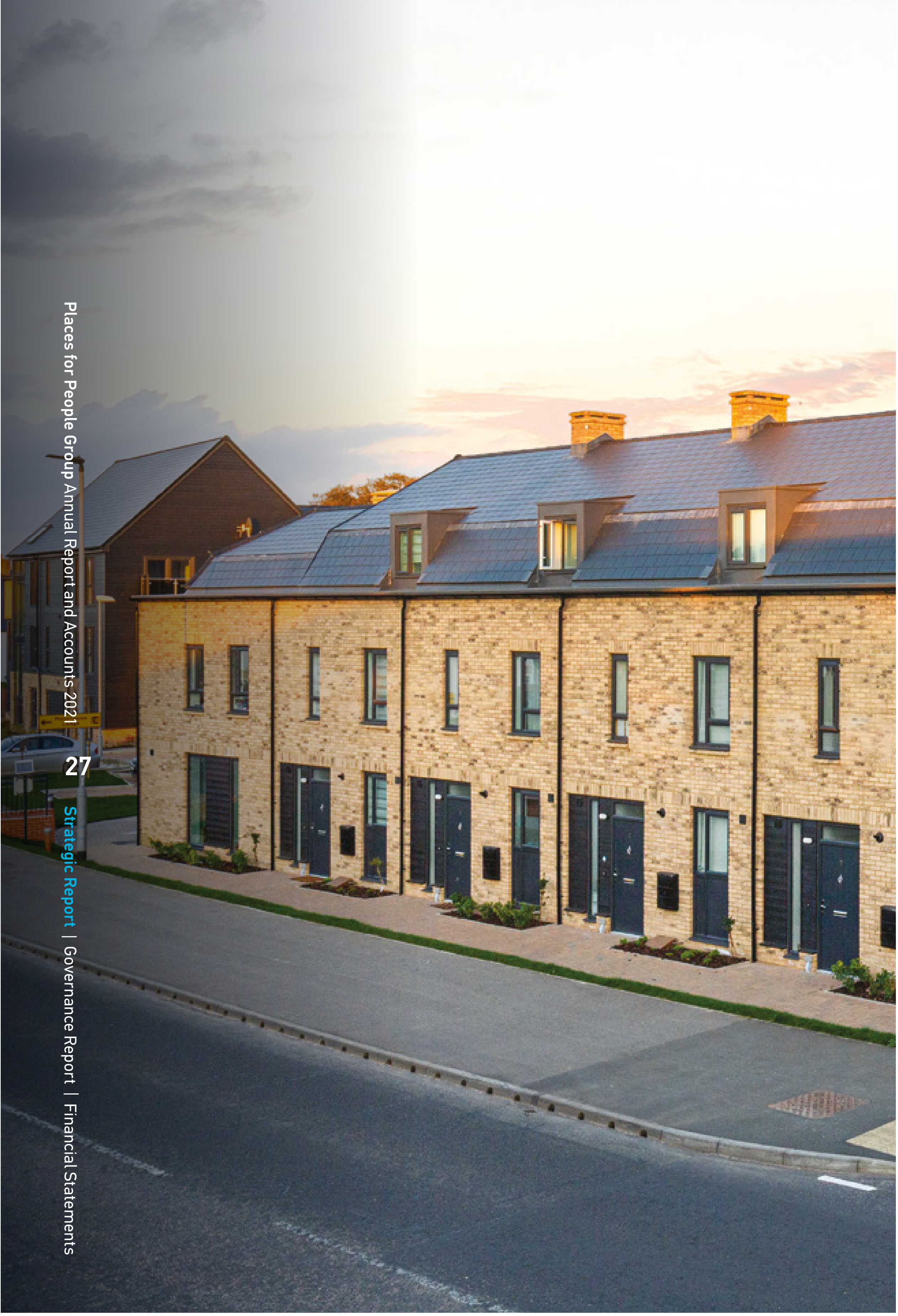
The management of affordable housing remains commercially sustainable. We are seeking to grow our portfolio nationally and across different local authority areas.

We will continue to identify opportunities to work with partners to provide management services and where appropriate, will engage with others to merge and improve the quality of service.

In response to the economic impacts of the Brexit trade deal and the pandemic, we are monitoring the economic, social and market uncertainty as the UK begins to recover in a more stable environment.

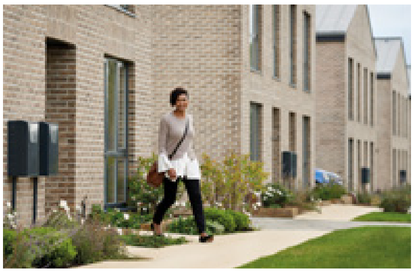
This section reports on the work we have done across all business areas over the past year. We have delivered a range of activities across the Group, which have had a positive impact on our colleagues, customers and the places we are creating and managing.

Due to the pandemic, we have also had to adapt along the way with new initiatives to help us overcome challenges and meet our customers' and colleagues' changing needs.



Creating and maintaining sustainable places

Across the Group, we built or acquired a total of 2,186 homes across all tenures in 2020/21 and started to construct a further 870. As well as building more homes, we achieved 712 sales by the end of the financial year.



Creating more affordable housing

We continued to focus our development activity on delivering more affordable homes across the UK, building a total of 911 by the end of March 2021 and starting the construction of an additional 697.

We are one of eight strategic partners working with Homes England, which will provide £74m of social housing grant over three years to enable us to deliver 2,600 affordable homes by March 2022.

Since being appointed in 2018/19, we have agreed terms, or secured preferred partner status, for a pipeline of 2,257 homes. By the end of March 2021, we had completed the construction of 780 affordable homes and started to build a further 1,062 as part of our strategic partnership.

Placemaking in partnership

In December 2020, we announced a national framework agreement with Countryside Properties plc to accelerate the delivery of mixed-tenure developments. It is anticipated that up to 10,000 homes will be created over the next 10 years right across the UK.

The first project to be progressed under the framework is in Lower Herne village, helping to create a thriving new community in Kent. The plans comprise 800 new homes, including 240 affordable properties for rental and shared ownership, together with community facilities, new parkland and allotments on the site of a former farm.

National Places LLP, our joint venture with National Grid Property Holdings Ltd, has made good progress over the past year. A planning application has been submitted for its first development in Stony Stratford, Milton Keynes, which is proposing 24 new homes, around a third of which will be affordable. A further four developments are in the pipeline. Up to 40 surplus sites currently within the ownership of National Grid, will be transformed by the joint venture.

Specialist supported living

We provide and manage supported housing for vulnerable people, helping them to live more independently and play a positive role in their community. In 2020/21, we invested £8.1m in purchasing new specialist-supported housing accommodation, providing 54 homes for people with complex needs and profound disabilities.

We also completed the construction of a development in Grimsby providing 60 'extra care' homes.

Improving the quality of the assets we own

In 2020/21, we invested a total of £117.1m in improving our homes. This included £61.4m on reactive and responsive maintenance to our affordable homes and £55.7m on capital improvements, including new kitchens, bathrooms and windows as well as enhancements to communal areas and open spaces to make places both safe and attractive.

As part of our response to rising Covid-19 infections, especially among our older and more vulnerable customers and colleagues, we stopped all but emergency repairs in our customers' homes during the height of the pandemic. As restrictions began to ease, we focused on returning services to normal as quickly as possible and clearing any backlog of repairs.

By the end of the year, 190,000 repairs had been carried out, of which 85,000 were emergency, and 98.3 per cent were completed within our target time.

Maintaining compliance

Statutory gas, fire, asbestos, electrical, legionella and lift safety checks were carried out throughout the financial year and in line with government guidance and legislation.

By the end of March 2021, gas compliance was at 99.94 per cent with just a small number of properties recorded as 'no access' due to reasons relating specifically to Covid-19 such as customers self-isolating.

To keep compliance levels on track, we proactively engaged with customers to re-book appointments to attend when safe to do so, and assured them of the safety measures our operatives would deploy when attending a service.

Electrical compliance at year end was 98.42 per cent. Compliance performance remained stable throughout the year at levels of around 98 per cent.

Customer and colleague safety

To protect customers and colleagues when working in people's homes, we developed safe systems of working, including social distancing, PPE and hygiene measures. These systems have been continually reviewed and updated in line with government guidance.

Ahead of delivering compliance checks, we ensured our customers were made aware of our safe systems of working through flyers, letter drops and notices on our customer website.

We also developed an intranet page for colleagues to help them quickly and easily signpost customers to foodbanks, helplines, and other key organisations.

Stringent planning

At the beginning of the pandemic, we formed a Covid-19 Working Group which met daily to plan our response, including our approach to wellbeing, customer service, resources, facilities management, PPE, health and safety, IT and communications.

We also developed an online dashboard which sourced data from across our Affordable Housing business enabling us to effectively and quickly monitor information relating to income recovery, lettings, compliance, repairs, customer centres and neighbourhoods, ensuring a co-ordinated response by all teams.

When restrictions began to ease in the summer, we held 're-start and recovery' planning meetings to evolve our response.

Sustaining tenancies

The sustainability of our places is, in part, linked to how people can afford to live in them. We set suitable rents, but when customers struggle, we try hard to sustain their tenancies by engaging with those who fall into rent arrears and supporting them through periods of difficulty.

Throughout the year, we assisted 3,342 customers with money advice generating £3.9m in additional income for our customers. We also ensured that vulnerable people, including those who were fleeing domestic abuse, were provided with suitable housing throughout Covid-19.

At the end of the financial year, there were 670 unoccupied homes in our portfolio. This number peaked at 1,410 and then steadily recovered following the resumption in lettings in mid-May 2020.

At the peak of the pandemic, the percentage of rent lost through empty homes was 1.86 per cent. This number steadily decreased throughout the rest of the year to 1.57 per cent compared to 1.34 per cent in 2019/20.

There was a minimal rise in average rent arrears for our affordable housing customers, which increased slightly by 0.64 per cent compared to last year. This was in line with our expectations due to the impact of the pandemic.

Digital lettings

We quickly moved to remote viewings and digital sign ups to maintain lettings. This enabled more than 2,800 customers to move home by the end of the financial year, despite the challenges of the pandemic.

Investing in fire safety

It is our priority to ensure the highest standards of fire safety are implemented consistently throughout the Group. We have continued to respond to the recommendations in Dame Judith Hackitt's Building a Safer Future report and over the past year, this has seen us invest £13.4m in a wide range of fire safety measures and improvements, we plan to spend £16.6m in the coming year.

We have taken a pro-active approach on risk assessing our high rise buildings and do not have any buildings with ACM cladding. In addition, we have continued with our phased programme of external wall assessments of 46 buildings that are six storeys and above where we own the freehold, and this work will be complete in 2022/23.

So far 11 buildings have been identified as requiring remedial works to the façade, for example timber cladding removal, and the works have either been completed or are included in our capital investment programme. We have also increased our survey programme to include buildings that are 3, 4 & 5 storeys and have categorised these as being low, medium and high risk so where necessary we can plan remedial works.

As part of our enhanced fire safety measures we have retro-fitted new sprinkler systems in 15 of our 46 taller buildings, and a further 15 are scheduled for completion in 2022/23. The remaining 16 do not require enhanced measures as they are of traditional construction, however these will be closely monitored within our fire risk assessment programme

Fire risk assessments

We have established a process which sees fire risk assessments delivered every one, two or three years depending on the level of risk, ensuring a holistic approach that considers the whole building in addition to cladding. These assessments will ensure we meet fire safety regulation now and in the future, keeping our customers safe. Compartmentation is a key part of the fire risk assessment process and we have made a number of improvements to prevent the spread of smoke and fire over the last year, including the replacement of fire doors.

Building a safer future

In July 2020, we submitted our response to the consultation on the Government's Draft Building Safety Bill and continue to proactively respond to the Social Housing White Paper and Fire Safety Bill.

In 2021/22, we are planning to increase our total investment in repairs and capital improvements by 10 per cent, including further measures to enhance fire safety.

In December 2020, the Group became one of the first registered signatories of the 'Building a Safer Future Charter' (BSF). The aim of the Charter is to bring about cultural change, including new practices, and to help regain public trust in the safety of buildings. During the next financial year, we will seek to obtain 'Building Safety First' status by having our health and safety processes checked and evaluated by BSF to demonstrate we have a strong health and safety culture.

Maximising the potential of our assets

We recognise that changes in market demand will affect the long-term viability of our homes, so we have also been targeting investment to make the best use of our assets. This includes repurposing homes and developments to ensure they are more tailored to local needs.

One example of this approach can be seen at Crown Gardens. Working with Huntingdonshire District Council and following consultation with local stakeholders, Crown Gardens has been changed from a sheltered housing scheme for the over 55s into temporary accommodation for homeless families and single people.

The property was modified to meet the needs of its new residents providing much needed accommodation to 22 households. All apartments are self-contained, fully furnished, and range from three-bedroom homes to bedsits.

Improving housing management

Following our agreement with Sage Housing in 2019, we secured 1,360 new homes into management on behalf of the registered affordable housing provider in 2020/21. With a total of 2,580 homes now under management and an ambitious five-year pipeline of 20,000 new homes, this is a growing opportunity for Places for People. By working with other housing providers to deliver affordable property and tenancy management services nationally, we can further improve the Group's efficiency.

A flexible workforce

To meet the needs of both our colleagues and customers, we adopted a flexible and holistic approach to maintenance and capital improvements. For example, those colleagues who were concerned about working in occupied homes focused on empty properties instead. Some colleagues who were not needed for repairs, helped to refurbish empty homes to make them ready for letting while others assisted with the delivery of PPE.

We shared insight and knowledge across our teams to increase access for gas servicing appointments, and those colleagues who were working on emergency repairs also provided feedback on vulnerable customers.

Improving the social impact we have on people and communities

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Over the past year, we helped 9,000 people who were homeless or at risk of being homeless, created more than 7,000 opportunities for young people, supported 1,700 people into education, employment or training, enabled 1,223 customers to get online or use the internet, provided money advice to 3,342 people, and 20,900 people have been supported by Covid-19 emergency response projects.

In a difficult year, delivering social impact has never been so important. The pandemic has had a huge impact on our customers and wider communities, and we have worked hard to respond providing support across a wide range of areas.

Our social value activities are delivered by Places Impact, a Group function that works with all our businesses to maximise the positive difference we create from our work. This includes managing The Places Foundation, which is an independent charitable organisation supported by the Group.

Our Affordable Housing business delivered a social value of £127m in 2020/21 and despite the challenges of Covid-19, our leisure business delivered £31m in social value for local communities.

Tailored support for vulnerable customers

When the pandemic hit, we set up an Affordable Housing Customer Taskforce within a week of the first lockdown being announced. This comprised 175 colleagues, including those whose roles had been reduced because of the pandemic and volunteers from across the Group.

The Taskforce was responsible for calling each customer to establish information about their welfare and what support may be required.

We also formed a dedicated support team as well as a response team to follow up these calls depending on what level of help was needed. The support team made further calls to provide customers with more detailed information and advice, including signposting to external organisations that could support them.

By March 2021, the Taskforce had made a total of 65,358 calls throughout the lockdowns, ensuring thousands of vulnerable and isolated people had access to financial aid, food supplies, medical support, and someone to talk to helping to prevent loneliness.

Importantly, the process has also allowed us to capture further information around customers' vulnerabilities, particularly in terms of more general needs, which is helping us to tailor our services even more effectively.

The success of the Taskforce is reflected in the positive feedback we have received, with many customers thanking us for going above and beyond, and making what was a particularly tough time, that bit easier. The Taskforce's achievements were also recognised with a silver award in the 'Best Customer Contact Strategy in a Crisis' category at the 2020 Engage Awards.

Responding to homelessness

Our property management business, Residential Management Group (RMG), has provided Westminster City Council with a full Housing Solutions Service since 2001. It is the only fully integrated housing solutions service provided by a private sector company for a local authority.

The Housing Solutions Services supported three projects aimed at keeping rough sleepers safe. These include a pilot called 'Stepping Stone', linking European Economic Area (EEA) nationals to employment and accommodation; providing accommodation from the private rented sector; and assisting those with complex needs into semi-supported accommodation pathways.

This work helped 20 EEA nationals into employment, with 17 individuals successfully moving into a new tenancy. More than 30 rough sleepers were provided with private rented accommodation and 41 individuals with complex cases were successfully placed in RMG's Single Persons Homeless Pathway.

In 2020/21, the Places Foundation grant to Doorways Derby enabled the charity to deliver over 5,000 hot meals to rough sleepers as well as 120 food parcels to families. A foodbank has also been set up to support people whose incomes have been affected by the pandemic.

Castle Rock Edinvar (CRE) has strengthened its relationship with Edinburgh charity, Fresh Start, which helps people who have been homeless to set up in their new homes and settle in their community. Colleagues, who were unable to carry out their normal role during the lockdowns, supported the charity with deliveries of emergency packs of essential food, toiletries and cleaning products across North Edinburgh to over 350 households.

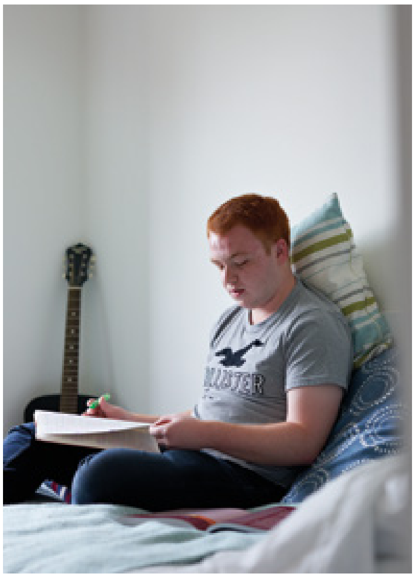
We also supported the development of a community pantry in North Edinburgh with a £10,000 grant. It opened in June 2020 offering low-cost food for 150 members and supplying emergency packs to 450 households.

Supporting young people

Working in partnership with Salford City Council, Living Plus transformed unused office space into self-contained flats for young people aged 16 and over, providing temporary accommodation, respite, and access to professional support. The scheme has been designed to support Route29 — a service preventing young people from being placed in children's homes out of the area.

Completed in November 2020, the flats are modern, light and spacious with their own kitchen, living area, bathroom and bedroom.

The new development means that young people have the option to stay in the flats on a temporary basis for up to 12 weeks, depending on their needs. They can also get access to professional support during the day via the Route29 hub, which is located nearby.



Tackling digital exclusion

A new initiative has enabled some of our most vulnerable customers to get online for services such as Universal Credit and job applications. WIFI has been connected in more than 40 sites and over 220 re-purposed iPads have been provided. Amazon Alexa devices are also being installed.

Old IT equipment has been repurposed and donated to community partners that support our customers. More than 285 iPads have been provided helping people to access job opportunities and training, learn new skills and keep connected.

Some devices have gone to communities surrounding East Wick and Sweetwater, a development we are delivering in partnership with Balfour Beatty Investments on the Queen Elizabeth Olympic Park in East London.

Improving skills and prospects

We are a partner in the Building Better Opportunities project in Lancashire, which provides intensive support to help vulnerable customers improve their confidence, skills and employment prospects. Over 400 positive outcomes have been achieved for economically inactive or unemployed people, including employment, training and volunteering opportunities. The project's success helped to secure an additional £370,000, which will extend it until 2022.

In November 2020, we supported budding entrepreneurs in Milton Keynes with the Pop-Up Business School. We provided funding towards the free online courses that formed part of the initiative. Attendees could also access advice from successful entrepreneurs and business professionals on topics including online marketing, building confidence and legal advice.

Community Investment Fund

Our Community Investment Fund invests in activities in areas where we own or manage affordable housing. The aim is to meet the needs of customers and businesses, addressing issues such as training, unemployment, anti-social behaviour, wellbeing, and sustaining tenancies.

Throughout the year, this fund has made a huge difference to the lives of our customers and the local communities we work in. Over 9,000 people benefited from emergency grants from this fund and a social value levy pot. In areas where there were high levels of need, a further 26 foodbanks received further support from these funds.

We carried out a national survey of all our affordable and supported housing customers to benchmark them against the Wellbeing Dashboard from the Office of National Statistics and identify future priorities for our Community Investment Fund. We received over 10,000 responses from customers and will be involving them in the decision-making process for new projects.

£200,000

Shaping services in a crisis

During the second lockdown and based on our customers' feedback, we worked with our partners to help them evolve and expand their services in response to the pandemic.

For example, Shape Lancashire, which is funded by our Community Investment Fund, launched a telephone befriending service called LINC LINE. It aims to support up to 400 customers with weekly calls to address loneliness and provide advice, which is tailored to each customer.

The service can be accessed either via referrals from colleagues, or self-referral by contacting LINC LINE directly via email, phone or text.

In 2020, we provided additional funding to enable the project to scale up and support our affordable housing customers across the UK.

Supporting social ventures

Building on a long-standing relationship with Big Issue Invest, Places Impact provided further investment to support the Power Up Scotland programme. The initiative brings together the private, public and third sectors to support early-stage social enterprises through investment, mentorship and pro-bono support.

Over the past year, we have invested a further £200,000 into Power Up Scotland, which has helped several social ventures to collectively respond to the Covid-19 crisis by providing meals to high-risk individuals, supporting disabled people, and providing accommodation to those who were experiencing homelessness.

Places Leisure adapted its Places Locker App with the addition of a Virtual Studio, including on demand and live stream workouts. This proved to be a highly effective tool throughout the lockdowns. A total of 6,000 classes were delivered free of charge every week, resulting in 4,000 downloads each month and more than one million views.

Donating to local communities

After more than 100 Places Leisure venues were forced to close due to lockdown restrictions, Places Leisure donated their stocks of fresh food and drink to the value of circa £25,000 to local foodbanks. They also donated PPE and cleaning products to the NHS including overshoes, gloves and hand sanitiser.
In addition, 121 Places Leisure colleagues volunteered their services to support a local volunteer hub in Kingston upon Thames.

Award-winning initiatives

Award-winning initiatives

The Group was the joint winner of the Proud to Help category at the Building Awards 2020 in recognition of the work we have done to support customers and communities during Covid-19. We were also joint winners of the inaugural Social Impact Award at the Property Awards 2020.

In September 2020, Derwent Living's Virtual Places project, which was funded by The Places Foundation and rolled out in 2019, was crowned the Community Focused Service of the Year.

Investing in our colleagues

People First

To communicate the principles of our People First approach, we have rolled out virtual workshops accredited by the Institute of Customer Service (ICS).

There have been more than 6,000 sign ups over the past year and the training has been awarded the ICS Training Marque, leading to over 900 certificates being issued.

Equal opportunities

Our recruitment policies and practices promote equal opportunities and ensure selection is based on talent and merit. Our Early Careers initiatives, including our Emerging Talent and Kickstart Programme, have built-in open and fair recruitment.

We have also helped to co-create a housing sector specific programme for people from black and minority ethnic backgrounds to build diverse talent across the industry and a pipeline of future leaders.

Bringing people together

When the pandemic hit, our People First approach helped to minimise the impact on our colleagues' wellbeing. Just one week after the first lockdown, we launched 'Together', using our intranet and Microsoft Teams. This initiative kept colleagues connected while everyone was working remotely and enabled them to benefit from a wide range of resources.

Feedback on Together has been overwhelmingly positive. The initiative has been so successful that we are adopting it for the long term to continue to improve engagement and wellbeing after the pandemic has ended.

During its first year, Together resulted in more than 900 colleagues proactively joining the Together team on Teams, 3,700 colleagues' posts, replies, @mentions and reactions across the Together team, 2,450 views of the Together microsite and 60 Together news articles published with 6,600 views.

Nurturing talent

In September 2020, a second cohort of 22 participants joined our Emerging Talent programme, which we re-designed for virtual learning. The Emerging Talent programme is designed as a structured two-year placement, enabling participants to work across the Group within their chosen discipline in line with set objectives.

Our Early Talent team co-ordinated the Group's bid to participate in the new Government Kickstart Scheme, intended to provide 16 – 24-year-olds on Universal Credit with a paid six-month work placement. Over 40 opportunities have been identified across the Group and individuals started their new roles in January 2021.

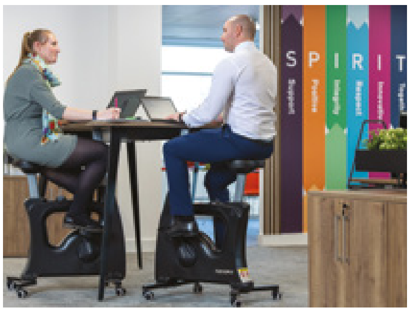
Throughout the year, we have continued to strengthen our apprenticeship offering. By March 2021, our levy use since its launch in April 2017 was 67 per cent compared to a national average of 22 per cent (FE Week).

New ways of working

The pandemic has provided us with an opportunity to learn valuable lessons which could strengthen the way the Group operates in the future. Our aim is to promote work and home life balance while making our workplaces more agile and flexible, so we can maximise innovation, creativity and productivity, and make more efficient use of our places.

Learning opportunities

Following the launch of the Places Academy in March 2020, we have rolled out learning events to engage colleagues and bring people together, supporting collaboration at a time when many people felt disconnected. These have included Digital Skills Weeks, and opportunities to learn about topics including inclusion and belonging, wellbeing and resilience.



Safeguarding colleagues

As part of our recovery strategy, we launched a vulnerability survey which captured vital data to equip business leads and line managers with the tools to safeguard colleagues when returning to work. Return to the workplace guides for colleagues and managers were also put in place.

In January 2021, we introduced an externally operated confidential reporting line and a new Respect Ambassador role to support colleagues in raising any concerns.

Mental health

We have trained over 100 Mental Health First Aiders across the Group. Mental health related absence has gradually declined since December 2019 and accounted for 23 per cent of all time lost due to absence. This is below our target of 26 per cent and compares favourably with recent research (NHS Digital, 2020).

Inclusion and belonging

The Group values diversity and in 2020, we introduced our colleague-led Inclusion and Belonging Working Group. Participants have been working collaboratively to introduce policies, events and activities that grow diversity and build inclusion. Our inclusion and belonging strategy aims to:

- build a culture where everyone feels they can belong and thrive, and are respected and treated fairly
- create a workforce with people from all walks of life reflecting our customers and society.

The Group gives full and fair consideration to employment applications made by disabled persons having regard to their particular aptitudes and abilities. Recognising the benefits of a diverse workforce, the Group makes appropriate efforts to continue employing and providing training, as required, to employees who become disabled during their employment.

Key statistics

Our people

At 31 March 2021, the Group employed 9,994 colleagues (5,730 FTE); 5,895 (1,901 FTE) of them are in the Places Leisure business. After Places Leisure, the next biggest employer is our Affordable Housing business with 2,186 colleagues, followed by RMG with 561 colleagues and our Development business which comprises 282 colleagues.

Female colleagues account for 56 per cent of our workforce. The average age of colleagues varies across the Group. Places Leisure has a younger cohort with 37 per cent under 25 years of age. Around 6.8 per cent of our colleagues are from black and minority ethnic backgrounds and approximately 1.7 per cent have a disability.

Turnover and absence

Our current turnover rate (voluntary) is 11.2 per cent. The national average for large organisations is 10.9 per cent (11.9 per cent median) (XpertHR 2020).

Employee absence was 3.3 per cent over the past year, which is in line with national averages. The XpertHR 2020 absence rates research states the national average for large organisations is 3.5 per cent (3.3 per cent median).

Initially, the Government predicted that 20 per cent of employees could be absent due to Covid-19, however the Group's sickness absence was well below that. Our peak was just above six per cent during the pandemic's early days and prior to easy access to testing. For the majority of the year, absence was below four per cent.

Gender pay gap

During the year, we published our Gender Pay Gap report as at April 2020. This showed that the Group's headline mean hourly pay gap was 9.3 per cent (previous year 1.6 per cent) and our median hourly pay gap was -8.3 per cent (previous year -7.1 per cent). The impact of colleagues on furlough due to the pandemic has been marked, with far fewer colleagues being included in the calculations for the hourly pay gap, resulting in figures which are not comparable with previous years' reports.

Further information can be found at **www.placesforpeople.co.uk/news/all-news/2021/03/gender-pay-gap-report-2020**

We have rebuilt our Gender Action Plan to drive positive change in female representation in our business.

Continuous improvement

To monitor customer satisfaction and the effectiveness of People First, we analyse colleague feedback and use data from the Net Promoter Score, Trustpilot, and the ICS. We also make sure our customers' voice is heard by involving them in the design of products and services, ensuring we can meet their needs now and in the future.

A great place to work

In April 2020, we were formally recognised as a Great Place to Work in the Super Large category after taking part in the listing for the first time. We were ranked 29th, positioning us alongside big corporate players such as Mars UK and Cisco UK based on our strong levels of employee engagement and culture.

In July 2020, we were recognised as a Best UK Workplace for Women, demonstrating our commitment to promoting gender inclusion across the Group.

We participated in the Investors in People assessment in October 2020. More than 100 colleagues were interviewed by the Investors in People assessor. In mid-October it was confirmed that we had retained our Gold status.

Winning awards

Our in-house marketing team has played a key role in promoting People First internally and their skills were recognised at the BOC International Brilliance Awards 2020. In the Internal Communications Team of the Year category, we achieved the silver award, and won gold in the Best Marketing / PR Team of the Year category.

Minimising our environmental impact

Across the Group, we are reducing our environmental footprint and forming new partnerships to find technologies that can help address climate change.

Our approved environmental strategy has been developed in line with the United Nations Sustainable Development Goals relevant to our Group. It is based on a series of practical ambitions affecting both our new and existing properties.

By taking action now, we are aiming to minimise the Group's environmental impacts, avoid the risk of costly remediation, futureproof our assets and contribute to a cultural change across the housing sector.

Key statistics

Energy:

- We have retained ISO 140001 and 50001 for Touchstone and Derwent FM.
- Solar panels at one of our offices in Preston have produced 36,860 kWh of electricity in 2020.

Waste:

- Our corporate offices have diverted over 95 per cent of waste from landfill, an increase from 86 per cent in 2019/20.
- Our property maintenance team has diverted over 95 per cent of all waste from landfill, equal to more than 2,054 tonnes.
- Our property maintenance team has recycled 100 per cent of electrical and electronic equipment (WEEE) and diverted 100 per cent WEEE waste from landfill in 2020.
- Our landscapes team has diverted over 95 per cent of waste from landfill, equal to more than 1,365 tonnes.

EPC assessments

We are putting measures in place to ensure our existing homes meet EPC band C in England and EPC band B in Scotland within the next 10 years.

To enable us to plan effective retrofit programmes that reduce carbon emissions, we have carried out EPC assessments to get a baseline view of our existing homes. These indicate that over two thirds are already EPC band C or above in England and around a fifth are already EPC band B or above in Scotland.

Despite the pandemic, we have invested over £8.9m in energy efficiency upgrades to our affordable housing stock over the past year. We have installed more efficient boilers into 1,738 homes and more efficient windows are in place in 124 properties.

Cavity wall and loft insulation

We have partnered with the Warmfront Team, one of the UK's largest providers of home energy efficiency surveys, to a deliver cavity wall and loft insulation programme for affordable homes in our portfolio. This has resulted in new cavity wall insulation being installed in 2,891 homes. More than £4.1m of funding has been used to deliver the programme, which has resulted in a carbon saving of 58,588 tonnes.

Saving CO2

Our 2020/21 energy efficiency programme at Astley Village has seen £720,000 invested in our properties, resulting in a yearly CO2 saving of 75,832 kg with an overall energy saving of 16 per cent. This results in an average increased SAP rating of nine points, and for an average customer, a £211 saving on their energy bills.

Reducing carbon

Since 2019, the Group's Procurement Hub has removed more carbon than it emitted, achieving a carbon negative business goal. We offset our usage by purchasing carbon emissions reduction certificates. We are also supporting tree planting across the UK, which has enabled us to offset 15 tCO2e, and have continued to monitor our procurement supply chains to reduce the amount of plastic we use.

We are also piloting Switchee, a new type of thermostat which will allow us to better communicate with our customers and gain an insight into the performance of our homes using a variety of metrics. Switchee can also analyse heating patterns and reduce heating demand, saving our customers money on their energy bills. The pilot's first phase will see 150 devices fitted in homes around the North West.

Collaborative solutions

We have continued to work with partners and likeminded organisations to carry out research, share best practice, and identify the technologies that can help us meet zero carbon targets.

For example, the Group is taking part in the European SHIFFT programme. The project's objective is to lower carbon emissions by 3845 tonnes of carbon dioxide equivalent (tCO2e) per year by reducing the use of fossil fuels in the heating of existing household and community buildings. One of our pilot sites is Leeway Refuge in Norwich. We have begun to install solar panels on the roof, upgrade the heat metering system and implement remote energy monitoring.

The overarching project seeks to reduce carbon emissions by 3845 tonnes of carbon dioxide equivalent (tCO2e) per year.

£720,000

Flood resilience

We have selected 15,000 homes for a pilot project with Previsico. This will trial surface water flooding alerts, which give up to 48-hours notice of any risk. The aim is to test the accuracy of these alerts and our pre-flood response framework.

15,000 homes for Previsico

Reducing waste

Places Leisure has continued to take part in the Refill Campaign along with John Lewis, Costa and Morrisons. This encourages customers to top up their water bottles for free, reducing plastic waste. Places Leisure has also pledged to recycle up to 4.5 million coffee cups by 2023 by introducing 100 per cent compostable cups and straws.

Hope Social Enterprises reduces the amount of waste going to landfill by upcycling and selling pre-owned furniture. In 2020/2021, 427 customers used the service to buy good quality, affordable household items to help furnish their homes.

In Bristol, we relocated an office, which involved clearing the former space and refurbishing the new accommodation. To minimise waste, internal partitions, doors, ceilings and the kitchen in the new office were retained. In addition, 168 items were reused, which saved 30 cubic metres of landfill and around £34,280 in costs.

Thought leadership

To help share knowledge and shape best practice, Group Chief Executive, David Cowans has joined the Editorial Board of 'unlock net zero', a new knowledge portal designed to inform, educate, and connect people and organisations involved in moving to a net zero emissions future.

The Group has also become a member of the UK Green Building Council (UKGBC) a charity aimed at improving sustainability in the built environment and connecting organisations across the building industry.

Our operating business areas

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Affordable housing

We build, purchase and manage affordable and supported housing to suit all kinds of people. Our focus is on creating inclusive neighbourhoods and communities where people want to live, stay and thrive.

There are six affordable housing providers in the Group — Places for People Homes, Cotman Housing Association, Derwent Living, Castle Rock Edinvar Housing Association, Chorus Homes, and Places for People Living Plus — our specialist supported housing business.

Collectively, these companies own or manage more than 77,000 affordable rented homes.

Places for People

Cotman
Part of Places for People

Derwent living
Part of Places for People

Castle Rock Edinvar
Housing Association
Part of Places for People

Chorus Homes
Part of Places for People

Living Plus
Part of Places for People

New homes for vulnerable customers

We have continued to create new affordable homes, including specialist accommodation for vulnerable customers.

In October 2020, we completed the construction of Burchester Court in Grimsby, a new £10.3m development comprising 60 extra care apartments with 24-hour care and support on site. In addition to new homes, Burchester Court features a café, hair and beauty salon, and lounges and gardens ensuring customers feel part of a community. The development is already fully occupied.

In Romsey, Hampshire, Nightingale Lodge remains on track for completion in 2021. This extra care scheme will offer new homes for the over 55s and is aimed at people who have either existing care or support needs, or who anticipate needing support in the near future. The project is being delivered in partnership with Test Valley Borough Council and Hampshire County Council.

The development offers 54 modern apartments, with a private balcony or outside terrace, available to buy or for affordable rent.

We have also purchased 20 properties over the past year providing a further 54 homes for people with severe disabilities or specialist care and support needs.

Boosting efficiencies

We have continued to embed a new operating model to unify our six affordable housing providers. This model brings together common processes, procedures and systems to standardise the way we work, improve efficiencies and drive collaboration. The pandemic has underlined the importance and value of this new approach, which ultimately, will enable us to offer the highest level of service for customers at the best value for money.

Listening to our customers' voice

We strive to make a difference by listening to our customers and communities. This enables us to benefit from a thorough understanding of what our customers value, how we can meet their aspirations, and ultimately, deliver the highest levels of satisfaction.

The importance of listening to customers was underlined in the Social Housing White Paper. Published in November 2020, this stated that residents should expect to have their voices heard. We continuously improve how we listen to, and connect with, our customers to understand their challenges and address these through direct and tailored support.

Our focus on the customer voice has seen our National Customer Group expand and strengthen over the past year. Customer representatives from all our affordable housing providers are now involved ensuring we can hear a range of different voices.

Meetings have taken place online throughout the pandemic providing customers with the opportunity to influence how we deliver services both locally and nationally.

Through this process, a wide range of policies and procedures have been scrutinised and improved by our customers, including those relating to complaints, feedback, and repairs.

Training for customers has been provided by Tpas, a not-for-profit organisation dedicated to improving tenant engagement.

We have streamlined and improved our approach to complaints to ensure it meets the needs of our customers and the Housing Ombudsman. We have implemented measures that enable us to learn from any complaints to keep improving the quality of our services. Feedback is analysed in a constructive way and we establish what must be done to address the issue, whether that is more investment in a particular service area or additional training for our colleagues.

£10.3m

Keeping customers connected

We are using digital technology and social media to improve the way we connect with customers and are investing in a customer relationship management (CRM) system that will further enhance this approach.

Initiatives involving tools such as podcasts, chatbots, smart devices, and Facebook have been rolled out to help prevent social isolation. For example, an initiative called Click and Chatter, a community Facebook group was piloted, and 750 customers, who were identified by the Affordable Housing Taskforce, were invited to join.

Our team in Scotland runs five community Facebook pages which have continued to grow in popularity over the past year with more than 1,100 followers. Customers from across Scotland are using the pages to find out about opportunities available in their communities. One story reached more than 4,200 people.

Safeguarding best practice

As part of our drive to transform how our Affordable Housing business operates, we commissioned external safeguarding experts, SAB Consultants, to conduct a review of the Group's approach to safeguarding. This resulted in a detailed action plan which builds on the good practice we were already delivering and is led by a newly appointed Head of Safeguarding for the Group.

This approach will ensure we are fulfilling our safeguarding responsibilities, are compliant with key safeguarding legislation and local authority strategies, and that we adopt a robust safeguarding culture across the Group.

Action on domestic violence

One of the many consequences of lockdown was a rise in domestic abuse cases with more people confined in their homes. We ensured that anyone suffering from domestic abuse could still access the services they needed to support them and worked with local authorities, partners and survivors to offer valuable help and support where it was most required.

We have also become members of the Government's Employers' Initiative on Domestic Abuse and are working towards Domestic Abuse Housing Alliance (DAHA) accreditation.

Development

We have a long track record of creating high quality homes and places. Our development businesses work with our affordable housing providers and other partners to deliver design-led, sustainable developments that make home ownership and rental more accessible.

Our rental development programme comprises affordable housing, including shared ownership, as well as market rented properties, student housing and extra care properties. Our development for sale programme is designed to create mixed income neighbourhoods, with the delivery of traditional homes for general market sale.

Enhancing local communities

A total of 73 two, three and four-bedroom houses as well as two bungalows were completed in Alaska Street, Blackburn, as part of our partnership with Homes England. The homes were constructed off site using modern methods of construction and are available for affordable rent. The £11m development also includes four adaptive homes for families with children who have severe physical disabilities, and an area of open space for the public.

In Newcastle, the construction of 36 two, three and four-bedroom family homes was completed in Wharrier Street as part of a wider plan to regenerate the Walker Riverside area. This is the fourth development we have delivered as part of this plan working in partnership with Newcastle City Council.

Although construction had to halt midway through the programme due to Covid-19, it was brought back on track and the development was finished ahead of our Homes England target.

We are now working on further phases offering a range of family accommodation for affordable rent.

Located eight miles east of Inverness, Tornagrain will be a new sustainable town comprising nearly 5,000 homes across four neighbourhoods. We were one of two housebuilders appointed by Moray Estates to deliver its vision for Tornagrain, designing homes ranging from one to four bedrooms that appeal to a diverse demographic.

Over the past year, we launched our first affordable shared-equity homes in partnership with the Scottish Government and Highland Council. We also completed the construction of phase two with all homes now sold, and started to construct phases three and four which will deliver 60 homes.

At the WhatHouse? Awards 2020, Tornagrain won silver in the Best Exterior and bronze in the Best House categories.

Located on a former Royal Navy site, Castle Court has 68 new homes, including two, three and four-bedroom houses together with 22 one and two-bedroom apartments. The development was completed in the third quarter of 2020 and all homes have been sold.

Developing new places in partnership

Over the past year, we have continued to progress large-scale developments providing mixed tenures and thriving communities across the UK. These include Smith's Dock in the North East, Brooklands in the South, Park Hill in Sheffield, Port Loop in Birmingham, East Wick and Sweetwater in London, and Gilston Park in Hertfordshire.

The strength and success of our current placemaking developments has been recognised with several awards in 2020/21. These include Smith's Dock, which was named the Best Regeneration Initiative at the 2020 Housebuilder Awards.

Creating a sense of place

Showing placemaking at its best, Brooklands is a mixed-tenure scheme in Milton Keynes providing a total of 2,500 homes all supported by a range of facilities and amenities, including schools, shops and leisure facilities as well as green spaces that emphasise biodiversity and environmental sustainability.

Brooklands Square, which is at the heart of the Brooklands development, has now been completed. Designed with longevity in mind, this mixed-use centre combines new homes, infrastructure and amenities that will allow the local community to thrive.

Shops, restaurants and new homes are located around a new and accessible public square providing a focal point for the local community and helping to give the wider Brooklands development a strong identity. This space is owned by Places for People for long-term custodianship.

Providing green spaces

Working closely with our joint venture partner Urban Splash, alongside Birmingham City Council and Canal and River Trust, we are regenerating the Port Loop former industrial site close to the centre of Birmingham and reconnecting the local network of canals and towpaths.

New homes, workspaces, parks and community facilities are being created. The first two phases have now been completed providing 105 homes. In July 2020, we completed the first of a series of new communal gardens for residents, spanning 8,600 sq ft and for 40 households. This is in addition to private gardens immediately adjacent to each home.

In November 2020, Port Loop won silver for Best Regeneration Scheme at the WhatHouse? Awards.

Delivering new neighbourhoods

Designed as the beating heart of the neighbourhood, the first phase of East Wick and Sweetwater in London has rapidly progressed and is approaching completion. This is delivering more than 300 homes as well as commercial and new, open spaces. The first 70 homes have already been sold and most are occupied.

Delivered in a joint venture with Balfour Beatty Investments, our plans will create five new neighbourhoods. More than a third of the development will be affordable housing, with many homes built for long-term rent as well as to buy. Each neighbourhood provides play areas, schools, nurseries, community spaces, health centres and shops, with places to relax, play and exercise, all within easy walking distance.

Construction of the next phase is expected to begin by the end of the 2021/22 financial year.

Building homes at scale

In Hertfordshire, we are progressing an outline planning application for Gilston Park Estate with the aim of delivering 8,500 homes. This is driving new infrastructure investment and supporting sustainable economic growth around Harlow.

Property management

Our property management businesses work with our Group companies to provide a seamless management service and support our placemaking offer. From expertly planned maintenance through to timely repairs, the effective management of our property portfolio continues to drive our success.

Our property management businesses enable the Group to work across residential tenures ranging from the traditional private rental sector through to student accommodation and retirement housing.

Combined, these businesses now manage more than 146,000 properties across the UK.

Building on a digital foundation

RMG is one of the UK's leading property and estate management providers. Over the past year, it has continued to grow its business and maintain services to more than 100,000 customers.

Digital technologies, which have already been widely adopted by RMG, have enabled further efficiencies throughout the pandemic and a seamless transition to homeworking.

By March 2021, digital tools such as web chats, were being used by nearly 92 per cent of customers, which made home working easier for colleagues and ensured queries were dealt with quickly and effectively.

In the same month, RMG's customer portal was visited 121,000 times. By the end of the financial year, the portal had received more than one million visits.

The move to home working, assisted by the successful use of technology, has seen RMG replace its large London office with a smaller one offering hot desking for colleagues.

Continued growth

RMG is now actively managing 111,000 homes, which is a nine per cent increase compared to the previous financial year. It has also secured contracts to manage a further 68,000 homes, due to be constructed in the coming years, representing a 23 per cent increase in future business compared to 2019/20.

Following a competitive tender, Touchstone has been appointed to manage 171 homes in London and the South East for Linq Housing, and in the North West, Auxesia Homes has appointed the business to take over the management of its existing and growing mixed-tenure portfolio.

Touchstone has also been selected by a leading building society to join its panel for Law of Property Act (LPA) receivership work, and been instructed to carry out build-to-rent consultancy for a number of organisations, including a local borough council.

For long-standing client Dolphin Living, a successful retender will see Touchstone continue to manage a large mixed-tenure portfolio for the organisation and expand its services with a focus on customer events.

Building on existing consultancy work for a large investment firm, which has created a long-term income fund based on residential property, Touchstone's remit has been extended to management. The first residential scheme to form part of this contract has recently gone live.

Touchstone is our specialist residential property management company and manages over 11,000 homes across the UK. To improve the customer experience and journey, Touchstone is piloting Residently, a digital app which can be used for various management services, including payments, viewings, maintenance and renewals.

A client dashboard has also been created, which enables data to be accessed at any time, improving transparency. The dashboard is being rolled out to all clients with four already benefiting from the technology.

Leisure management health and wellbeing

We design, build and manage leisure facilities and health and wellbeing programmes. Through our commitment to engaging with, and meeting the needs of, local communities, we help people find the means and motivation to be fitter, healthier and more active.

The pandemic has had a huge impact on Places Leisure with leisure centres forced to close for several months throughout the 2020/21 financial year. At the peak of the crisis, around 95 per cent of our Places Leisure colleagues were furloughed. Despite these challenges, and with the support of the Group, the business has achieved a number of successes and positive outcomes.

Repurposing leisure centres

Strong and strategic partnerships with local authorities across the UK enabled Places Leisure to keep several facilities running, supported by significant funding to cover operational costs. A total of 14 facilities were repurposed throughout 2020/21 to benefit local communities and in response to the pandemic.

Leisure space was used for a variety of purposes, including providing safe and convenient areas for vaccinations and Covid-19 testing. To support colleagues involved in this process, extensive training was provided across a number of areas ranging from health and safety and security through to the safe storage of vaccines.

Supporting key workers

Our colleagues at Wandle Recreation Centre helped to keep Greenwood Nursery open for children of key workers during lockdown.

Greenwood offers a day-care setting for children aged 18 months to five years old. Wandsworth Borough Council provided the funding to enable our colleagues to keep the nursery facilities open for children of key workers, helping 59 families.

As well as opening and shutting the centre, our colleagues ensured the sports hall could be used to help separate classroom bubbles and give the children extra space.

Keeping places active

From September to November 2020 when lockdown restrictions lifted, our focus was on re-opening our leisure centres in the safest and most efficient way possible. Our aim was to ensure local communities could quickly access services to enhance their health and wellbeing, including relaunching swimming lessons for children and adults.

Pandemic volunteering

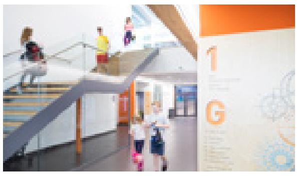
Places Leisure colleagues have shown a huge drive and ambition to support their communities over the past year in a constantly changing operating environment.

Many colleagues have used their skills and time to volunteer at vaccination clinics, Covid-19 test centres and food hubs. Some have become NHS First Responders, one colleague has worked with the London Ambulance Service, and another trained to become a Covid-19 support worker.

Customer engagement

In a year punctuated by national lockdowns and our centres closing, we commissioned a survey to establish the impact on the nation's activity levels. More than 20,000 customers contributed, sharing their challenges in keeping active, the role that digital workouts played and their new goals.

The survey also asked members for their views on the social distancing and hygiene measures that Places Leisure had put in place. A total of 59 per cent of respondents gave us a five-star rating and 30 per cent said their view of their leisure centre had improved as a result of the team's response to the difficulties of the past year.



New facilities

A new £15m leisure facility was opened in August 2020. Bulmershe Leisure Centre was built by Wokingham Borough Council and will be run by the Places Leisure team. Work also continued to deliver Places Leisure Camberley, a flagship centre that we have designed and built and is on schedule to open in July 2021.

Fund management

Since launching in 2017, PfP Capital has created a real estate investment management business enabling investors to access the housing market. The business responsibly invests its clients' capital to help create sustainable places as well as social value in communities.

Strengthening the Mid Market Rent (MMR) fund

The MMR Fund was established to deliver mid-market rental homes including a mix of apartments and family houses within commuting distance of Scotland's main cities. Despite the significant disruption caused by Covid-19, the fund has continued to attract new investment and boost the development pipeline.

A total of nine sites have now been secured, delivering a total of 1,006 new affordable homes. Additional funds from the Strathclyde Pension Fund, Nationwide Pension Fund and the Scottish National Investment Bank (SNIB) mean that 1,100 homes can now be delivered.

The construction of the first two development sites have been completed and a further site was acquired in January 2021. In total, the MMR fund is now developing seven sites, with a further 897 affordable homes under construction.

Urban Transformation Partnership — continued growth

The UTP has been established to take forward large, residential-led, mixed-use and mixed-tenure regeneration programmes. It builds on Places for People's acquisition of the igloo Regeneration Fund's assets in 2018.

A vibrant residential neighbourhood

PfP igloo is a collaboration between PfP Capital and igloo Regeneration. In a joint venture with Newcastle City Council and Homes England, PfP igloo is creating a new neighbourhood of over 300 homes and 20,000 sq ft of commercial space at Ouseburn Valley in Newcastle.

Steenberg's Yard, which is phase two of the regeneration project, has progressed throughout the financial year. The sustainable community will breathe new life into one of Newcastle's most historic areas and provide a framework for the neighbourhood's future. The scheme comprises 28 riverside apartments and more than half the homes have been reserved.

There will also be four commercial units which will extend the valley's offer for small and medium-sized businesses adjacent to the award-winning Toffee Factory.

The development of Steenberg's Yard follows the completion of the Malings, which is now a multi-award-winning thriving community of 76 new homes and three small shops.

A community fund has also been established to support collaborative community activities across the wider neighbourhood, managed by the residents and businesses that take occupation in each phase.

Sustainable living in Leeds

Located in Holbeck Urban Village in Leeds city centre, The Ironworks has rapidly taken shape over the past year. The PfP igloo development comprises 68 new homes made up of townhouses, apartments and penthouses, which reflect the heritage architecture that surrounds The Ironworks — a legacy of the Leeds Industrial Revolution.

Designed to showcase a new way of city centre living, each property has its own outdoor space featuring either a balcony, roof terrace or garden. The energy-efficient homes also feature solar panels, electric heating and highly-insulated walls and ceilings. There are limited parking spaces and residents will be offered on-site car club spaces, electric charging points and plenty of space for bike storage.

The development launched to market during the pandemic and by the end of the financial year, more than half the properties had been reserved.

sustainable

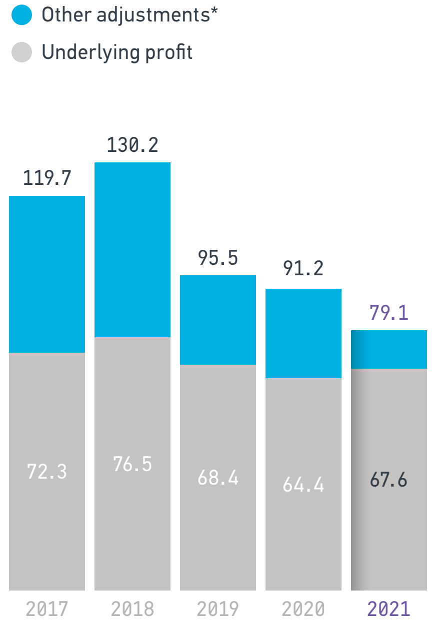
In 2020, PfP Capital made the transition from Associate to full residential Fund Member of the Association of Real Estate Funds (AREF). The AREF Quality Mark is an important industry standard and we are only the third residential-led fund to achieve it.

Our financial review

2020/21 has been an unprecedented year for the business and the wider industry in terms of the impacts felt as a result of the Covid-19 pandemic. The Group has shown a resilient financial performance for the year with an increased operating margin and underlying profitability despite the impacts of the pandemic.

Profit before tax

Figures shown in £m



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

The Group turnover for the year was £816.6m (2020: £866.7m). The reduction of 6% in turnover related predominantly to reduced leisure and development for sale activities, and is partially offset by an increase in affordable lettings.

This change in activity led to the Group's operating margin for the period increasing by 0.3% to 25.3% (2020: 25.0%).

As the chart above shows that after adjusting for the sale of fixed assets and revaluation of investment properties, the Group delivered an underlying profit of £67.6m, an increase of £3.2m from last year.

The Group's development programme was impacted by the pandemic with sites closed during the initial lockdowns in the first half of the year, resulting in fewer build completions than previous years. The second half of the year saw the development for sale market outstrip expectations which enabled the Group to reduce its development work in progress by £34.7m.

The Group's Affordable Housing business showed continued strong performance despite the challenges faced in the year. The Group's affordable housing rent arrears were 3.08% at 31 March 2021 which is an increase of only 0.35% from the prior year. Similarly, the amounts of lost rents through empty homes increased but only to 1.57% of turnover compared to 1.34% in the previous year. The part of the Group most impacted by Covid-19 was the Group's leisure centre management business Places Leisure. Places Leisure manages 108 Leisure centres on behalf of local authorities.

As a result of the lockdowns imposed by the UK Government, the leisure facilities have experienced long periods of sustained closure during the year. Support has been provided from the local authorities which resulted in total contributions received of £35.6m.

As part of the agreements with local authorities, Places Leisure mitigated the costs incurred during the closure periods by utilising the Government's Coronavirus Job Retention Scheme as well as tightly managing other costs of the closure.

Overall, the Group completed 2,186 new homes of which 911 were affordable and had only 130 unsold units at the year end.

The improvement in the development for sale market has not changed the Group's focus on reducing its exposure to this market and increasing the provision of affordable homes. The Group started 870 homes during the year of which 80% were affordable tenures and the Group remains committed to delivering the remainder of the 2,400 homes under the strategic partnership with Homes England.

Financial position

The Group's fixed assets grew by a further £71.4m during the year as the Group continued to invest in new affordable homes as part of its strategic partnership with Homes England. The Group's development work in progress reduced by £34.8m and the Group's gearing has reduced to 55.0% from 56.8% in the prior year.

The Group's reserves only increased by £38.4m as a result of £43.0m of actuarial losses in the Group's defined benefit pension schemes due to market volatility in yields and discount rates linked to the Covid-19 pandemic.

Treasury management

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

Treasury performance indicators	2021	2020	2019	2018	2017
Total loans (£bn)	**3.1**	3.2	2.9	2.9	2.3
Interest cover after depreciation	**1.6**	1.8	1.9	2.0	1.8
Gearing	**55.0%**	56.8%	56.7%	57.1%	55.2%
Forward cash commitment (months)	**27.0**	30.0	28.0	18.0	18.0

The Group had committed borrowings of £4.0bn of which £3.1bn were drawn, an increase in committed borrowings of £0.05bn from 2020. The Group's strategy is to borrow on an unsecured basis with a medium-term objective of rebalancing the portfolio to 60% unsecured. The proportion of unsecured debt remains at 66%, as reported last year, achieving the unsecured objective.

Debt portfolio	2021	2020
Unsecured	**66.0**	66.0
Secured	**34.0**	34.0

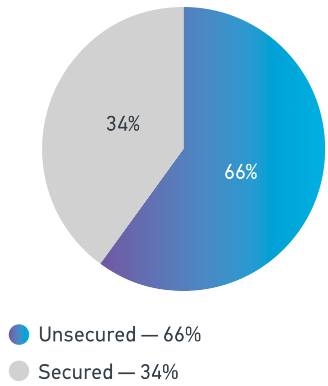
Group gearing reduced from 56.8% to 55%, remaining below the Group's target of 60%. The reduction is driven by an increase in investment in affordable housing and a reduction in stock.

The Group's 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 £954.5m, comprising £873.2m of undrawn facilities and £81.3m of cash and short-term investments which was more than sufficient to meet the Group's policy. The amount of cash held at the year-end was greater than usual in response to the Covid-19 crisis.

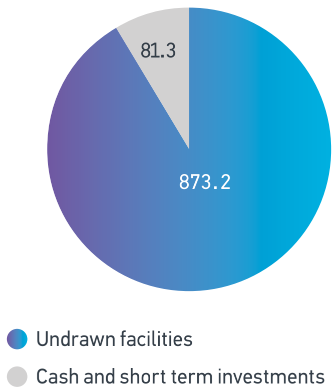
To help further support the Group's liquidity policy and mitigate any potential risks associated with Covid-19, the Group secured financing through the Covid Corporate Financing Facility (CCFF). This was repaid in March 21 due to the ongoing strength of the Group's position.

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 77% of debt at fixed rates of interest at the end of the year with 13% of debt at floating rates and 10% index linked.

Debt portfolio



Liquidity

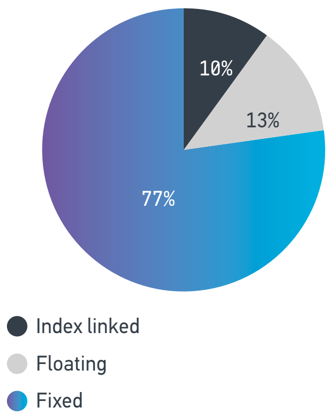


Liquidity	2021	2020
Total liquidity	**954.5**	918.3
Comprising:		
Undrawn facilities	**873.2**	750.5
Cash and short term investments	**81.3**	167.8

In 2016, the Group set up a treasury vehicle, Places for People Finance plc, which acts as the funding vehicle for the Group's non-regulated businesses. In December 2016 Places for People Finance plc issued a £65m retail bond, with no recourse to the Group's regulated activities or social housing assets.

This complements the arrangements already in place for the regulated businesses where 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.

Fixed / float mix



Fixed / float mix	2021	2020
Index linked	**10%**	10%
Floating	**13%**	16%
Fixed	**77%**	74%

Value for money

Value for money is embedded throughout the organisation and remains intrinsic to what we do. We know that being efficient and effective is crucial to our success in delivering services that are needed and valued by our customers. Our board is committed to ensuring that we make the best use of resources and maximise the efficiency and quality of our services.

Innovation has always been important in our approach. Assessing the best delivery models, and evaluating alternatives, is a key element of our business planning process which ensures that achieving value for money remains central to how we operate. In the uncertain environment of the Covid-19 pandemic, the Group has been focused on ensuring resources are employed effectively to continue to provide essential services to our customers. As the long-term effects of the disruption continue to materialise, providing value for money will be more important than ever.

Our Group-wide Strategic Risk Management and Value for Money Group continues to drive our approach. Chaired by the Group Chief Executive and attended by key senior staff, it embeds value for money as a key priority at the highest level. Value for money is addressed within reporting at every board meeting so that scrutiny of our performance against metrics is consistent and rigorous. The business planning process requires all areas of the organisation to identify and target efficiencies and there is a rigorous review and challenge of plans.

As unprecedented events unfolded in 2020, the Group reviewed its business plans to ensure that resources were best employed in the context of the exceptional effects and requirements of the pandemic.

We continuously review 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.

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 has further enhanced its asset appraisal processes over the last year. We have added more predictive and forward-looking processes 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 efficiencies and which would therefore be given particular focus. These were customer experience, operating margins in our affordable housing businesses, procurement, improving access to our repairs service through technology and increasing the use of digital services in our customer base. Set out below are the main outcomes achieved in the year for each area.

2020/21 areas of focus for efficiencies

Customer experience

In last year's Annual Report, we included a specific objective to improve against our customer satisfaction target of 87%.

For the year ended 31 March 2021 we exceeded this target, achieving a customer satisfaction measure across our Affordable Housing businesses of 88.56%. This performance is particularly significant given the major challenges we overcame during the disruption caused by the pandemic.

In March 2020 when national lockdown restrictions began, our customer service centre colleagues moved to serving our customers from their homes via remote systems. This mobilisation to completely new ways of working was achieved quickly, and we were able to keep phone lines open and continue to offer a 24/7 service to customers.

Lockdown restrictions also forced us to move to an emergency-only repairs service. The delivery of an effective repairs service is a key component of achieving positive customer experience so we worked hard to mitigate the effects of this restriction on our customers. A Customer Taskforce was launched in March 2020 to make contact with our customers and provide valuable support, signposting and engagement. The Taskforce contacted over 60,000 households to check in and ensure they had food and essentials as well as signposting to local authority hubs and support.

During 2020/21, we continued to monitor our Net Promoter Score (NPS) to measure customers' propensity to recommend us or our services to others. At the end of quarter four in March 2021 our NPS score of 50 across our Affordable Housing businesses put us in the 'Great' category using the NPS standard measurement key. In a year of such challenge, this is a strong result and testimony to the hard work of our front-line colleagues in continuing to deliver a positive customer experience throughout the pandemic.

Affordable housing

Last year's value for money report identified Affordable Housing as a key focus with a target to deliver an operating margin of 48.7%. This target was surpassed with an operating margin of 50.9% being delivered in the 2020/21 year.

During the 2020/21 year we have continued to deliver our strategy focused on six key areas: customers; the regulatory framework; asset management; growth; people and structure; and efficiency and innovation. This strategy is supported by a new People First operating model, which puts customers, colleagues and clients at the heart of everything we do. Working together, our six affordable housing providers have continued to drive forward a programme of transformational change to deliver a number of efficiencies.

The transformation programme is on course to save a total of £5m through delivering new ways of working over the life of the programme.

Procurement

The Group aimed to achieve cost reductions of £1.2m through procurement savings during the year.

This target was exceeded and during the year ended 31 March 2021, the Group's Strategic Procurement team generated immediate underlying savings of £2.5m across a range of goods and services. This was a significant achievement given the underlying impact of the Covid-19 pandemic in areas of spend where savings would have traditionally been generated.

In addition to the cashable savings detailed above, there were some significant non-cashable cost avoidance savings realised throughout the year. One example was the cost avoidance saving of £300,000 realised by going to the market early for energy supply during the Covid-19 crisis, as crude oil plunged below $40 per barrel in April 2020. This had a direct impact in the cost of energy, which slipped to three-year low prices in May and June 2020.

The decision to secure the Group's energy requirements at this point (nine months earlier than our standard renewal date), delivered a cost avoidance saving of over £300,000 to the business.

A further way in which we delivered Value for Money through procurement during the year was in our approach to securing Personal Protective Equipment (PPE) during the pandemic to keep our customers and colleagues safe. With commodities in short supply, high demand and extreme price volatility, it was essential to have a centralised and structured process. The Group's procurement team coordinated the purchase and distribution of PPE for all Group companies, building a supply of stock quickly and then transitioning from an emergency situation to a robust and stable supply chain arrangement. This ensured we procured the necessary equipment at the best price and maintained a steady supply of equipment to front line colleagues delivering essential services to our customers.

Improve the efficiency of the housing repairs process by increasing the use of the self-schedule facility by 10%.

Offering our customers a range of ways to contact us continues to be a priority. The majority of our affordable housing customers now have the option to self-schedule a repair through the online service and we are working to roll this service out across the board.

In regions where we have launched the option to self-schedule a repair, an increasing percentage of repairs requests are being received this way. The option to self-schedule a repair was paused between March and July 2020 due to Covid-19 when national restrictions meant we could only provide an emergency repairs service. It was also paused again at the start of the third national lockdown in January 2021.

Now that our full routine repairs service has reopened to customers we are once again promoting the self-scheduling service and seeing an increase in its use.

Self-scheduling requests from customers for areas that are on the self-scheduling portal were 21.5% of repair requests in February 2020 immediately before the disruption caused by the pandemic. We reopened self-scheduling in a phased approach from April 2021, and this had risen to 23.56%. This represents a 9.5% increase in the percentage of repairs requests received this way. We will continue to seek to increase the use of this service in the year ahead.

Improve technology take up with a 10% increase in the number of customers signed up to digital services.

We have exceeded our target to improve technology take up by a 10% increase in the number of customers signed up to digital services. Between March 2020 and March 2021 we saw an increase of nearly 25% in the number of customers signed up to digital services. (From 25,828 customers signed up in March 2020 to 32,234 customers signed up in March 2021 — 24.8%).

We continue to work with customers in a range of ways to encourage increased use of digital services. The impact of the pandemic has accelerated this approach. For example, lockdown restrictions led to the creation of a virtual tenancy sign up process for new customers to facilitate contactless lettings.

During the year we also launched a Facebook pilot called 'Click and Chatter' aimed at connecting customers digitally and reducing social isolation. Our Customer Annual Report was made available digitally to all customers and we launched new or refreshed websites for Castle Rock Edinvar, Living Plus and Chorus Homes during the year.

Through our partnership with digital training provider 'We are Digital' we have also referred 134 customers across Affordable Housing to receive remote training sessions.

Targets for 2021/22

Our business plan clearly articulates our strategic objectives and performance reporting to the board enables us to ensure 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 operating margins. 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 2021/22 financial year:

- Deliver an **operating margin of 49.9%** across our Affordable Housing businesses
- Increase the reported level of overall **customer satisfaction to 90%** and achieve a Net Promoter Score of 47 across our Affordable Housing businesses.
- Continue to improve **technology take up** with a further 10% increase in the number of customers signed up to digital services.
- Achieve **cost reductions of £2m through procurement savings** during the year.
- Continue the delivery of the **People First Operating Model** across the Group to optimise the efficiency of our operations and implement our **new digital platform** to deliver efficiencies and provide an improved experience for customers and colleagues.

Indicator	2021	Benchmark peer group median	2020
Reinvestment	4.0%	7.2%	7.9%
New supply delivered (social housing units)	1.3%	1.5%	2.1%
New supply delivered (non-social housing units)	1.6%	0.0%	1.5%
Gearing %**	67.1%	44.0%	77.5%
EBITDA MRI	128.2%	170.0%	125.4%
Headline social housing cost per unit	£2,831	£3,830	£2,983
Operating margin — social housing letting	49.9%	25.7%	49.7%
Operating margin overall	23.9%	23.1%	22.8%
ROCE	3.9%	3.4%	3.9%
Customers satisfied with service provided by their social housing provider*	91.2%	86.9%	87.7%
Occupancy*	99.4%	99.3%	99.7%
Rent collected*	98.9%	99.8%	100.8%

The metrics above highlighted in blue are RSH defined value for money metrics. The benchmark median and 2020 comparative numbers do not include any impact of the Covid-19 pandemic. As a result of the pandemic we have seen a number of the metrics reduce including major repairs and new supply however despite the challenges presented during the pandemic we have seen operating margin and gearing improve.

* 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 generate 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 57.4%.

Section 172 statement

The board promotes the success of the Group in the interests of its stakeholders. Sometimes, our stakeholders each give different emphasis to topics or have diverging views on them. Here, we describe how the board approaches decision-making to take stakeholder interests into account.

Purpose and stakeholders

As a company limited by guarantee, the Group parent does not have shareholders in the traditional sense. When identifying our stakeholders we look to our purpose **"to create and manage living places that are sustainable — economically, socially and environmentally"** and to our Group-wide mission **"to create places that work for everyone"**.

Pursuing those things means that we deliver services to some people and engage with others. Those people are our stakeholders and foremost among them are:

a) individual customers (renters, house purchasers, leisure centre users)

b) corporate or business clients

c) colleagues

d) communities

e) Group RPs (charitable / non-charitable)

f) JV partners

g) investors / lenders

h) rating agencies

i) The Regulator of Social Housing / Homes England / Scottish Housing Regulator;

j) Government (national and local).

By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

Culture

The Group's culture is based on maintaining positive relationships with customers, colleagues and other stakeholders to achieve our purpose. The diverse nature of the Group means that each individual business may have different stakeholders. Relationships are managed and maintained by the individual businesses through various communication channels. Our culture drives activity in each business but we know we need to continue to monitor closely how this happens.

Our SPIRIT values which have been developed with our colleagues demonstrate what is important to us, underpinning our culture and defining our approach.

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 — decisions between often competing priorities have to be made — but it does mean that we establish and follow good processes and that we listen and are open with people about what we are doing and why.

Strategy

We have a long-term business with immediate service delivery requirements.

The board approves and refreshes annually a three-year business plan. The Group's strategy is outlined on page 20.

How we deliver our strategy flexes over time as we seek to balance the opportunities and risks which arise from changes in the external environment.

Influencing others

Our strategy takes into account the environment we face but we also seek to influence that environment by research, collaboration and sharing our ideas.

This involves a wide range of activity but this year has included: active participation in industry bodies such as the National Housing Federation (NHF) and the Home Builders Federation (HBF); membership of the Regulator of Social Housing's (RSH's) provider panel in England; regular meetings with Homes England (HE) senior staff to drive the delivery of our strategic partnership and to contribute to HE policy thinking; engagement with the All Party Parliamentary Group (APPG) for Housing Market and Market Delivery; responding in our own name or as part of an industry body to 14 consultation requests from national government to help shape legislative models and detail; and work with research partners including the Cambridge Centre for Housing and Planning Research (CCHPR) which brings added focus and academic rigour to our research strategy; our leisure business holds regular meetings with Sport England and has membership of the UKactive development board.

Bringing it all together

In satisfying itself that the Group's purpose, values and strategy are aligned with its culture, the Group board has considered the reports made to it during the year and the experience of Group board members in engaging directly with stakeholders.

Board reporting shows that policy, practices and behaviour throughout the business are aligned with the Group's purpose, values and strategy. Policies are certified by management to be fit for purpose annually. The board sees and approves policies and statements, including those on whistleblowing and on slavery and human trafficking, and can review any other policy and associated procedure should it wish to do so.

Pandemic restrictions have meant that it has not been possible for board members to meet customers, colleagues or other stakeholders in person in the usual way.

The board is keen to resume routine meetings as soon as conditions make it safe to do so. During the year, the board has given emphasis to examining management's innovative engagement with all stakeholders, descriptions of which are in this report.

The Group board believes that the business and the people who work in it strive to 'do the right thing' and to have a 'customer / People First' attitude. This approach is supported by a clear sense of purpose, embedded values and a structured approach to strategy, business planning, policy development and implementation in each business area.

Balancing a variety of priorities

By knowing our stakeholders and what matters to them, we can take more informed decisions. The board makes choices when it sets strategy and approves the business plan. Other judgements and decisions are made as the financial year evolves to respond to changes in the operating environment that can't always be predicted during the business planning cycle. Never was this more in evidence than during this financial year with the constant shifting of the impact of the Covid-19 pandemic which transformed the operating environment and economic landscape.

Among the matters over which judgements and decisions were made, the following have affected stakeholders during 2020/21:

What we did	What we considered	For any further details refer to…
We invested £117.1m in repairs and capital improvements to existing homes.	Keeping existing customers safe in good homes that meet rising environmental standards and providing homes to meet the needs of future customers.	'Our year in review' page 26 And 'Minimising our environmental impact' pages 42 to 46 And 'Operating business areas' pages 47 to 69 And 'Value for money' pages 74 to 78
We built or acquired 2,186 homes including 911 affordable homes.	We had commitments to market sale programmes (made several years ago) and we honoured them. We decided that future development programmes would give increased emphasis to building for affordable rent to meet the needs of those who are less able to buy.	
We kept services to renters going during various phases of pandemic lockdown but sometimes with an emergency-only level of service.	We considered the safety and degree of isolation of customers and made contact with them to assess vulnerability. We prioritised those who needed us most and we signposted them to agencies where their need was not part of our role. We created safe working practices for colleagues, especially those whose work took them to customers' homes.	
We addressed board succession and structures.	We ran a successful search process, including internal candidates, that secured a new Group Chair. We reviewed our board and committee structures to align them with the future needs of the Group.	'Remuneration and nominations committee' pages 113 to 114 And 'Evaluation of board performance' page 109
We continued to align our management structures across the Group regardless of geography.	Having consulted widely with customers about what they value in our services and products, we re-designed our delivery models. Implementing those models involves change for colleagues and we have continued to explain the changes, implement them and deal with the impact on colleagues and customers.	
We expanded and strengthened our Affordable Housing National Customer Group (NCG).	We have drawn together the best features of the customer engagement mechanisms across our separate Affordable Housing subsidiaries to create the NCG. This sits at the heart of our customer engagement framework and can liaise with the single management team for the Group's Affordable Housing operational model. The framework provides opportunities for customers who want to share their time and skills to focus on their particular areas of interest. The NCG draws together all of that activity.	'Affordable housing' pages 48 to 52
Effective treasury, financial and colleague support to meet Covid-19 challenges.	We built on a strong liquidity and treasury position to reassure investors and other stakeholders during a year of great uncertainty. We borrowed from Government under the Covid Corporate Financing Facility but repaid the money before year end once we were satisfied that risks had not exceeded our analysis or our ability to fund planned activity. We took furlough funds but selectively, choosing to claim where business lines were unable to trade owing to Covid-19 but not where they could make adjustments and continue trading. Where furlough was taken, we topped up payments so that the financial impact on colleagues was reduced.	'Our financial review' pages 70 to 73

What we did	What we considered	For any further details refer to…
Effective customer and client engagement to meet Covid-19 challenges.	We considered requests from customers to waive or delay rent payments on a case-by-case basis. We sought solutions that were sympathetic to individual circumstances while protecting the revenue base needed by the business to deliver services and products. We preserved revenue by challenging local authority clients and insurers to meet their contractual obligations to us when Covid-19 restrictions impacted on our leisure business. We responded to government closures by reshaping its services and repurposing leisure centres to provide alternative services during the pandemic. The Group has taken learnings from the Covid-19 pandemic and will continue to build upon the customer engagement achieved throughout.	'Improving the social impact we have on people and communities' pages 32 to 37
Effective colleague engagement to meet Covid-19 challenges and beyond.	We believe that our People First approach has helped minimise the impact of the pandemic on our colleagues through the launch of our 'Together' initiative. Feedback has been so favourable that we intend to adopt this initiative for the long term.	'Investing in our colleagues' pages 38 to 41
We considered new ways to engage with suppliers to mitigate our exposure to slavery and human trafficking practices within our supply chain.	To continue to grow our knowledge and push forward with our strategy, we have selected Unseen, a leading charity committed to the abolishment of modern slavery, to deliver training to our procurement specialists and the wider Group. By partnering with Unseen, we will test our own thinking on modern slavery and seek to influence our supply chain proactively.	

Circumstances have forced us to seek new ways of engaging with our stakeholders this year but, despite the significant challenges we faced, we took some very positive steps in the ways we work and engage. As we emerge from the pandemic, we look forward to further strengthening existing relationships and creating new ones.

Governance Report

Governance Report

Directors' report

Principal activities of the Group

Places for People is one of the largest property and leisure management, development and regeneration groups in the UK. We build, rent, sell and manage homes, manage leisure facilities, provide employment and training opportunities, support new and existing businesses, and offer financial products and specialist care and support services.

Performance for the year

The Group's profit before tax for the year was £79.1m (2020: £91.2m). A full review of the performance for the year and information as regards the use of financial instruments and treasury operations can be found in Our financial review on pages 70 to 73 and note 24 that accompanies the financial statements.

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 described in the Minimising our environmental impact and Value for money sections. Information in relation to employment of disabled persons and inclusion and belonging is set out in the Our People – key statistics and Investing in our colleagues sections. Our approach on engagement with employees, suppliers, customers and other stakeholders is summarised in our Section 172 statement.

Health and safety

Each Group company is responsible for safety management and works to a centrally-driven framework of compliance. This approach considers the individual profile of each company, its priorities and risks. Ongoing health and safety performance is monitored and challenged by the Group Director of Property Safety and Compliance, both at local safety steering group meetings and at the Health, Safety and Compliance Committee.

By the end of the year, there had been five accidents, which were reportable to the Health and Safety Executive (those of a serious nature or preventing an employee from doing their normal duties for more than seven days). This number is below the Health and Safety Executive/Labour Force Survey 'all-industry' benchmark figure of 42 in 2020/21.

This represents a decrease on last year and follows five years of sustained reductions.

The Group acknowledges however that this number should be viewed in the context of the unusual working arrangements experienced during 2020/21, ie site closures/colleagues working from home, and the number is likely to fluctuate as the Group's new ways of working are tried and tested.

The accidents will be addressed with targeted accident reduction plans where required.

Measuring success

Key operational measures	2019/20 Performance	2020/21 Performance
Total losses from empty homes (affordable housing)	1.32%	1.57%
Total arrears (affordable housing)	2.64%	3.08%
Repairs right first time (affordable housing)	90.12%	88.82%
Gas servicing (affordable housing, properties)	99.51%	99.95%
Occupancy rate (affordable housing)	99.72%	99.37%
Overall customer satisfaction (affordable housing)	87.65%	91.15%
Number of RIDDOR reportable incidents (rolling 12 months)	29	20

The 2020 comparative numbers do not include any impact of the Covid-19 pandemic. As a result of the pandemic we have seen a number of the metrics deteriorate, including arrears and occupancy, however despite the challenges presented during the pandemic we have seen improvements in gas servicing and customer satisfaction.

The number of Safety Improvement Opportunities (near misses) reported by staff decreased slightly by nine per cent. This is used as a measure of employees' willingness to spot and report hazards or safety observations. As this time period included lockdown, this still represents a good level of engagement.

We completed 100 per cent of our accident and incident investigations and will use this comprehensive data to learn and implement changes to prevent repeat accidents.

Our strategic health and safety objectives for this three-year business plan cycle have been updated to reflect progress made in the last financial year:

— To maintain the RIDDOR-reportable accident total below the 'all-industry' benchmark compiled by the Health and Safety Executive/Labour Force Survey. The benchmark figure for 2021/22 is 25.7 accidents and this is achievable with targeted accident reduction plans where required.

— To further increase the number of Safety Improvement Opportunities (near misses) reported throughout the Group, continuing the proactive measures to prevent future injury.

— To continue to improve the safety, maturity and governance of all areas of the Group, building on existing strong foundations, using the Group's Safety Maturity matrix to assess areas such as health and safety management systems, property statutory compliance and data integrity. Targeted improvements will be discussed with relevant senior leaders and, where necessary, KPIs and milestones will be agreed to encourage progress.

— To ensure the highest standards of fire safety management are implemented consistently throughout the Group and that recommendations from government and others are discussed, evaluated and set out in Group standards, implemented appropriately in each Group company, and verified through our property safety and compliance audit process.

— To continue to increase our focus on health and wellbeing by providing resources, information and opportunities for Group companies to devise and implement strategies to improve employee health.

— To ensure consistent property safety and compliance standards across the Group by carrying out planned evidence-based audits to monitor legal and regulatory compliance and providing intensive support to Group businesses where necessary to improve standards or assist on accident reduction projects.

The Group has agreed to be an early adopter of the Building a Safer Future Charter.

This will certify the progress already made by the Group in building compliance safety and further develop the blueprint of compliance for the future. The Charter will be rolled out across the Affordable Housing and Development businesses first and then the wider Group.

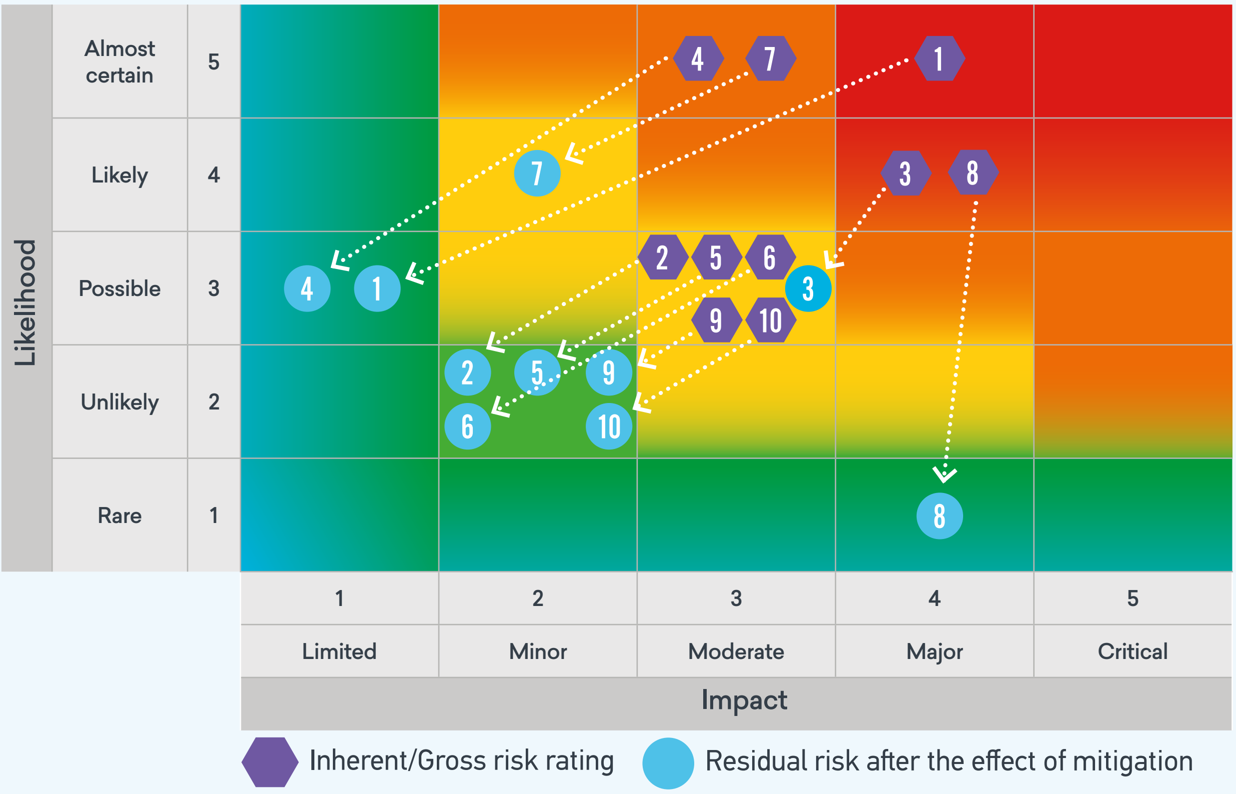
Colleague Wellbeing

We are continuing to develop a sustainable culture that enables all our colleagues to realise their potential and thrive in all aspects of their personal and working lives. This is supported by a health and wellbeing strategy which is customised to the diverse needs of our colleagues.

Our wellbeing strategy is aligned to our inclusion and belonging approach ensuring the needs of different/diverse groups are understood and addressed, and that stigma and discrimination are challenged. Feeling valued, respected, a sense of community and social connection in the workplace supports individual wellbeing and is fundamental to our People First approach.

Principal risks and uncertainties

Places for People Group — strategic risk map



Risk title

1	Health and Safety
2	Customer experience
3	Data management and security
4	Legal and regulatory compliance
5	Governance and strategic planning
6	Business disruption
7	Interest rate and liquidity
8	Political, environment and macro-economy
9	Legal and regulatory compliance
10	Governance and strategic planning

Risk	Mitigation	Change in year
1. Health and Safety		
The Group could suffer an incident impacting the health, safety and wellbeing of its customers, colleagues or contractors. Where harm is suffered by stakeholders, the sanctions faced are severe. The Group could fail to comply with health and safety standards set by social housing regulators.	Health and safety risk is monitored and reported to the Group Board on a quarterly basis. The Group maintains and regularly reviews health and safety frameworks, policies and response plans. Health and safety monitoring incorporates a wide range of activities from fire safety, through to gas servicing alongside staff training and regular independent business assurance reviews.	The pandemic continues to impact the Group, so ensuring the safety of our colleagues and customers is the utmost priority. We continue to provide clear guidance to help customers and colleagues understand changes in government policy and our associated approach. The Group's specialist procurement team continues to secure all necessary personal protective equipment so that we can continue to work safely. During the year, the Group appointed a Group Director of Property Safety & Compliance who will set policy and guide our businesses in setting standards and frameworks of compliance, assessment and monitoring. This will ensure consistency across the Group and that we operate an optimally safe environment across all activities. We continue to monitor the Draft Building Safety Bill and Fire Safety Bill and any associated regulatory changes that could have an impact on our processes.
2. Customer experience		
A major failure to meet customer expectations or a customer service failure could occur leading to a decline in customer satisfaction, reputational damage and/or financial loss.	The Group has a People First strategy that puts customers at the heart of everything we do. We actively engage with our customers and use their feedback to shape decision making. This approach is supported by tools to monitor customer experience including the Net Promoter Score which measures how likely our customers are to recommend us to others. We also run a National Customer Group to gain customers' feedback on products and services, and maintain complaints handling standards and self-assessment using the Housing Ombudsman Complaints Handling Code. Further information can be found in the affordable housing section on page 48.	The Group has sustained essential services while moving to a new agile delivery model and responding to the significant operational challenges associated with Covid-19. As part of the People First strategy, 900 colleagues took part in our accredited people first workshops gaining a certificate from the Institute of Customer Service.

Risk	Mitigation	Change in year
3. Data management and security		
The Group could be exposed to losses relating to a cyber security breach. Our cyber security measures may not detect or prevent all attempts to compromise our systems or the security and integrity of the data we maintain. A cyber security breach could lead to unauthorised access to our systems, misappropriation of our users' data, deletion or modification of stored data or interruptions to business operations. If our data and systems were unable to meet information needs and regulatory requirements, this could lead to disruption to business operations, financial loss, compliance failure and/or reputational damage.	The Group recognises that our colleagues are our first line of defence against cyber security attacks and are encouraged to remain vigilant for phishing emails, calls and other suspicious requests for information, and to report any such attempts to our data security team. The Group regularly reviews our data management and security controls, undertakes employee awareness and training, and tests our contingency and recovery processes. The Group has a dedicated insurance function which ensures we maintain adequate cyber liability insurance.	The Group has successfully mobilised the workforce to allow working from home while sustaining the business and supporting all essential services. As part of this, our business continuity arrangements have been tested extensively and proven to be robust. The Group continues to monitor the external environment, current working practices and industry best practice to identify and act on improvements where they can be made.
4. Legal and regulatory compliance		
The Group could fail to comply with its legal/regulatory requirements, including social housing compliance standards, the delivery of value for money and compliance with anti-bribery, money laundering and modern slavery regulations, safeguarding, the Welfare Reform and Work Act 2016, and rent regulations. This could result in reputational damage, regulatory supervision or downgrade, legal censure and/or financial loss.	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/regulatory requirements. The Group has a robust framework of policies and procedures that reflects relevant standards and is reviewed by a regulatory compliance board. 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/regulatory requirements are reviewed regularly.	The Group has increased its assessment of the risk of major legal/regulatory failure to take account of the challenges we faced gaining access to people's homes to carry out essential gas and other safety work during Covid-19. The Group has sustained high levels of compliance throughout the pandemic demonstrating that our mitigations are robust. However, we have kept our assessment in the area raised due to the continued impact of government restrictions, and families who are isolating and deny access. We are monitoring the impact of proposed legislation on social housing, building safety and fire safety and have prepared an action plan for how we will respond to these.

Risk	Mitigation	Change in year
5. Governance and strategic planning		
There is a risk that a number of operational risk events across the Group, or within individual business units, crystallise together and impact financial and operational capacity to the extent that the Group cannot achieve key business objectives. There is also a risk that the Group could fail to deliver its business plan or achieve performance targets set by the Group board due to ineffective strategy and governance, government policy or economic disruption.	The Group undertakes challenging stress testing of business plans, impact assessment, economic forecasting and macroeconomic horizon scanning to ensure we have plans in place for a number of risks crystallising together. The Group also maintains a prudent treasury strategy of at least 18 months' liquidity. The Group has business continuity plans in each business to ensure no major disruptions to customer service and a dedicated insurance function which maintains adequate levels of cover.	The Group faced an unprecedented set of risks during the pandemic but sustained customer safety and satisfaction, and retained liquidity levels above those required. This gives us confidence that our framework of policies and procedures to manage risk is robust and resilient to external economic shocks. Using our learnings from Covid-19, we have built flexibility into our business plan to mitigate the risk that future lockdowns and restrictions impact delivery of key objectives and financial targets. During the year the Group completed a self-assessment against the English Social Housing Regulatory Framework. Each year, the Group Board also completes a self-assessment against the UK Corporate Governance Code.
6. Business disruption		
There is a risk that a new or resurging pandemic impacts the delivery of our business plan due to significant disruption and/or prolonged business restrictions.	The Group has business continuity plans in each business to ensure no major disruptions to customer service which include learnings from Covid-19.	By its very nature, a new pandemic or resurgence of Covid-19 cannot be foreseen but our experience gives us confidence that we could respond effectively in future. In 2020, the Group developed a robust response to the pandemic. We subsequently drew up a pandemic lessons learnt report. As a result, we have reviewed and refreshed our business continuity planning. We have also instigated a new ways of working project that aims to draw on our learning from Covid-19 to deliver a new framework and infrastructure to support agile working and collaboration in the future. We want to promote work life balance at the same time as making our workplaces more agile and flexible so we maximise innovation, creativity and productivity.

Risk	Mitigation	Change in year
7. Interest rate and liquidity		
The Group's strategy is to contain interest rate risk within 30 per cent of the debt book, being £2.9bn, with the Board exercising a strict control over derivative transactions. At the year end, 77 per cent of debt was either held at fixed rates of interest or hedged against rate movements. Liquidity risk is the risk the Group will encounter difficulty in meeting obligations associated with financial liabilities settled by delivering cash or another financial asset.	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 0.25 per cent increase in interest rates would increase interest payable costs by £1.0m per annum. The Group's approach to managing liquidity is to ensure, as far as is possible, it will always have sufficient liquidity to meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's policy is to ensure that sufficient cash and committed loan facilities are available and immediately accessible to finance a minimum of 18 months' cash flow.	During the year, the Group successfully secured a number of new financing deals including the Covid Corporate Financing Facility. This allowed us to maintain sufficient liquidity to cover the worst-case scenarios relating to Covid-19 that had been modelled in stress testing. However due to the ongoing strength of the Group's liquidity position, the Covid Corporate Financing Facility was repaid in March 2021. We continue to monitor the external environment to ensure we can adapt to any changes as they arise.
8. Political environment and macro-economy		
Changes in government policy and practice, including welfare reforms, change in housing policy, and changes in tax /economic policy among others, could impact negatively on the Group's products and services and performance targets in the business plan. A general downturn in the UK or worldwide economy could adversely impact the Group's ability to achieve its corporate and business objectives.	The Group undertakes challenging stress testing of its business plan, including the impact economic forecasting and macroeconomic horizon scanning. Key members of the executive team continue to lobby government both directly and through the National Housing Federation to ensure that housing remains a key government priority.	In 2020, the UK experienced a significant economic downturn along with government policy changes ie. local and national lockdowns, which had an impact on all areas of the business. The stress testing undertaken on the business plan for the financial year to March 2022 includes a number of scenarios involving Covid-19, considering both worst case and more plausible scenarios. This is detailed further in the Going Concern and Viability Statement. The Group continues to monitor the current Covid-19 restrictions and the impact they are expected to have on our activity. On 31 January 2020, the UK left the EU and in December 2020 the UK Government concluded negotiations on a trade deal. The Group had identified a number of risks associated with Brexit, primarily borrowing costs and sales and rental values, labour constraints, cost and speed of access to components, failure or under performance of key suppliers, and customer hardship. To date, the risks identified have not materialised to the extent expected, however the Group continues to closely monitor the impact of Brexit on our businesses.

Risk	Mitigation	Change in year
9. Sustainability and uneconomic assets		
The Group takes a long-term view of its activities and responsibilities and environmental considerations are an important factor. 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. The Group has identified two categories of climate change risks — transitions risks; those relating to the transition to a lower carbon economy, specifically the costs in meeting decarbonisation targets, and physical risks; those relating to the physical impacts of climate change specifically the incidence and cost of stranded assets because of climate change. There is a further risk that the Group is unable to deliver its asset management strategy to comply with repairs and maintenance standards. In addition, the cost of improving the condition of housing stock could have a material impact on the financial plan and achievement of strategic goals. There is also a risk that the Group could fail to effectively anticipate and respond to changes in societal and/or technological trends meaning our products and services become irrelevant or unprofitable.	We have thorough processes in place for assessing and managing climate related risks, which are integrated into our overall risk management framework. The Group has developed a robust Environmental Sustainability Strategy with challenging targets and appropriate KPIs to measure performance against this strategy. The Group also carries out regular reviews of our products and assets through the Asset Management Group 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. 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 to these changes.	The Group continually monitors the external environment to ensure we are in step with changes in the environment, laws and policy changes. This includes restrictions on gas appliances in new builds from 2025, and the Group's Environmental Strategy sets out plans to deliver compliance.
10. Counterparty including joint ventures/mergers		
The failure of a local authority, major contractor, joint venture or other major partner could impact Group performance and its ability to deliver business objectives. There is also a risk that the Group's operational performance is compromised due to merger failure or in pursuing the acquisition of other businesses.	The Group undertakes detailed due diligence on new joint venture arrangements or proposed mergers to identify possible dilution of performance. Any risks identified are controlled or mitigated. The Group also regularly reviews and monitors performance against initial expectations and targets set within the business plan, and works closely with the joint venture/subsidiary boards for each project ensuring they are approved and financially controlled within delegated authority rules. The external environment is continually reviewed to identify any changes with local authorities, contractors and other major partners that may impact the Group.	The Group continues to monitor government-imposed restrictions and the wider economic impacts to understand the effect this may have on our joint venture businesses. We also work closely with the individual businesses to further mitigate these risks where they arise. The Group's extensive experience of working with local authorities in our leisure business over the lockdown period has demonstrated we have an effective framework for the management and governance of major relationships.

Modern Slavery Act

The Group publishes an annual slavery and human trafficking statement to comply with the Modern Slavery Act 2015. The Group is completely opposed to human trafficking and modern slavery practices.

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.

Streamlined energy and carbon reporting (SECR)

		2019/20		**2020/21**		YOY% Change	
Scope	**Fuel**	kWh	tCO_2e	**kWh**	**tCO_2e**	kWh	tCO_2e
Scope 1	Combustion of gas, Purchase of fuel, Business travel in Company Cars and in-house fleet	257,671,915	48,893	**187,277,725**	**35,798**	-27%	-27%
Scope 2	Purchased electricity inc. electric vehicles	74,439,986	19,027	**44,800,865**	**10,445**	-40%	-45%
Scope 3	Business travel in rental cars or employee-owned vehicles	2,457,248	588	**1,658,222**	**412**	-33%	-30%
	Total	**334,569,149**	**68,508**	**233,736,812**	**46,656**	**-30%**	**-32%**

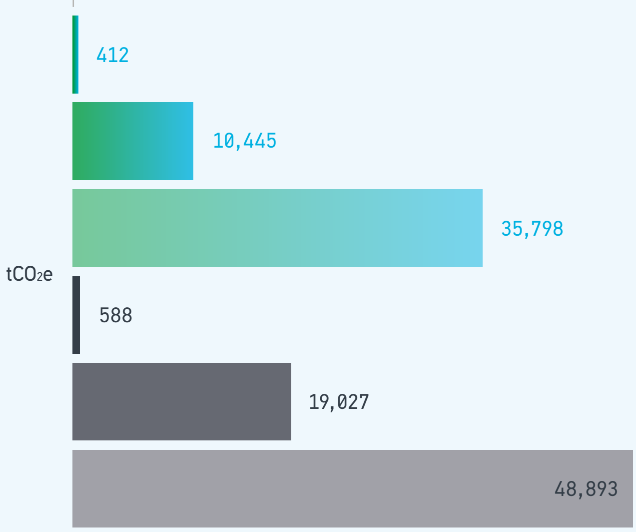
Intensity Metrics	2019/20	**2020/21**	YOY% Change
tCO2e per £m turnover	77.69	**51.01**	-34%
tCO2e per employee	12.18	**9.67**	-21%

Places Leisure (generation)	2019/20		**2020/21**			
Generation type	kWh	tCO_2e	**kWh**	**tCO_2e**	YOY% Change	Location
SG Electricity	3,884,131	884	**8,240,238**	**2,106**	-58%	On site
SG Heat	6,285,916	1086	**15,181,976**	**2,791**	-61%	On site
Total	**10,170,047**	**1,970**	**23,422,214**	**4,897**	**-60%**	

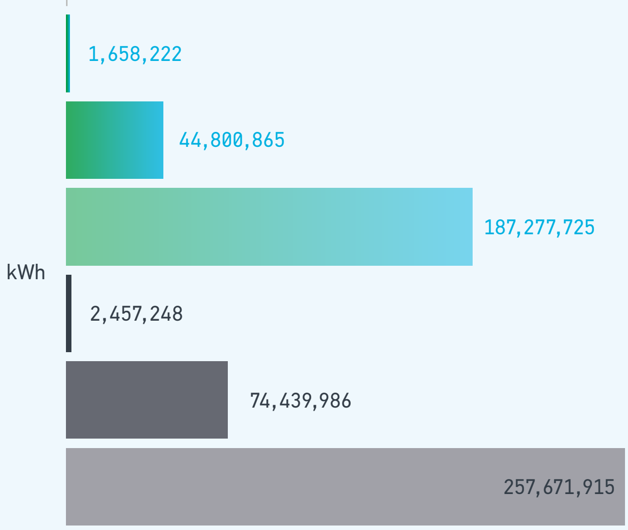
The savings made during the year reflect changes in working patterns during the Covid-19 pandemic, ie reduction in business mileage/travel due to government restrictions and colleagues working from home. As the effects of the pandemic ease, we are likely to see an increase in these numbers.

*Self generation figures are for the Leisure businesses only

Places for People Group total greenhouse gas emissions



Places for People Group total kWh



- Scope 3 — Business travel in rental cars or employee-owned vehicles
- Scope 2 — Purchased electricity inc. electric vehicles
- Scope 1 — Combustion of gas, purchase of fuel, business travel in company cars and in-house fleet
- Scope 3 — (2019/20)
- Scope 2 — (2019/20)
- Scope 1 — (2019/20)

Industry recognition

The SECR reporting period is from 1 April 2020 to 31 March 2021. The report consolidates all Group companies captured by the SECR requirements: Places for People Group, Places for People Homes, Places for People Living Plus, Derwent Housing Association, Chorus Homes, Castle Rock Edinvar Housing Association, Allenbuild, Millwood Designer Homes, ZeroC Holdings and Places Leisure.

All measured emissions from activities for which the organisation has financial control are included unless otherwise stated in the exclusions statement, as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

In addition, generation from onsite combined heat and power (CHP) plant has been included voluntarily for our Leisure business.

No F-Gas consumption has been used or recorded.

Intensity ratios

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

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 2020

This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance'.

We have used the Energy Savings Opportunity Scheme methodology.

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.

Estimations

Estimations	2019/20	**2020/21**	YOY% Change
kWh	7,985,214	**11,642,904**	46%
% estimated	5%	**2%**	-

The estimation of energy and transport data (where required) equalled five per cent of the total energy and transport kWh consumption. The list below gives a summary of the estimates:

Electricity

— SSE — estimated reads

— Allenbuild (based on costs)

— Millwood (Pro-rata)

Natural gas

— Gazprom — estimated reads

— Allenbuild (based on costs)

— Derwent AJR Meters Q4 (Pro-rata)

— Millwood (Pro-rata)

Mileage, transport fuel and on-site fuel

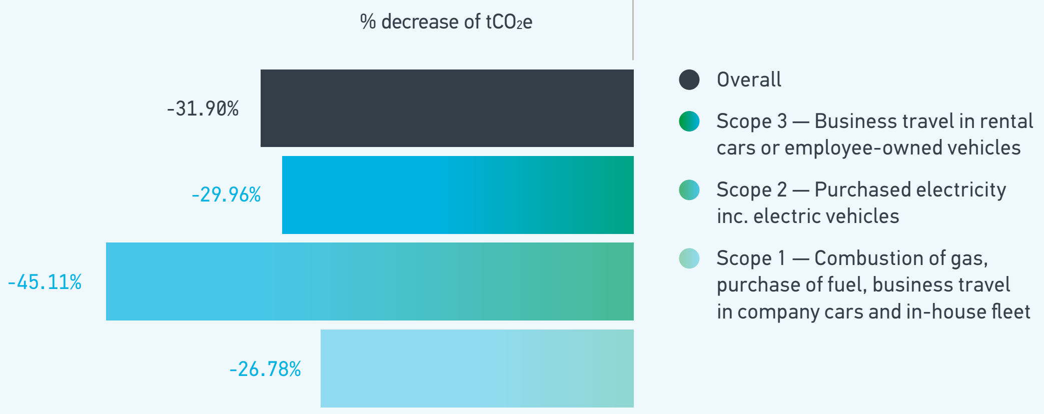
— ZeroC Holdings (based on costs)

The estimations were based on costs where raw data was not available. An example is Allenbuild, where energy was estimated based on electricity and gas tariffs. For ZeroC, the mileage estimation was based on cost claims and Payroll rates (£/mile). The fuel estimation for ZeroC was carried out using the costs and the national fuel rates (£/litre).

Pro-rata extrapolation and benchmarking have been used for the estimations by using figures available for one period of time to get average consumption figures for a shorter period (Total usage for period / days in period * missing days).

Year-on-year emissions changes

The comparison has been demonstrated by the year-on-year emissions changes against the 2019/20 reporting year.



Year-on-year emissions changes

Additional energy efficiency actions (Corporate and Leisure).

The pandemic slowed the rollout of energy efficiency measures. Despite this, we ensured facilities were maintained, and plant was efficiently controlled while buildings were vacant. A summary of actions is presented below:

Corporate — 305 Gray's Inn Road, London

- Installation of two new energy efficient boiler systems (10 per cent more energy efficient) in August 2020.
- Installation of LED lighting and new double-glazed units.
- Modification of the air handling units enabling 75 per cent of the heat to be gained from extracted air reducing the heat input required from boilers.
- Replacement of heating, ventilation and air conditioning controls.

17 Craven Drive, Preston

- Installation of low energy LED lights to replace older fluorescent fittings.

Asset identification regime

We are monitoring the energy of individual plant and equipment. This system will be used for the early detection of faults and reductions in efficiency to aid soft start-up mechanisms and reduce energy spikes.

Further plans have been proposed for the Group's South Rings office with upgrades to be carried out on the chiller plants at the beginning of the 2021/22 reporting year.

Places Leisure

- Due to the closure of facilities, the focus was on efficient plant control and maintenance while activities were halted.

Board of Directors

The Group board, at the date of signing the annual report, comprises the Group Chair, six non-executive directors and five executive directors. Details of the board members can be found listed on pages 101 to 108.

Board of Directors

01 Graham Kitchen
02 Nigel Hopkins
03 Angela Daniel
04 Scott Black
05 Debi Marriott-Lavery
06 Graham Waddell
07 David Cowans
08 Lynette Lackey
09 Richard Gregory
10 Tim Weightman
11 Andy Winstanley
12 Chris Martin
13 Regina Finn

The board members have diverse backgrounds in industry and public life, and share a strong commitment to applying their expertise, skills and experience to ensuring that Places for People's business is sound. All the non-executive directors are independent of management and have access to the Group Company Secretary for advice.

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 Group 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 page 79 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 or working parties to examine specific areas of operation.

The standing committees are:

— Audit & Risk Committee

— Remuneration & Nominations Committee

— Development Committee

— Treasury Committee

Details of committee membership and attendance at board and committee meetings during the year are reported on page 118.

Decisions to approve proposed financial transactions can also be delegated to the boards of Places for People Finance plc and Places for People Treasury plc as reported below.

Details of the board members can be found listed on pages 101 to 108. These details are also available to view on the Group's website at www.placesforpeople.co.uk

Non-executive directors

The board has adopted guidelines for the appointment of non-executive directors, which have been 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.

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.

It will be 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 considered to be evenly matched in other respects. Last year, we reported the board's rationale for extending the term of office of Chris Phillips as Group Chair for up to a further year in order to ensure a smooth transition to his successor.

On 1 November 2020, following an externally-supported search, Richard Gregory OBE was appointed non-executive director and Chair-elect.

A handover timetable was developed and Chris Phillips stepped down as Group Chair and resigned as non-executive director on 31 January 2021. Richard Gregory assumed the role of Group Chair from 1 February 2021.

On an administrative level, the board requires each director to inform the Group Company Secretary if he or she has an interest that ought to be declared.

Such interests include offices held in other organisations but also extend to other matters that could affect the individual director's conduct.

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.

Delegation of responsibilities by the board of directors

Ultimate authority for all aspects of the Group's activities rests with the board, the respective responsibilities of the Group Chair and Group Chief Executive arising as a consequence of delegation by the board.

The board has determined a clear division of responsibilities between the Group Chair and the Group Chief Executive.

The board is responsible for setting strategies and policies for the whole Group and coordinating the Group's activities. The board remains satisfied that its policies, practices and behaviour throughout the business are aligned with the Group's purpose (see page 15), values (see page 14) and strategy (see page 21).

The board achieves that 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

Key to Board and Committees

- G Group Board
- A Audit & Risk Committee
- R Remuneration & Nominations Committee
- T Treasury Committee
- D Development Committee
- V Ventures board

Richard Gregory OBE

(Chair)

Richard has held the roles of chair, senior independent director and non-executive director across a range of private and public sectors. Currently Richard is also Chair of the specialist lender, Together Personal Finance Ltd.

Former roles include Senior Advisor to Virgin Money PLC, Senior Independent Director and Risk Committee Chair of the Clydesdale and Yorkshire Banking Group (CYBG PLC) and Chair of the Yorkshire Bank Pension Trust.

In the NHS, two foundation trust chairmanships, a board member of the Foundation Trust Network, member of GovernWell and the NHS Leadership Academy advisory board. In regional development, Deputy Chair of the regional development agency Yorkshire Forward, Chair of the Science and Industry Council, Yorkshire Innovation, and Chair of Science City York.

He is a former board member of Business in the Community and its Yorkshire Chair, former Chair of Sheffield Hallam University and non-executive director of Sheffield University Enterprises Ltd.

His executive career was in television broadcasting first with Granada TV in Manchester and then Yorkshire Television where he retired as Managing Director Broadcasting before becoming Chair of the digital media company Imagesound PLC.

Other former memberships include the North West Business Leadership Team, the Yorkshire and Humber Council of the CBI, the Team Humber Marine Alliance advisory board and the Innovation advisory board of Sheffield Hallam University.

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

Graham Waddell
(Senior Independent Director)

Graham's executive career was with Nationwide Building Society, during which time he held a number of Senior Executive positions. He was also the Managing Director of a Nationwide subsidiary company, which was a large private landlord and property owning vehicle. He was Chair of Council of Mortgage Lenders in Scotland and is a Fellow of the Chartered Institute of Bankers. Graham joined the board of Castle Rock Edinvar in September 2013 and became its Chair on 1 March 2018.

Graham joined the board of Places for People Group 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, which play a critical role in the delivery of the UK's clean, sustainable, affordable energy goals. She is also a Director of Lucerna Partners, a consultancy specialising in public policy, economic regulation and competition and consumer policy and a non-executive director of Motor Fuel Group, the largest independent forecourt operator in the UK. Regina has held a number of other non-executive roles including Chair of Mutual Energy Limited, and non-executive director of Irish Water and the Channel Islands Competition and Regulatory Authority.

She was the first Chief Executive of Ofwat, the water regulator for England and Wales, held the position of Commissioner for Energy Regulation in Ireland, and set up and ran a regulator for the energy, post and telecommunications sectors in Guernsey in the British Channel Islands. She also led the establishment of Ireland's first economic regulator for the telecommunications sector.

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

Angela Daniel

Angela currently works for a global insurance company and heads up the firm's finance team within the Europe Asset Management division. Prior to joining, she worked as the EMEA Controller for Custody & Securities Lending (WSS) in JP Morgan Chase and before that worked as a Client Financial Management Specialist (Oil & Gas sector) in Accenture. Angela trained as an accountant within a small to medium-sized practice and is a Fellow Member of the Association of Chartered Certified Accountants (FCCA). She received a B.A. (Hons) degree in Accounting and Management from Cardiff Business School and holds a Masters degree from the University of Oxford. She also currently holds a non-executive role as Treasurer at The Urology Foundation.

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

Nigel Hopkins

Nigel is a non-executive director of MHS Homes Limited and Chairman of Instructus, a skills charity. He is also an associate with Concerto Consulting providing advisory services to registered providers of social housing. Previously, he had a wide-ranging international career, living and working in the UK, Europe and the USA.

He is a qualified accountant and has held senior management positions with the Confederation of British Industry, Fiat, Abbeyfield, Laporte (Chemical), Burmah Castrol, United Technologies, Coopers & Lybrand, Ernst & Young and Remploy. At Abbeyfield he led the strategic review of its living and care businesses. At Remploy he was Finance and Strategy Director at a time when the company was being transformed from one that was exclusively an employer of disabled people in a wide range of industries, to one that placed 15,000 disabled and disadvantaged people into work each year.

Nigel joined the board of Places for People Group in October 2013.

Graham Kitchen

Most recently, Graham was Global Head of Equities at Janus Henderson Investors. Prior to joining Janus Henderson in 2005 as Head of UK Equities, Graham was with Threadneedle Investments, and he spent 13 years at INVESCO Asset Management as a UK Fund Manager and Co-Head of Investment.

Graham is Chair of Trillium Asset Management UK Ltd and Perpetual Asset Management UK Ltd and is a non-executive Director at The Mercantile Investment Trust plc and AVI Global Trust. He was previously Chair of Invesco Select Trust plc. Graham is also a member of the Investment Committee of the charity Independent Age and acts as mentor for The Prince's Trust and The Social Mobility Foundation.

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

Lynette Lackey

Lynette is a chartered accountant with over 25 years' experience in real estate finance, corporate reporting and financial management. Lynette is also a Director of Warehouse REIT plc and a member of the Council of London Chamber of Commerce. She was, until recently, a non-executive director and Chair of the Audit & Risk Committee of the London Chamber of Commerce and Industry and a Trustee of Landaid Charitable Trust. She is also a past UK Chair of the National Women in Property Association. She also spent 10 years as a Partner with BDO Stoy Hayward, where she specialised in international real estate transactions.

Lynette joined the board of Places for People Group in 2011 and briefly left the board in 2019 returning in April 2020.

Executive board members

Key to Board and Committees

- G Group Board
- A Audit & Risk Committee
- R Remuneration & Nominations Committee
- T Treasury Committee
- D Development Committee
- V Ventures board

David Cowans

Group Chief Executive

David has extensive experience of housing, urban regeneration, mixed-tenure and mixed use development, property management, marketing and financial management, and leading strategic change in large and small organisations.

David is a Fellow of the Chartered Institute of Housing, a Fellow of the Royal Society of Arts, a Fellow of the Royal Institution of Chartered Surveyors, a Fellow of the Institute of Directors and a member of the Institute of Residential Property Management. He has an MBA from Birmingham University and is also an Academician of The Academy of Urbanism and completed his term as a Visiting Fellow of Cambridge University.

Andy Winstanley

Group Executive Director, Finance

Andy was appointed Group Finance Director in August 2017, having previously operated as the Group's Financial Controller since joining Places for People in 2010. Andy qualified as a chartered accountant at Ernst and Young where he spent nine years in its North-West assurance practice.

Debi Marriott-Lavery

Group Executive Director, Affordable Housing

Debi has been in her role as Group Executive Director of Affordable Housing at Places for People since July 2019 and has been with Places for People since 2015. Prior to housing, Debi spent a decade in health and social care as a qualified healthcare professional. Debi has held a number of senior management roles since joining Places for People and soon became Chief Executive of Places for People Living Plus; focusing on providing all round accommodation, care and support to help vulnerable people with complex needs live independent, fulfilling lives.

Debi now has over 20 years' experience working at a senior level in the health, social care and housing markets, strategically leading teams and businesses to provide innovative high-quality services in diverse and challenging markets for both public, independent and not for profit sectors. Debi's former roles include that of Managing Director Community Services, Care UK and Chief Operating Officer at Anchor Trust.

Tim Weightman

Group Executive Director, Assets and Investments

Tim joined Places for People in 1997 and has over 20 years' experience of development and investment in relation to the residential asset classes, including PRS, retirement rentals and student housing, and is responsible for the Group's other investment properties, and its approach to asset performance and strategic asset management. Tim has a degree in Building Surveying and an MBA from Durham University.

Tim joined the board of Places for People Group in October 2019.

Chris Martin

Group Company Secretary and Legal Services Director

Chris is a solicitor with over 30 years' experience of legal practice and joined Places for People in 2008. Previously, he worked in private practice for 10 years, in a City law firm and as a partner in a US legal practice, and then in general counsel roles in UK and international businesses in a number of different industry sectors.

Scott Black

Group Executive Director, Development

Scott is a chartered architect with 25 years' experience in the development industry and with a passion for the design and the creation of sustainable new communities which are inclusive for all. He has performed several roles in his career leading up to a group position as Director of New Business at Crest Nicholson PLC.

Prior to Joining Places for People as Group Executive Director, Development he was Managing Director of Crest Nicholson Regeneration which was responsible for the group's major mixed-use regeneration projects, partnership schemes, and both the PRS and commercial portfolios. He held this position for five years and during this time was responsible for the delivery of some of the most iconic major projects and regeneration schemes in the UK, managing circa 200 staff with an annual turnover of between £250m - £300m a year.

Corporate governance

Evaluation of board performance

At its meeting on 25 November 2020 the Group board established a panel of board members, led by Richard Gregory as Chair-elect, to conduct an evaluation of the board. Views were invited on the optimal size of the board, requisite and existing skills, membership, committee structures, board culture and governance arrangements. Information was gathered through questionnaires and through individual meetings held by Richard Gregory with each board member. The panel met to review the information obtained and to consider provisional findings before producing a report which was presented to the Group board on 15 February 2021 (Richard Gregory's first meeting as Group Chair). It addressed board performance during the recent past and made recommendations for change.

As a result:

- the number of non-executive positions on the board (including the Group Chair) was reduced from eleven to seven
- four non-executives, Adam Cleal, Amjad Hussain, Tracey James and Liz Woolman (each of whom agreed with the recommendation to reduce non-executive numbers) resigned with severance arrangements being approved by the Group board
- the deployment of non-executives across the board's standing committees and the recommendations for the position of chair of each committee were confirmed
- the membership of the Places for People Ventures Limited board was confirmed
- the chair of each standing committee was asked to review its respective terms of reference and make recommendations for change. As a consequence, changes were made to the Development Committee's terms of reference
- the membership of the Remuneration Committee and the Nominations & Governance Committee were combined to create the Remuneration & Nominations Committee and new terms of reference were agreed
- the membership of the boards of Places for People Homes Limited and Places for People Living+ Limited were confirmed
- the Regulated board was discontinued with the Group board becoming the forum for discussion and decision on matters relating to the performance and obligations of the affordable housing businesses within the Group
- the format for future business plan reporting was approved
- a revised conflicts policy was adopted.

Audit & Risk Committee

Remit

The executive directors are responsible for maintaining and reviewing the Group's systems 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 members of the committee during the year were:

— N Hopkins (chair)

— A Daniel
(from 15 February 2021)

— R Finn
(from 15 February 2021)

— G Kitchen

— G Waddell

— A Hussain
(until 31 January 2021)

— T James
(until 12 January 2021)

supported by members of management.

Activity

The committee receives and reviews reports from Business Assurance on a regular basis. The programme of reports reviewed in the year is informed by, and aligned with, business planning and ensures that the committee covers all material areas of risk on a regular basis. 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 actions.

The initiatives for this year included:

— a presentation from the Group Chief Executive on the monitoring of risk reporting which resulted in a number of changes being made to how strategic risks are identified and recorded and to the allocation of management accountability for monitoring risks.

— a presentation and update on progress made in respect of management of cyber security.

— an update on the work being undertaken in preparation for the Regulator of Social Housing's in-depth assessment.

The Group has a whistleblowing policy. Its terms, the manner of its publication and any circumstances of its use are reviewed annually by the Audit & Risk Committee on behalf of the Group board.

The policy provides for the mechanisms for a proportionate and independent investigation and for the protection of any whistleblower against subsequent unfair treatment. Any failings in values, policies or conduct identified by such an investigation are addressed by the line management and/or the board.

The committee meets separately with representatives of Business Assurance and external auditors on at least one occasion in each year without any members of management being present.

External audit

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 Group Finance Director.

Following recommendations made by the Audit & Risk Committee, the Group board approved the renewal of the audit contract during the 2019/20 financial year resulting in the reappointment of the incumbent, KPMG, for a period of three years with an option to extend by a further two years.

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.

Non-audit work

The Group has instructed KPMG to carry out £108,000 (2020: £89,000) of non-audit work in the year where advantages of efficiency, cost or expertise were identified.

The Audit & Risk Committee monitors the nature and scale of such instructions during the year and its approval is required for total non-audit fees in excess of a threshold agreed by the board.

As a result of these control mechanisms, the board is satisfied as to the independence of the external auditor.

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 that the 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 assumptions made by valuers which may not prove to be accurate. The Group appointed an independent valuer to undertake the valuation of the properties for the current financial year.

The valuer attended a meeting with the chair of the committee and management and also met the auditors subsequent to the year end to discuss the assumptions used in the valuation and the results of their review.

The committee reviewed the outcomes and challenged the assumptions where it believed appropriate to do so. The committee was satisfied with the valuation process, the independence and effectiveness of the Group's external valuer and the results of their work.

Going Concern

The committee has reviewed the Group's approach to the new going concern audit standard and the adequacy of management's assessment of going concern. The committee was presented with an update on the requirements of the committee itself, management and the Group's auditor. Management provided details of the assessment they had undertaken themselves and the outcome of this. The committee concluded 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 Committee

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

Places for People Treasury plc raises finance only for the regulated 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-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 members of the committee during the year were:

- G Waddell
  (chair from 1 February 2021)
- R Gregory
  (from 1 February 2021)
- G Kitchen
- L Lackey
- C Phillips
  (chair and committee member until 31 January 2021)

supported by members of management.

Development Committee

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 considers any detailed proposals brought to it, scrutinising management proposals to add value.

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 members of the committee during the year were:

- G Kitchen
  (chair from 15 February 2021)
- A Daniel
- R Gregory
  (from 15 February 2021)
- N Hopkins
  (from 1 June 2020)
- L Lackey
  (from 15 February 2021)
- A Hussain
  (until 31 January 2021)
- T James
  (until 12 January 2021)
- C Phillips
  (chair and committee member until 31 January 2021)

supported by members of management.

Remuneration & Nominations Committee

On 15 February 2021, the Group board decided to combine its Remuneration Committee and its Nominations & Governance Committee to create the Remuneration & Nominations Committee. As the bulk of work in the year was performed through the separate committees, it is reported separately here.

The members of the Remuneration & Nominations Committee from 15 February to 31 March 2021 were

- R Finn (chair)
- A Daniel
- R Gregory
- G Waddell

supported by members of management. Regina Finn had served on a remuneration committee for 12 months prior to her appointment as committee chair.

Remuneration Committee

Remit

The Remuneration Committee sets the reward policy for the Group. It reviews the application of the policy during the year and considers whether change is necessary to achieve the purpose of the policy. The committee takes decisions on reward for senior management members and makes recommendations to the board on non-executive fee levels.

The purpose of the reward policy is to attract and retain the people with the talent to design and deliver the Group's strategy and promote its long-term sustainable success.

The policy is to set salary, benefits and a framework for performance-related pay in a way that 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 values 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.

Activity

The committee carried out a review of employment terms (i.e. pay, benefits and essential contractual terms) for executive directors and the company secretary.

The committee considered the question of salary review for all staff. In the absence of material market factors for any role or location or performance factors that are confined to an individual business, annual salary increases have been through the application of the same percentage uplift for all staff.

In businesses where prior year performance has been strong and where operations have been sustained throughout the pandemic crisis with no significant reliance on the furlough mechanism, the committee approved a 1.5% pay increase which will take effect in the 2021/22 financial year.

Consideration of 2019/20 performance-related bonus was deferred from May until November 2020 so that the impact on the business of Covid-19 could be better understood. The 2020/21 year was considered in May 2021. On both occasions, the committee received information on business and individual performance including a combination of hard measures linked to business plan targets and softer measures linked to demonstration of SPIRIT values and peer and team feedback.

The committee reached decisions on the total bonus pot and on the share of the available pot to be allocated to members of the senior management team including each of the executive directors. Details of directors' emoluments are set out in note 5 to the financial statements.

The committee commenced a review of the framework for performance-related pay and identified elements that it wished to emphasise, noting the Code expectations of clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture. The committee did not retain a reward consultant for the 2020/21 year but expects to engage with a consultant during 2021/22 on a range of matters including in relation to performance-related pay.

Long-term incentive arrangements are in place for only two of the executive directors and are a legacy of growth share arrangements created in 2017/18 based on the performance of selected non-regulated subsidiaries. No benefits have been earned from those growth shares to date. The committee reviewed the position and concluded that the arrangements should be allowed to run to their natural expiry date.

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 committee reviewed the CEO pay ratio report, noting that the Group is under no obligation to report. It approved the report for publication to include 2019/20 comparative data.

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 requires a period of notice in excess of 12 months.

The committee reviewed and recommended changes to its terms of reference. The board approved those changes.

The members of the committee until 15 February 2021 were:

— A Cleal
(chair and committee member until 31 January 2021)

— G Kitchen

— L Woolman
(until 31 January 2021)

Adam Cleal had served on the Remuneration Committee for more than 12 months before assuming the position of committee chair.

Nominations & Governance Committee

Remit

The committee is responsible for reviewing the structure, size and composition of the 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.

Activity

Prior to the start of the 2020/21 year, the need to recruit to the role of Group Chair was identified. The board set up a panel to lead the search. Members of the committee were on the panel which was supported by the external search consultant, Warren Partners.

Through that search process, Richard Gregory was appointed to the board in November 2020 and to the position of Group Chair in February 2021.

He led an evaluation of the board, including its size and composition, following which four board members stepped down during the year.

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 in total.

The committee established a fresh competencies matrix for non-executive directors and reviewed against it the skills of the remaining board members and the length of their service. The committee made recommendations for the re-appointment of two non-executive directors and identified the need for recruitment at non-executive level to replace two members whose terms of office will expire within 18 months. The committee appointed Saxton Bampfylde to support it in the search for new non-executives.

The Group Chief Executive announced his intention to retire in March 2022 and the committee is working on the search for his successor. The committee will continue to work with the Group Chief Executive to maintain a high performing management team with strength in depth. It has reviewed succession plans in relation to key business areas and worked in tandem with other committees on identifying skills gaps to be addressed by training or recruitment.

The committee has regard to the benefits of diversity on the board and in the workforce generally. It seeks candidates for senior positions with diverse characteristics and also seeks to appoint the best candidate for any board post.

The committee has reviewed the effectiveness of the board during 2020/21 and reported on this to the board. The review placed reliance on work done by board members and management on this occasion but has obtained the board's support for its recommendation that there be an externally facilitated review in respect of 2021/22. The committee has developed enhanced self-assessment models to feed into future board effectiveness reviews.

The Group had retained the services of Warren Partners in 2019 to recruit non-executives but there was no other connection between the Group and any search consultant engaged during the year. Individual board members have worked with the search consultants at various times in their personal and professional capacities.

The committee reviewed and recommended changes to its terms of reference. The board approved those changes.

The members of the committee during the year were:

— **G Waddell**
(chair until 31 May 2020 and re-joined as a committee member on 15 February 2021)

— **G Kitchen**
(chair from 1 June 2020 until 14 January 2021)

— **A Cleal**
(until 31 January 2021)

— **R Finn**
(chair from 15 February 2021)

— **Angela Daniel**
(from 15 February 2021)

— **Richard Gregory**
(from 15 February 2021)

supported by members of management.

Chief Executive Officer Pay Ratios

Chief Executive Officer ("CEO") Pay Ratios are considered by the Group's Remuneration & Nominations Committee. The Group is under no obligation to report on its CEO Pay Ratios but the Group wishes to share the information.

The table below compares the 2020/21 total pay and benefits for the Group 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 2021	Option B	23:1	19:1	13:1

The remuneration figures for the employee at each quartile were determined with reference to the financial year ended 31 March 2021.

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 2020) 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 2020/21 financial year was then calculated for each of those employees. The pay ratios outlined above were then calculated as the ratio of the 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, with the exception of bonuses where the amount paid during the year was used instead of that earned during the year. Periods where employees were on furlough 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.

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

Year Ending	25th Percentile	50th Percentile	75th Percentile
Salary	£21,224	£23,657	£36,971
Total Pay and Benefits	£22,225	£26,840	£38,860

The committee considers that the median CEO pay ratio is consistent with the relative roles and responsibilities of 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 colleague identified at the 50th percentile, however, was in receipt of a small bonus in the 2020/21 financial period. 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 the role, the Group CEO's 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.

Pevious years' CEO Pay Ratios are shown below. The main reason for the change in the ratios from the year ending March 2020 to March 2021 is because the value of the total pay and benefits for the employees identified at the relevant percentiles increased by proportionally more than the value of the Group CEO's total pay and benefits in the period. By their very nature, the calculations are not comparing identical employees over a period of time and so some year-to-year variation in the results report is to be expected because of this.

Year Ending	Method	25th Percentile	50th Percentile	75th Percentile
March 2020	Option B	29:1	22:1	14:1

Regulated board

The Group board formerly charged the Regulated board (a non-statutory board) with considering the operational performance and compliance with applicable standards of the Group's regulated housing providers.

Following the 2020/21 Group board evaluation, the regulated board was discontinued with the Group board becoming the forum for discussion and decision on matters relating to the performance and obligations of the affordable housing businesses within the Group. Attendance at regulated board meetings during 2020/21 is displayed for completeness.

Ventures board

Following changes in governance arrangements towards the end of the financial year, Places for People Ventures Limited assumed new reporting obligations for the Group's non-regulated businesses. Prior to this, 'cluster' boards had provided oversight for the activities and performance of non-regulated businesses that shared similar characteristics. Places for People Ventures Limited is a direct subsidiary of the Group parent and within the Group structure it is the senior company that is not involved with social affordable housing provision.

The company has a controlling interest in a number of subsidiaries that make up the Group's non-regulated businesses. To ensure that the non-regulated businesses receive similar levels of scrutiny to that of the regulated businesses, the Ventures board comprises the same membership as that of the Group Board outlined on pages 101 to 108.

It monitors operational and financial performance on a consolidated basis against the prevailing business plan having regard to value creation/preservation where 'value' may be measured in a number of 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-regulated businesses.

Attendance at board and committee meetings

Directors' attendance at board and committee meetings, in relation to the number of meetings held, during the year ended 31 March 2021, is set out in the following table.

Board member	Group board	Audit & Risk Committee	Remuneration Committee*	Nominations & Governance Committee*	Treasury Committee	Development Committee	Regulated Board
Richard Gregory[1]	4/4	N/A	1/1	1/1	1/1	1/1	N/A
Chris Phillips[2]	6/7	N/A	N/A	N/A	3/3	3/3	N/A
Adam Cleal[2]	7/7	N/A	2/2	2/2	N/A	N/A	N/A
Angela Daniel	10/10	1/1	1/1	1/1	N/A	4/4	2/3
Regina Finn	10/10	1/1	1/1	3/3	N/A	N/A	3/3
Nigel Hopkins	10/10	6/6	N/A	N/A	N/A	4/4	2/3
Amjad Hussain[2]	7/7	5/5	N/A	N/A	N/A	3/3	N/A
Tracey James[2]	7/7	5/5	N/A	N/A	N/A	3/3	N/A
Graham Kitchen	10/10	2/2	1/2	1/1	4/4	0/1	3/3
Lynette Lackey	10/10	N/A	N/A	N/A	4/4	1/1	3/3
Graham Waddell	10/10	6/6	1/1	2/2	4/4	N/A	3/3
Liz Woolman[2]	7/7	N/A	2/2	N/A	N/A	N/A	N/A
David Cowans	10/10	N/A	N/A	N/A	N/A	N/A	3/3
Debi Marriott-Lavery	10/10	N/A	N/A	N/A	N/A	N/A	3/3
Scott Black[3]	9/9	N/A	N/A	N/A	N/A	N/A	3/3
Tim Weightman	10/10	N/A	N/A	N/A	N/A	N/A	3/3
Andy Winstanley	10/10	N/A	N/A	N/A	N/A	N/A	3/3
Mary Parsons[4]	2/2	N/A	N/A	N/A	N/A	N/A	N/A

* The Remuneration Committee and Nominations & Governance Committee ran as separate committees up until February 2021 when the Group Board agreed that the Remuneration Committee would be merged with the Nominations & Governance Committee and be known as the Remuneration & Nominations Committee.

N/A = not a board/committee member

[1] Richard Gregory joined the Group board on 1 November 2020

[2] Adam Cleal, Amjad Hussain, Tracey James, Chris Phillips & Liz Woolman resigned from the Group board during January 2021.

[3] Scott Black joined the Group board on 1 May 2020

[4] Mary Parsons resigned from the Group board on 27 May 2020.

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. Those appraisals have generated agreed objectives for each board member, building on the work done through the board evaluation.

The board has conducted an evaluation exercise during the year using only Group resource. The board has resolved that the annual evaluation for the 2021/22 financial year will be externally facilitated.

None of the directors who left the board during the year expressed concerns about the operation of the board for circulation on their departure to fellow board members.

The Group has complied with the UK Corporate Governance Code (the Code) (2018 version) except for Code provisions 3, 4, 18, 19, 36 and aspects of provision 5.

Provisions 3, 4, and 18 contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, director remuneration and the use of the AGM to communicate with investors. Provision 36 encourages the alignment of company and management interests through long-term shareholdings.

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 and through an annual investors' forum. Management's interests are aligned with the company's through the performance-related reward policy.

Provision 19 deals with the length of service of the Group Chairman. The explanation for the Group's non-compliance with that provision for part of the year is set out in the section on non-executive directors (page 102).

Part of provision 5 prescribes the options for workforce engagement. The board has concluded that its methods for engagement (described in the investing in our colleagues section on page 39) are effective and more suited to the Group's needs.

Subsidiary boards

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

The registered provider subsidiaries are required to adopt a governance code. Places for People Homes, Places for People Living Plus, Castle Rock Edinvar Housing Association, Derwent Housing Association and Chorus Homes Group have each adopted the UK Corporate Governance code (the Code). Cotman Housing Association has adopted the National Housing Federation (NHF) code of governance, which contains principles that the Group considers to be broadly consistent with those of the Code. With effect from 1 April 2021, Cotman Housing Association has agreed to adopt the Code as its governing code.

Regulator engagement

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

Mechanisms for engagement include quarterly and annual data submissions, management meetings with regulator representatives and engagement with non-executives.

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.

The Group Chief Executive participates in the RSH's CEO Forum and representatives of the SHR attended Castle Rock Edinvar's February board meeting.

Going concern and 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 90 to 95.

Going concern

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. The global Covid-19 pandemic has inevitably presented a series of unprecedented challenges into aspects of all our businesses.

The Board continues to monitor the pandemic, is focused on mitigating the risks for the Group and has assessed the going concern in light of the risks raised by the pandemic.

At 31 March 2021 the Group had cash and undrawn facilities of £954.6m. The Group continues to actively manage its cash flows in order to mitigate any reductions in income.

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.

For the purposes of both Viability and Going Concern, the Directors have overlaid several severe but plausible, multi-variant scenarios with specific considerations for the potential impact of the ongoing Covid-19 pandemic.

These scenarios include a short-term impact on rent collection, further closure of leisure centres and a downturn of the housing market affecting property sales.

As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2022 would be £750m and £462m at 31 March 2023 if the Group did not raise any additional finance to that which is currently available.

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.

In assessing the Group's prospects and resilience, the management produced projections which considered the Group's current business position and risk appetite. The projections have undergone rigorous single and multi-variate stress testing through consideration of several events, scenarios and mitigation factors, which identify the mix of extreme circumstances that could create challenging conditions for the Group, including a downturn in the housing market.

These events and scenarios have been selected from an analysis of the operating environment; policy and politics; the regulatory framework; the Group risk register; and analysis of economic and financial market trends and risks. The results confirmed that the Group would continue to be able to settle projected liabilities as they fall due over a three-year period.

Therefore, the directors were satisfied that measures were in place to mitigate significant risks to the Group's operations.

The directors continue to specifically consider the impact of the ongoing Covid-19 pandemic. This is deemed a principal risk as set out on page 90 and given the more immediate nature of the situation has been considered in more detail within the shorter-term going concern considerations above.

The key financial risks identified from the Covid-19 pandemic, in the prior year, have been mitigated thus far. The board continues to review and monitor the situation closely, to ensure mitigations remain relevant and consistent due to the continuing uncertainty arising from the Covid-19 pandemic.

During the year, the Regulator of Social Housing gave the Group ratings for Governance and Viability of G1 and V1 respectively.

External assurance of the Group's viability is demonstrated by the Group's credit ratings (Moody's: A3 and Standard & Poor's: A-).

Having assessed the prospects of the Group, including the Group's current funding, forecast requirements, existing committed borrowing facilities and the principal risks as outlined on pages 90 to 95 of the Directors' Report, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to March 2024.

In making this statement the directors understand that there is inherent uncertainty in all business planning and therefore as a result it is not possible to consider every risk and eventuality that the Group may face.

The board is satisfied that the stress testing that is performed on the Group's business plan includes all the major risks that the Group may face and therefore provides strong assurance of the Group's financial viability.

Risk management and risk appetite

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 year and up to the date of the approval of the financial statements. The key elements of this process are as follows:

— A Risk Management Framework is in place which is supported by a 'three lines of defence' assurance model, risk based internal audit and assurance mapping. Each risk is allocated to an accountable individual at a senior management level. This integrated approach provides the Group board with the necessary assurance that risks are being managed effectively.

— Risk maps are maintained by each Group business which set out the key internal and external risks faced by that business. Controls in place to mitigate each risk are documented, as are any further actions considered necessary to reduce risk further. Subsidiary businesses review risk maps at their senior management meetings.

— The Group business plan sets out for each Group business its objectives for the coming year, along with the risks that might prevent achievement of those objectives and the controls and actions in place to mitigate those risks.

— The Group's risk appetite is reviewed and agreed by the Group board as part of the business planning process.

— The Group's Strategic Risk and Value for Money Group meets quarterly to consider emerging strategic risks and to review and update the Group strategic risk map. The Executive are provided with a strategic risk summary at their monthly meeting which shows movement in risk ratings, highlights any newly emerging risks and prompts debate at an Executive level as to the need to consider any further emerging risks.

— Group risk maps are subject to further scrutiny and challenge by the Audit & Risk Committee.

— The Group Business Assurance internal audit plan is driven by the Group strategic risk register, which ensures audits are focused upon the key risks identified by management, as well as being informed by horizon scanning; regulatory information and sector intelligence. Audit testing seeks to ensure that appropriate controls are in place to mitigate and manage risk to an acceptable level.

— The methodology for the presentation of risk reports has undergone review during the year, taking into account the views of Executive management and Audit & Risk Committee members. A new 'risk pack' has been developed which provides the Executive and Audit & Risk Committee members with key risk indicators which highlight the linkage between Group KPIs and strategic risks as well as demonstrating how assurance reports have considered strategic risks and the effectiveness of associated controls.

— The Group's approach to risk management was independently reviewed in late 2020/21 by RSM with a report being provided to the Group Audit & Risk Committee in April 2021. While some areas of minor improvement were identified, the report was positive, confirming that the Group's approach to risk management is in line with best practice.

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

— The continuation of the Covid-19 crisis during the 2020/21 financial year has driven changes in some approaches to our internal control mechanisms but testing of internal controls through our Business Assurance process continued throughout the period. Recommendations for improvements to controls have been raised where appropriate and the implementation of these improvements is monitored by both the Executive and the Audit & Risk Committee.

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

Donations

During the year, the Group made charitable donations of £142,782 (2020: £363,601). The Group made no political donations (2020: £nil).

Annual General Meeting

The Annual General Meeting was held on 1 September 2021.

Statement of disclosure to the auditor

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.

Statement of board's responsibilities

In respect of the strategic report, governance report and the financial statements

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 and applicable law (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.

By order of the board.

Chris Martin
Group Company Secretary
1 September 2021

Financial Statements

Financial Statements

To the members of Places for People Group Limited

1. Our opinion is unmodified

We have audited the financial statements of Places for People Group Limited ("the Group" or "the Group and Company") for the year ended 31 March 2021 which 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, Consolidated Statement of Cash Flows and the related notes, including the accounting policies in note 1.

In our opinion:

— the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit and the Company's result for the year then ended;

— the Group and parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and

— the financial statements 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 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: Group financial statements as a whole	£16m (2020: £16m) 2% (2020: 1.8%) of Group Turnover	
Coverage	83.1% (2020:93.7%) of Group Turnover	
Key audit matters		vs 2020
Recurring risks	Recoverable amount of development programme schemes and associated land	◄►
	Valuation of defined benefit pension scheme liabilities	◄►
	Valuation of investment properties	◄►
	Parent Company fraud risk from revenue recognition	◄►

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those 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. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2020]):

	The risk	Our response
Recoverable amount of development programme schemes and associated land. Stock: £408.3 million (2020: £434.2 million) Refer to page 111 (Audit and Risk Committee Report), pages 145, 146 and 147 (accounting policy) and page 163 (financial disclosures).	**Forecast-based valuation** The Group has a significant development programme including a significant portfolio of properties developed for commercial sale and rent, the recoverable amount of which could potentially be affected by changing market conditions during the year. The Group has appraisal processes in place to determine the recoverable amount of each development scheme (and help identify any potential impairment risks). The accounting of these schemes contains a number of assumptions and judgements relating to the recoverability of assets for sale and work in progress, capitalised costs (including internal staff and other costs), allocation of costs between tenure types, as well as complex contractual arrangements with third party contractors and partners. The Directors review the assumptions and appraise the developments regularly, and at the year end, to determine the recoverable amount of the assets. This also includes the consideration of impairment on significant developments due to time delays, increases in construction costs, falling land values, and/or budget overruns. There is a risk that the appropriate valuation and accounting treatment is not applied to development transactions leading to material misstatements in the valuation of stock held by the Group.	We have undertaken a fully substantive approach to the audit. Our procedures included: — **Methodology choice:** Assessment of the appraisal processes that are used to determine the scheme current asset stock and work in progress carrying values to check that these are consistent with our sector and entity knowledge; — **Benchmarking assumptions:** Assessment of the assumptions that have been used to underpin the appraisal processes to assess their appropriateness, including consideration of the planned tenure mix for the development scheme being considered, and comparison of key assumptions (e.g. market value of properties, cost inflation, rental assumptions) to current third party online data , including appropriate online indexes (e.g. the Building Cost Information Service index); — **Our sector experience:** Consideration of the Directors ' assessment of whether there has been an impairment indicator and assessment of this based on other evidence obtained during the audit including the sales performance of schemes and market indicators; and — **Tests of details:** Agreeing the underlying data used in the appraisal processes, including consideration of the sales history and costs incurred during the 2020/21 financial year, back to sales certification documentation and other third party documentation, such as invoices.

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Valuation of defined benefit pension scheme liability Pension liabilities : £368.2 million (2020: £325.8 million) Refer to page 111 (Audit and Risk Committee Report), page 145 (accounting policy) and pages 173 to 179 (financial disclosures).	**Subjective valuation** The Group is a member of various defined benefit pension schemes, which are material to the Group, including: the Social Housing Pension Scheme, the Scottish Housing Associations' Pension Scheme, Places for People Group Retirement Benefit Scheme and Cambridgeshire County Council Local Government Pension Scheme. The valuation of such schemes relies on a number of assumptions, most notably around the actuarial assumptions. It is important that the assumptions used reflect the profile of the Group's employees. It is also important that assumptions are derived on a consistent basis year to year, or updated to reflect the Group's current position. There are also generic financial assumptions and demographic assumptions used in the calculation of the Group's liabilities. There is a risk that, if the assumptions used are not appropriate, the amounts shown in the financial statements for the pension scheme liabilities could be materially misstated.	We have undertaken a fully substantive approach to the audit. Our procedures included: — **Assessing actuary's credentials:** Assessing the competence, capability, objectivity and independence of the external Actuary used. — **Benchmarking assumptions:** Challenging, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate, and mortality/life expectancy against externally derived data; and — **Assessing transparency:** Considering the adequacy of the Group's disclosures in respect of the sensitivity of the deficit to these assumptions.

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Valuation of Investment Properties Investment properties: £572.9 million (2020: £574.9 million) Refer to page 111 (Audit and Risk Committee Report), pages 144, 145 and 146 (accounting policy) and pages 161 to 162 (financial disclosures).	**Subjective Valuation:** The Group's property portfolio includes a number of market rent and commercial units. Under FRS102 these are considered 'Investment Properties' due to the intention of maximising rental values or capital appreciation. The standard requires this class of assets to be held at fair value. The fair value of these assets is subject to movements based on current market conditions which could impact the overall operating surplus for the Group. Also, dependent on the type of valuation undertaken, there are a number of assumptions used in the valuation of the assets which are subjective, and could impact the overall valuation at the year end and movement during the year. The valuation of the assets could be further complicated by the changes in the market due to the Covid-19 pandemic. Management undertook an appropriate valuation process as at the year end to provide assurance that the value of the assets as at 31 March 2021 reflects the fair value of these assets. There is a risk that inappropriate assumptions are used leading to a material misstatement in the valuation of investment properties.	We have undertaken a fully substantive approach to the audit. Our procedures included: — **Assessing valuer's credentials:** We assessed the competence, capability, objectivity and independence of the Group's external valuer. — **Methodology choice:** We critically assessed the assumptions used in preparing the full valuation of the Group's investment properties to ensure they were appropriate. — **Test of detail:** We tested the accuracy of the investment property base data provided to the valuer to complete the full valuation to ensure it accurately reflected the Group's investment property portfolio. — **Methodology implementation and re- performance:** We compared the investment property value movements from the valuer's report to the entries in the financial statements to confirm that any material movements in the value of investment properties had been accounted for correctly. — **Assessing transparency:** We considered the adequacy of the disclosures about the key judgements and degree of estimation involved in concluding whether there has been any material movement in the value of investment properties since 31 March 2020. — **Test of detail:** We critically assessed management's review of the investment properties as at 31 March 2021 to identify any material changes in value.

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Parent Company revenue recognition Turnover: £42.7 million (2020: £34.8 million) Refer to page 145 (accounting policies) and page 139 (financial disclosures).	**Provision of support services** Places for People Group Ltd is the holding entity for the Group and provides central support services to each of its subsidiary entities. As such, the entity will incur charges for these centralised costs and recharge these to other Group companies. This results in the majority of the Company Statement of Comprehensive Income being driven by costs incurred on behalf of the Group and related income. Therefore the revenue generated from the services provided to subsidiaries is seen as the key area of audit focus.	We have undertaken a fully substantive approach to the audit. Our procedures included: **Review of costs incurred** — Review of costs incurred: Reviewing the costs incurred and comparing the movement year on year to determine the cost base; **Review of Parent Company income** — Review of Parent Company income: Testing the Parent Company income to determine the recharges that have been applied to relevant costs.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £16m (2020: £16m), determined with reference to a benchmark of Group turnover (of which it represents 2% (2020: 2%)). We consider Group turnover to be the most appropriate benchmark as the Group is a not-for-profit organisation, therefore the focus is on turnover and any surplus generated is variable and reinvested.

Materiality for the parent company financial statements as a whole was set at £1.25m (2020: £0.34m), determined with reference to a benchmark of company total revenue, of which it represents 2% (2020: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £12m (2020 : £12m) for the Group and £0.94m (2020: £0.25m) for the parent company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.8m (2020: £0.8m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 202 (2020: 202) reporting components, we subjected 88 (2020: 91) to full scope audits. 10 (2020: 12) of these were required for Group reporting purposes and 3 (2020: 2) we performed audits of account balances. The latter were not individually financially significant enough to require a full scope audit for Group purposes, but did present specific individual risks that needed to be addressed.

The full scope audits required for Group reporting purposes accounted for 83.1% (2020: 93.7%) of Group turnover and 98.9% (2020: 99.2%) of Group total assets.

1 component (2020: 0) for which we performed work other than audits for Group reporting purposes were not individually significant but were included in the scope of our Group reporting work in order to provide further coverage over the Group's results.

We subjected 3 (2020: 1) components to audit of account balances: over revenue (1 components (2020: 0)) and stock (2 components (2020: 1)).

The components within the scope of our work accounted for the percentages illustrated on the next page.

For the remaining components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

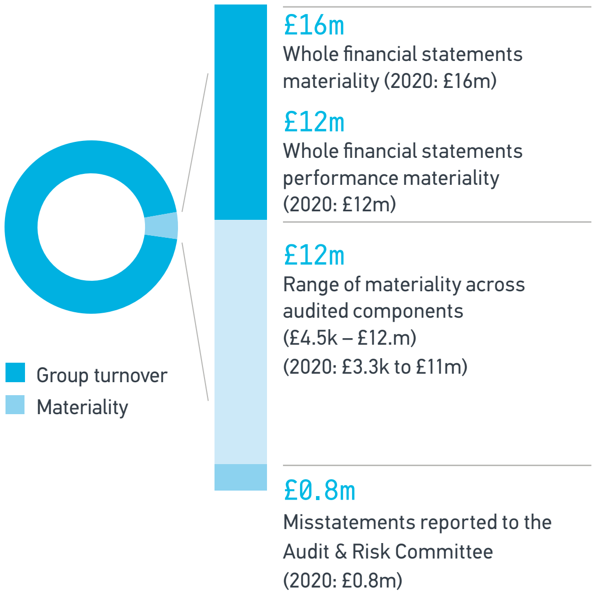
The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £4.5k to £12m (2020: £3.3k to £11m), having regard to the mix of size and risk profile of the Group across the components.

Video and telephone conference meetings were held with these component auditors. At these meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

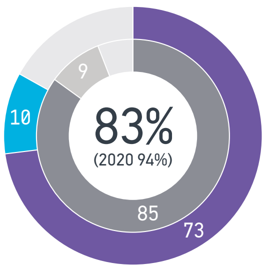
The work on 28 of the 88 components (2020: 41 of the 91 components) was performed by component auditors (all of whom are component teams from the same audit firm as the Group audit team) and the rest, including the audit of the parent company, was performed by the Group team.

Group turnover
£816.5m
(2020: £866.7m)

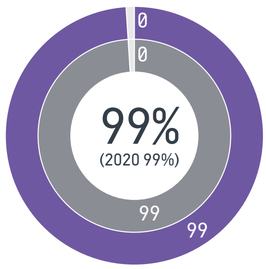
Group materiality
£16m
(2020: 16m)



Group revenue



Group total assets



Full scope for Group audit purposes 2021
Specified risk-focused audit procedures 2021
Full scope for Group audit purposes 2020
Specified risk-focused audit procedures 2020
Residual components

4. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period.

The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

— The impact of further rent reductions;
— A downturn in the development market;

We also considered less predictable but realistic second order impacts, such as the impact of Brexit and the erosion of customer or supplier confidence, which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the Directors' sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

Our procedures also included:

— assessing whether downside scenarios applied mutually consistent and severe assumptions in aggregate, using our assessment of the possible range of each key assumption and our knowledge of inter-dependencies;
— we compared past budgets to actual results to assess the directors' track record of budgeting accurately;
— we evaluated the achievability of the actions the directors consider they would take to improve the position should the risks materialise, which included, conversion of developed units into market rent, the sale of commercial subsidiaries and investment properties and reduction in capital expenditure, taking into account the extent to which the directors can control the timing and outcome of these; and
— we assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

— we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
— we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
— we have nothing material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations — ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet internal performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from other core (non-social) income streams is overstated and the risk that Company management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation of the design and implementation of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals, journals containing specific words, journals posted to seldom used accounts, and journals posted to cash and turnover that were considered outside of the normal course of business.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation) and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non- compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

- we have not identified material misstatements in those reports;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirm within the Going concern and Viability statements on page 121 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the Going concern and viability statements of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 125, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. The purpose of our audit work and to whom we owe our responsibilities

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.

Harry Mears
(Senior Statutory Auditor) for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
15, Canada Square
London
E14 5GL

3 September 2021

Consolidated statement of comprehensive income

For the year ending 31 March 2021

	Notes	**2021 £m**	2020 £m
Group and share of joint ventures turnover		**855.7**	894.1
Less: share of joint ventures turnover		**(39.2)**	(27.4)
Group turnover	2	**816.5**	866.7
Cost of sales	2	**(198.5)**	(203.7)
Operating costs	2	**(422.8)**	(473.5)
Profit on sale of fixed assets	4	**7.6**	9.1
Gain on revaluation of investment properties	15	**3.9**	17.7
Operating profit before interest		**206.7**	216.3
Share of operating profit on joint ventures		**1.7**	1.4
Interest receivable and similar income	7	**9.7**	17.1
Interest payable and similar charges	8	**(139.0)**	(143.6)
Profit on ordinary activities before taxation	9	**79.1**	91.2
Taxation	10	**(5.3)**	(1.8)
Profit on ordinary activities after taxation		**73.8**	89.4
Loss attributable to non-controlling interests		**0.3**	0.9
Profit attributable to members of the parent company		**74.1**	90.3
Group profit for the financial year excluding joint ventures		**73.2**	90.7
Share of joint ventures profit/(loss) for the financial year		**0.9**	(0.4)
Total profit for the financial year		**74.1**	90.3
Fair value (loss)/gain on interest rate and currency swaps		**(54.5)**	12.0
Revaluation gain on interest rate and currency swaps		**52.3**	(20.8)
Deferred tax on interest rate and currency swaps	10	**0.4**	2.0
Actuarial gain recognised in the pension scheme	25	**0.6**	28.2
Actuarial loss recognised in the pension scheme	25	**(43.6)**	(0.4)
Deferred tax arising on movement in the pension scheme	10	**9.1**	(12.0)
Deferred tax arising on gift aid transfer	10	**—**	0.3
Total comprehensive income for the year		**38.4**	99.6

The notes on pages 144 to 188 form an integral part of these financial statements.
All activities are continuing.

Company statement of comprehensive income

For the year ending 31 March 2021

	Notes	**2021 £m**	2020 £m
Turnover		**42.7**	34.8
Operating costs		**(42.7)**	(34.6)
Operating profit		**—**	0.2
Interest payable and similar charges	8	**—**	(0.2)
Result on ordinary activities before and after taxation		**—**	—

The notes on pages 144 to 188 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 2021

	Notes	2021 £m	£m	2020 £m	£m
Fixed assets					
Goodwill	12	**8.4**		8.7	
Housing properties	13	**3,959.7**		3,868.4	
Fixed asset investments	15	**757.8**		777.7	
Equity loans	16	**68.1**		70.6	
Other fixed assets	14	**113.5**		104.4	
			4,907.5		4,829.8
Non-current assets					
Debtors: amounts falling due after one year	18	**33.9**		53.8	
Pension surplus	25	**0.1**		25.9	
			34.0		79.7
Current assets					
Stock	17	**408.3**		434.2	
Debtors: amounts falling due within one year	19	**139.1**		142.4	
Investments	20	**12.8**		24.3	
Cash and cash equivalents		**95.2**		183.6	
		655.4		784.5	
Current liabilities					
Creditors: amounts falling due within one year	21	**(408.2)**		(345.9)	
Net current assets			**247.2**		438.6
Non-current liabilities					
Creditors: amounts falling due after more than one year	22	**(4,468.3)**		(4,675.1)	
Pension liability	25	**(22.4)**		(13.1)	
			(4,490.7)		(4,688.2))
Net Assets			**698.0**		659.9
Capital and reserves					
Revenue reserve		**737.2**		654.6	
Cash flow hedge reserve		**(37.0)**		7.2	
Restricted reserve		**0.2**		0.2	
Total capital and reserves			**700.4**		662.0
Non-controlling interests			**(2.4)**		(2.1)
			698.0		659.9

The notes on pages 144 to 188 form an integral part of these financial statements. The financial statements of Places for People Group Limited, company number 03777037, were approved by the board of directors on 1 September 2021. They were signed on its behalf by:

R Gregory, Group Chair

D Cowans, Group Chief Executive

Company statement of financial position

As at 31 March 2021

	Notes	**2021 £m**	2020 £m
Fixed assets			
Investments	15	**0.5**	0.5
Current assets			
Debtors: amounts falling due within one year	19	**16.3**	7.7
Cash and cash equivalents		**0.3**	1.2
		16.6	8.9
Current liabilities			
Creditors: amounts falling due within one year	21	**(17.1)**	(9.4)
Net current liabilities		**(0.5)**	(0.5)
Net assets		**—**	—
Capital and reserves			
Revenue reserves		**—**	—
		—	—

The notes on pages 144 to 188 form an integral part of these financial statements.
The financial statements of Places for People Group Limited, company number 03777037, were approved by the board of directors on 1 September 2021.

They were signed on its behalf by:

R Gregory
Group Chair

D Cowans
Group Chief Executive

Consolidated statement of changes in reserves

For the year ending 31 March 2021

	Revenue Reserve £m	Cash Flow Hedge Reserve £m	Restricted Reserve £m	Total Reserves £m
Balance at 1 April 2020	**654.6**	**7.2**	**0.2**	**662.0**
Total comprehensive income for the year				
Profit for the year	**74.1**	—	—	**74.1**
Fair value loss on interest rate and currency swaps	—	**(54.5)**	—	**(54.5)**
Revaluation gain on interest rate and currency swaps	**52.3**	—	—	**52.3**
Deferred tax on interest rate and currency swaps	**(9.9)**	**10.3**	—	**0.4**
Actuarial gain recognised in the pension scheme	**0.6**	—	—	**0.6**
Actuarial loss recognised in the pension scheme	**(43.6)**	—	—	**(43.6)**
Deferred tax arising on movement in the pension scheme	**9.1**	—	—	**9.1**
Balance at 31 March 2021	**737.2**	**(37.0)**	**0.2**	**700.4**

Consolidated statement of cash flows

For the year ending 31 March 2021

	Notes	2021 £m	2020 £m
Net cash generated from operating activities	11	**219.7**	217.8
Additional pension contributions		**(5.0)**	(5.0)
Cash flow from investing activities			
Purchase of housing and investment properties		**(149.3)**	(308.8)
Proceeds from the disposal of housing and investment properties		**42.8**	28.9
Purchase of other fixed assets		**(22.0)**	(28.6)
Proceeds from the disposal of other fixed assets		**—**	0.4
Purchase of fixed and current asset investments		**(25.5)**	(31.2)
Proceeds from the disposal of fixed and current asset investments		**70.9**	63.6
Cash received from acquisitions		**0.4**	—
Receipt of Government and other grants		**10.7**	83.3
Interest received		**0.9**	3.7
Dividends received from investments		**1.8**	1.8
Net cash flow from investing activities		**(69.3)**	(186.9)
Cash flow from financing activities			
Interest element of finance lease rental payment		**(15.2)**	(14.3)
Capital element of finance rental lease payments		**(1.6)**	(1.0)
Interest paid		**(125.3)**	(123.8)
Tax paid		**1.4**	(14.8)
Settlement of financial instruments		**(22.8)**	11.8
Drawdown of loans in the year		**58.3**	382.6
Repayment of loans and debentures in the year		**(128.6)**	(149.0)
Net cash flow from financing activities		**(233.8)**	91.5
Net change in cash and cash equivalents		**(88.4)**	117.4
Cash and cash equivalents at beginning of year	11	**183.6**	66.2
Cash and cash equivalents at end of the year	11	**95.2**	183.6

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. The global Covid-19 pandemic has inevitably presented a series of unprecedented challenges into aspects of all our businesses. The Board continues to monitor the evolving situation, is focussed on mitigating the risks for the Group and has assessed the going concern in light of the risks raised by the pandemic.

At 31 March 2021 the Group had cash and undrawn facilities of £954.6m. The Group continues to actively manage its cash flows in order to mitigate any reductions in income.

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. For the purposes of both Viability and Going Concern, the Directors have overlaid several severe but plausible, multi-variant scenarios with specific considerations for the potential impact of the ongoing Covid-19 pandemic. These scenarios include a short-term impact on rent collection, further closure of Leisure centres and a downturn of the housing market affecting property sales.

As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2022 would be £750m and £462m at 31 March 2023 if the Group did not raise any additional finance to that which is currently available.

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, Cotman Housing Association, Derwent Community Housing Association Limited, Chorus Homes Limited (formerly Luminus Homes Limited) 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 Group's 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. The Directors have overlaid several severe but plausible, multi-variant scenarios with specific considerations for the potential impact of the ongoing Covid-19 pandemic, in respect of these assumptions used within the going concern assessment and to aid sensitivity analysis. 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.

1 Principal accounting policies (continued)

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.

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 £4.0bn. The residual value of social housing property structure is £304m above the carrying value as at 31 March 2021. A 10% reduction in residual value would result in no impact to the depreciation charge.

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 £4.6m.

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 £408.3m of stock at 31 March 2021 (2020: £434.2m), comprising land of £105.4m, properties in construction of £225.6m and completed properties of £76.0m. 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.

1 Principal accounting policies (continued)

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.

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.

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	20
Social alarms	From 20 – 40
Surveys	15
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)	100
All elements (rehab)	80
All elements (leasehold)	Lesser of term of lease or 100 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

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.

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.

Goodwill
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.

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 Disposal Proceeds and 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 assets 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.
- 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 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.

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

	Turnover	Cost of sales	Operating costs	Other operating items	2021 Operating profit
	£m	**£m**	**£m**	**£m**	**£m**
Social housing lettings (note 3)	**380.4**	**—**	**(190.5)**	**—**	**189.9**
Other social housing activities					
Social housing property sales	**10.7**	**(7.1)**	**(1.8)**	**—**	**1.8**
Shared ownership property sales	**24.2**	**(19.8)**	**(2.2)**	**—**	**2.2**
Charges for support services	**3.8**	**—**	**(3.4)**	**—**	**0.4**
Other	**1.2**	**—**	**(0.3)**	**—**	**0.9**
	420.3	**(26.9)**	**(198.2)**	**—**	**195.2**
Non-social housing activities	**396.2**	**(171.6)**	**(224.6)**	**—**	**—**
	816.5	**(198.5)**	**(422.8)**	**—**	**195.2**
Surplus on sale of fixed assets (note 4)	**—**	**—**	**—**	**7.6**	**7.6**
Gain on revaluation of investment properties (note 15)	**—**	**—**	**—**	**3.9**	**3.9**
Total	**816.5**	**(198.5)**	**(422.8)**	**11.5**	**206.7**

	Turnover	Cost of sales	Operating costs	Other operating items	2020 Operating profit/(loss)
	£m	£m	£m	£m	£m
Social housing lettings (note 3)	361.1	—	(181.5)	—	179.6
Other social housing activities					
Social housing property sales	8.0	(7.3)	(0.5)	—	0.2
Shared ownership property sales	13.2	(8.7)	(0.7)	—	3.8
Charges for support services	4.3	—	(3.9)	—	0.4
Other	0.7	—	(0.6)	—	0.1
	387.3	(16.0)	(187.2)	—	184.1
Non-social housing activities	479.4	(187.7)	(286.3)	—	5.4
	866.7	(203.7)	(473.5)	—	189.5
Surplus on sale of fixed assets (note 4)	—	—	—	9.1	9.1
Gain on revaluation of investment properties (note 15)	—	—	—	17.7	17.7
Total	866.7	(203.7)	(473.5)	26.8	216.3

Analysis of turnover	**2021**	2020
	£m	£m
Social housing turnover	**420.3**	387.3
Non-social housing activities		
Non-social housing development	**159.1**	192.5
Leisure facilities management	**87.7**	153.5
Property management services	**61.1**	59.7
Non-social housing lettings	**36.6**	43.2
Non-social construction services	**41.8**	18.0
Other	**9.9**	12.5
Total	**816.5**	866.7

3 Income and expenditure from social housing lettings

	General needs housing £m	Supported housing & housing for older people £m	Other £m	2021 Total £m	2020 Total £m
Income					
Rent receivable net of identifiable service charges	**262.5**	**21.6**	**27.0**	**311.1**	297.1
Service charge income	**21.9**	**13.8**	**2.3**	**38.0**	36.7
Revenue grant	**2.9**	**—**	**—**	**2.9**	5.5
Amortised Government grants	**21.6**	**2.5**	**0.4**	**24.5**	17.5
Other income	**1.1**	**2.5**	**0.3**	**3.9**	4.3
Turnover from social housing lettings	**310.0**	**40.4**	**30.0**	**380.4**	361.1
Expenditure on social housing lettings activities					
Management	**(40.1)**	**(7.7)**	**(8.7)**	**(56.5)**	(54.7)
Service charge costs	**(18.7)**	**(12.2)**	**(2.9)**	**(33.8)**	(32.6)
Routine maintenance	**(40.2)**	**(3.9)**	**(3.1)**	**(47.2)**	(44.4)
Planned maintenance	**(11.6)**	**(1.2)**	**(0.6)**	**(13.4)**	(14.0)
Major repairs expenditure	**(3.9)**	**(0.5)**	**(0.2)**	**(4.6)**	(5.1)
Bad debts	**(2.0)**	**(0.1)**	**(0.1)**	**(2.2)**	(2.5)
Depreciation on housing assets	**(27.3)**	**(3.0)**	**(1.0)**	**(31.3)**	(25.4)
Other costs	**(1.5)**	**—**	**—**	**(1.5)**	(2.8)
Operating costs on social housing lettings	**(145.3)**	**(28.6)**	**(16.6)**	**(190.5)**	(181.5)
Operating profit on social housing lettings	**164.7**	**11.8**	**13.4**	**189.9**	179.6
Void losses	**(2.8)**	**(1.4)**	**(1.3)**	**(5.5)**	(3.8)

4 Group profit on sale of fixed assets

	Sale proceeds	**Cost of sales**	**Other sales expenses**	**2021 Surplus/ (loss)**
	£m	**£m**	**£m**	**£m**
Sale of housing assets	**25.4**	**(17.0)**	**(1.2)**	**7.2**
Sale of fixed asset investments	**25.8**	**(24.8)**	**(0.6)**	**0.4**
Total	**51.2**	**(41.8)**	**(1.8)**	**7.6**

	Sale proceeds	Cost of sales	Other sales expenses	2020 Surplus/ (loss)
	£m	£m	£m	£m
Sale of housing assets	22.0	(13.2)	(0.5)	8.3
Sale of fixed asset investments	7.0	(5.9)	(0.3)	0.8
Sale of other fixed assets	0.4	(0.3)	(0.1)	—
Total	29.4	(19.4)	(0.9)	9.1

5 Directors' emoluments

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

		Group
	2021	2020
	£m	£m
Aggregate emoluments (excluding pension contributions). Expenses not chargeable to United Kingdom income tax reimbursed to directors:		
Non-executive directors	**0.4**	0.3
Executive directors	**1.7**	2.2
Pension contributions:		
Executive directors	**0.2**	0.1
Total remuneration	**2.3**	2.6

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

	2021	2020
	No.	No.
£120,000 – £129,999	**1**	1
£130,000 – £139,999	**—**	1
£200,000 – £209,999	**—**	1
£210,000 – £219,999	**—**	1
£230,000 – £239,999	**—**	2
£240,000 – £249,999	**1**	—
£270,000 – £279,999	**1**	1
£280,000 – £289,999	**1**	—
£300,000 – £309,999	**1**	—
£510,000 – £519,999	**1**	—
£520,000 – £529.999	**—**	1

Due to the Covid-19 pandemic, the specific allocation of the bonus for the year ending 31 March 2020 was agreed after the approval and signing of the financial statements. The remuneration received by executive directors for the prior year has been restated to include the actual bonus paid, as a result of this the remuneration paid to the highest paid director for the year to 31 March 2020 was £525,000.

5 Directors' emoluments (continued)

Aggregate emoluments are attributed to executive directors as follows:

		Salary £'000	Bonus £'000	Benefits £'000	2021 Total £'000	Group 2020 Total £'000
S Black		229	54	15	**298**	—
D Cowans		394	70	55	**519**	525
D Marriott-Lavery		203	43	27	**273**	207
T Weightman		189	34	21	**244**	209
A Winstanley		234	50	23	**307**	248
M Parsons	Resigned 27 May 2020	98	—	22	**120**	169
John Carleton	Resigned 29 February 2020	—	—	—	—	112
Patrick Egan	Resigned 4 September 2019	—	—	—	—	139
Colin Rae	Resigned 24 May 2020	—	—	—	—	201
		1,347	251	163	**1,761**	1,810

Due to the ongoing Covid-19 pandemic bonuses for executive directors were capped at 50% of maximum.

All directors above were paid for the full year with the exception of S Black who was appointed on 1 May 2020 and M Parsons who resigned on 27 May 2020.

The Group Chief Executive, D Cowans is the highest paid director as disclosed above. D Cowans is not a member of the Group's pension scheme, and does not receive any enhanced or special terms or contributions to any individual pension arrangement.

Pension contributions are attributed to executive directors as follows:

		2021 £'000	2020 £'000
S Black		**41**	—
D Cowans		**—**	—
D Marriott-Lavery		**30**	27
T Weightman		**32**	24
A Winstanley		**32**	27
M Parsons	Resigned 27 May 2020	**18**	34
John Carleton	Resigned 29 February 2020	**—**	11
Colin Rae	Resigned 24 May 2020	**—**	17
		153	140

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

		Salary £'000	Expenses £'000	2021 Total £'000
C Philips	Chair – Resigned 31 January 2021	66	—	**66**
R Gregory	Chair – Appointed 1 November 2020	33	—	**33**
A Daniel		29	—	**29**
R Finn		29	—	**29**
N Hopkins		29	1	**30**
G Kitchen		29	—	**29**
L Lackey	Appointed 1 April 2020	29	—	**29**
G Waddell		29	—	**29**
A Cleal	Resigned 31 January 2021	31	1	**32**
A Hussain	Resigned 31 January 2021	31	—	**31**
T James	Resigned 12 January 2021	31	—	**31**
E Woolman	Resigned 31 January 2021	31	—	**31**
		397	2	**399**

Richard Gregory was appointed to the board on1 November 2020 and became Chair on 1 February 2021.
Aggregate emoluments above include £24k relating to compenation for loss of office.

6 Employee information

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Managing housing services	**2,443**	2,361	**29**	20
Developing and selling houses	**326**	423	**12**	10
Central administration services	**778**	760	**307**	263
Care services	**234**	238	**—**	—
Leisure service activities	**2,204**	2,396	**—**	—
	5,985	6,178	**348**	293

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.

Staff costs (for the above persons):	2021 £m	2020 £m	2021 £m	2020 £m
Wages and salaries	**180.0**	197.4	**17.2**	13.9
Severance pay	**3.0**	2.4	**0.1**	0.3
Social security costs	**15.6**	16.6	**1.9**	1.5
Pension payments	**11.0**	10.7	**1.8**	1.4
	209.6	227.1	**21.0**	17.1
Staff costs (for the non-executive members of the board):				
Wages and salaries	**0.7**	0.6	**—**	—
	0.7	0.6	**—**	—

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.

	2021 No.	2020 No.
£70,000 – £79,999	**1**	—
£80,000 – £89,999	**1**	—
£90,000 – £99,999	**1**	3
£100,000 – £109,999	**—**	4
£110,000 – £119,999	**5**	5
£120,000 – £129,999	**2**	—
£130,000 – £139,999	**1**	—
£140,000 – £149,999	**4**	3
£150,000 – £159,999	**1**	2
£170,000 – £179,999	**—**	1

7 Interest receivable and similar income

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

	Group		Company	
	2021	2020	**2021**	2020
	£m	£m	**£m**	£m
Interest on fixed asset investments	**7.6**	14.8	**—**	—
Dividend received	**1.8**	1.8	**—**	—
Other interest receivable from deposits	**0.3**	0.5	**—**	—
	9.7	17.1	**—**	—

8 Interest payable and similar charges

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

	Group		Company	
	2021	2020	**2021**	2020
	£m	£m	**£m**	£m
Bank loans and overdrafts	**125.8**	128.2	**—**	0.2
Finance charges on hire purchase or lease agreements	**14.5**	14.3	**—**	—
In respect of Recycled Capital Grant Fund	**—**	0.3	**—**	—
	140.3	142.8	**—**	0.2
On defined benefit pension scheme:				
Expected return on pension assets	**(8.4)**	(8.1)	**—**	—
Interest on scheme liabilities	**7.9**	8.6	**—**	—
	(0.5)	0.5	**—**	—
Share of joint ventures interest payable and similar charges	**0.7**	1.7	**—**	—
Less: capitalised interest	**(1.5)**	(1.4)	**—**	—
	139.0	143.6	**—**	0.2

9 Profit on ordinary activities before taxation

	Group		Company	
	2021	2020	**2021**	2020
Profit on ordinary activities before taxation is stated after charging:	**£m**	£m	**£m**	£m
Depreciation and impairment:				
Tangible fixed assets	**44.4**	39.3	**—**	—
Amortisation of goodwill	**1.3**	1.3	**—**	—
Profit on disposal of tangible fixed assets other than housing assets	**0.4**	0.8	**—**	—
Payments under operating leases:				
Housing properties	**9.4**	9.1	**—**	—
Motor vehicles	**5.3**	5.1	**0.1**	0.1
Other operating leases	**1.9**	2.2	**—**	—
Hire of equipment	**0.5**	0.7	**0.2**	0.2
Auditor's remuneration:				
In their capacity as auditor	**0.7**	0.7	**—**	—

Auditor's remuneration in respect of non-audit services was £108,000 (2020: £89,000).

10 Tax on profit on ordinary activities

	2021	Group 2020
(a) Analysis of charge in period	**£m**	£m
Tax on profit on ordinary activities		
United Kingdom corporation tax	**5.1**	3.8
Adjustments to tax charge in respect of prior periods	**(1.1)**	(5.4)
Gift Aid	**—**	0.3
Share of joint venture current tax	**—**	0.1
	4.0	(1.2)
Deferred tax (note 10e)		
Origination and reversal of timing differences	**1.6**	1.4
Adjustments to deferred tax in respect of prior periods	**(0.3)**	2.1
Effect of tax rate change on opening balance	**—**	(0.5)
	1.3	3.0
Total tax charge	**5.3**	1.8

(b) Tax expense included in other comprehensive income		
Deferred Tax		
Origination and reversal of timing differences	**(9.5)**	9.6

(c) Factors affecting tax charge for period

The tax assessed is different than the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are explained below:

Taxable Group profit	**79.1**	91.2
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	**15.0**	17.3
Fixed asset differences	**0.2**	0.5
Expenses not deductible/(income not taxable)	**0.2**	(4.1)
Chargeable gains	**0.2**	0.1
Exempt charitable income	**(8.1)**	(7.4)
Movement in unrecognised deferred tax	**0.9**	(1.6)
Amounts charged directly to STRGL or otherwise transferred	**(0.4)**	—
Rate difference	**—**	(0.1)
Adjustments to tax charge in respect of prior periods	**(1.4)**	(2.9)
Other movements	**(0.5)**	—
Deduction for Gift Aid	**(0.8)**	—
Tax on profit on ordinary activities (note 10a)	**5.3**	1.8

10 Tax on profit on ordinary activities (continued)

(d) Factors that may affect future tax charges
The main rate of corporation tax is currently 19%, however this is due to increase to 25% from 1 April 2023. As this change in corporation tax rate had not been substantively enacted at the balance sheet date, deferred tax has been calculated using the current corporation tax rate of 19%. This change will reduce the company's future current and deferred tax charge accordingly.

		Group
	2021	2020
	£m	£m
(e) Provision for deferred tax		
Accelerated capital allowances	**5.7**	4.9
Other short-term timing differences	**(0.9)**	(1.3)
Other timing differences	**2.0**	2.0
Tax losses	**(0.1)**	—
Interest rate and currency swaps through other comprehensive income	**(5.5)**	(5.1)
Pension through other comprehensive income	**(2.6)**	6.6
Gift Aid	**—**	(0.3)
	(1.4)	6.8
Provision/(debtor) at 1 April	**6.8**	(5.8)
Effect of tax rate change on opening balance	**—**	(0.4)
Expense in the year in statement of comprehensive income	**1.5**	1.4
Expense in the year in statement of comprehensive income in other comprehensive income	**(9.5)**	9.6
Adjustments in respect of prior periods other comprehensive income	**(0.2)**	2.0
(Debtor)/provision at 31 March at 19% (2020: 19%) (note 19 & 21)	**(1.4)**	**6.8**

11 Statement of cash flows

	2021	2020
	£m	£m
Note 11a — Cash flow from operating activities		
Profit for the year	**74.1**	90.3
Adjustments for non-cash items to reconcile profit for the year to net cash generated from operating activities		
Depreciation and impairment of fixed assets	**44.5**	39.3
Amortisation of grants	**(24.5)**	(17.5)
(Profit)/loss from investment in joint ventures	**(0.9)**	0.4
Loss attributable to non-controlling interests	**(0.3)**	(0.9)
Amortisation of intangible fixed assets	**1.3**	1.3
Appreciation of fixed asset investments	**(2.4)**	(1.5)
(Loss)/gain on revaluation of investment properties	**(3.9)**	(17.7)
Decrease in stock	**60.7**	15.7
Decrease in debtors	**3.7**	34.1
Decrease in trade and other creditors	**(57.3)**	(42.4)
Profit on tangible fixed asset disposals	**(7.6)**	(9.1)
Pension adjustment	**(2.3)**	(2.5)
Interest payable	**139.0**	143.6
Interest receivable	**(9.7)**	(17.1)
Taxation	**5.3**	1.8
	219.7	217.8

	At 1 April 2020	**Cash Flows**	**Other non-cash changes**	**At 31 March 2021**
Note 11b - Analysis of changes in net debt	**£m**	**£m**	**£m**	**£m**
Cash and cash equivalents	**183.6**	**(88.4)**	**—**	**95.2**
Borrowings				
Debt due within one year	**33.4**	**(26.4)**	**121.9**	**128.9**
Debt due after one year	**3,182.6**	**(58.0)**	**(125.9)**	**2,998.7**
	3,216.0	**(84.4)**	**(4.0)**	**3,127.6**
Total	**3,399.6**	**(172.8)**	**(4.0)**	**3,222.8**

12 Goodwill

	Group £m
Net book value	
At 1 April 2020	8.7
Additions in year	5.1
Impairment charged in year	(4.1)
Amortisation charged in year	(1.3)
At 31 March 2021	**8.4**

	Smith's Dock £m	Brio Retirement Living (Chapelton) £m
Assets and liabilities acquired in year		
Fixed assets		
Fixed assets	–	–
Current assets		
Stock	**17.1**	**2.0**
Debtors	**0.1**	**0.1**
Cash at bank	**0.3**	**0.1**
	17.5	**2.2**
Creditors : Amounts falling due within one year	**(0.6)**	**(3.5)**
Creditors : Amounts falling due after more than one year	**(23.4)**	**(3.7)**
Net assets acquired	**(6.5)**	**(5.0)**

During the year the Group acquired the remaining 50% of two joint ventures bringing the Groups holding to 100%, both acquisitions were for nil consideration. The net assets acquired of Smith's Dock has been reduced by £4.0m through a provision that had been held for losses already recognised, the remaining goodwill was subsequently impaired by £1.6m. The goodwill of Brio Retirement Living (Chapelton) has been reduced by £2.5m through a provision that had been held for losses already recognised, the remaining £2.5m was fully impaired in the year.

13 Housing properties

	Housing properties and land £m	LSE & shared ownership housing properties £m	Housing properties in the course of construction £m	LSE & shared ownership properties in the course of construction £m	Total housing properties £m
Cost					
At 1 April 2020	4,000.8	264.4	88.6	7.6	**4,361.4**
Additions	—	—	122.9	10.2	**133.1**
Transfer to completed schemes	144.8	8.9	(144.8)	(8.9)	**—**
Change of tenure	0.6	(1.1)	3.9	2.2	**5.6**
Transfer to sales account on disposal	(10.8)	(6.7)	—	—	**(17.5)**
At 31 March 2021	**4,135.4**	**265.5**	**70.6**	**11.1**	**4,482.6**
Depreciation					
At 1 April 2020	(477.1)	(15.9)	—	—	**(493.0)**
Charge for year					
Depreciation	(32.4)	—	—	—	**(32.4)**
Eliminated on disposal					
Depreciation	2.1	0.4	—	—	**2.5**
At 31 March 2021	**(507.4)**	**(15.5)**	**—**	**—**	**(522.9)**
Net book value at 31 March 2021	**3,628.0**	**250.0**	**70.6**	**11.1**	**3,959.7**
Net book value at 1 April 2020	3,523.7	248.5	88.6	7.6	3,868.4

LSE denotes Leasehold Schemes for the Elderly.

	2021 £m	2020 £m
Housing properties comprise, at cost:		
Freehold	**4,008.8**	3,894.9
Long leasehold	**464.5**	457.7
Short leasehold	**9.3**	8.8
	4,482.6	4,361.4

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 £2.9m (2020: £4.2m).

Expenditure on major works to existing properties during the year was £49.9m (2020: £53.5m).

Additions to housing properties in the course of construction during the year include capitalised interest of £1.5m (2020: £1.4m).

14 Group other fixed assets

	Motor vehicles	Plant and specialist equipment	Computer equipment	Commercial and office properties: Freehold offices	Long leasehold	Short leasehold	Fixtures and fittings	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
At 1 April 2020	1.9	4.5	52.7	32.2	12.4	34.9	52.3	**190.9**
Additions	0.1	0.1	18.7	0.4	0.3	0.8	1.6	**22.0**
Change of tenure	—	(0.1)	0.1	(0.2)	—	(0.7)	0.8	**(0.1)**
Disposals	(0.3)	(0.2)	(0.1)	—	(0.1)	(1.5)	(1.5)	**(3.7)**
At 31 March 2021	**1.7**	**4.3**	**71.4**	**32.4**	**12.6**	**33.5**	**53.2**	**209.1**
Depreciation								
At 1 April 2020	(1.8)	(2.9)	(22.2)	(1.8)	(2.6)	(14.1)	(38.3)	**(83.7)**
Charge for year	(0.1)	(0.6)	(3.2)	(0.3)	(0.3)	(3.4)	(4.3)	**(12.2)**
Change of tenure	—	0.1	(0.1)	—	—	—	—	**—**
Eliminated on disposal	0.3	0.1	—	—	—	1.2	1.4	**3.0**
At 31 March 2021	**(1.6)**	**(3.3)**	**(25.5)**	**(2.1)**	**(2.9)**	**(16.3)**	**(41.2)**	**(92.9)**
Impairment								
At 1 April 2020	—	—	—	(0.3)	(0.5)	(1.7)	(0.3)	**(2.8)**
Charge for year	—	—	—	—	—	—	0.1	**0.1**
At 31 March 2021	**—**	**—**	**—**	**(0.3)**	**(0.5)**	**(1.7)**	**(0.2)**	**(2.7)**
Net Book Value at 31 March 2021	**0.1**	**1.0**	**45.9**	**30.0**	**9.2**	**15.5**	**11.8**	**113.5**
Net book value at 1 April 2020	0.1	1.6	30.5	30.1	9.3	19.1	13.7	104.4

15 Fixed assets — investments

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
External investments and investment in related undertakings (a)	**184.9**	202.8	**0.5**	0.5
Investment property (b)	**572.9**	574.9	**—**	—
Total fixed asset investments	**757.8**	777.7	**0.5**	0.5

(a) External investments and investment in related undertakings

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Cost at 1 April	**203.2**	193.8	**0.5**	0.5
Cost at 31 March	**185.1**	203.2	**0.5**	0.5
Accumulated impairment at 1 April	**(0.4)**	(0.2)	**—**	—
Provision raised in the year	**—**	(0.2)	**—**	—
Reversal of impairment	**0.2**	—	**—**	—
At 31 March	**(0.2)**	(0.4)	**—**	—
Net book value at 31 March	**184.9**	202.8	**0.5**	0.5
Debt service reserves	**26.6**	27.9	**—**	—
Grace Gillett Trust	**0.2**	0.2	**—**	—
Trade Investment	**0.2**	—	**—**	—
Other external investments	**60.7**	57.5	**0.3**	0.3
Investment in associates	**10.0**	9.9	**—**	—
Investment in related undertakings	**—**	—	**0.2**	0.2
Investment in joint venture undertakings	**87.2**	107.3	**—**	—
	184.9	202.8	**0.5**	0.5

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 £47 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.

15 Fixed assets — investments (continued)

(b) Investment properties

	£m
At 1 April 2020	**574.9**
Additions	**17.7**
Change of tenure	**(1.6)**
Revaluation in year	**3.9**
Abortive	**(2.1)**
Disposals	**(19.9)**
At 31 March 2021	**572.9**

For the year ended 31 March 2021, the Group has obtained an independent valuation of the investment property portfolio. This was performed in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors (a 'red book' valuation). The valuation was undertaken by Savills, who are independent, RICS qualified, have a strong professional reputation with and considerable experience in producing red book valuations.

A discounted cash flow method was used to estimate the fair value of the portfolio. This used up-to-date information on net operating cash flows and applied an appropriate yield to this data based on an understanding of the market and the individual circumstances of each part of the portfolio. Comparisons have also been made with similar properties in recent transactions to give additional comfort around the valuations. Where applicable, an assessment is made on a similar basis for any related commercial income in respect of these properties. Management interrogation and challenge has been applied to both the valuation method and the assumptions used, including in respect of cash flows, CPI and HPI as appropriate.

16 Equity loans

		Group		**Company**
	2021	2020	**2021**	2020
	£m	£m	**£m**	£m
Gross valuation				
At 1 April	**86.4**	94.7	**—**	—
Additions in year	**1.7**	2.4	**—**	—
Net appreciation in year	**2.6**	1.8	**—**	—
Disposals in year	**(8.2)**	(12.5)	**—**	—
At 31 March	**82.5**	86.4	**—**	—
Other associated liabilities				
At 1 April	**(15.8)**	(18.2)	**—**	—
Additions in year	**(0.1)**	-		
Net appreciation in year	**(0.2)**	(0.3)	**—**	—
Disposals in year	**1.7**	2.7	**—**	—
At 31 March	**(14.4)**	(15.8)	**—**	—
Net book value at 31 March	**68.1**	70.6	**—**	—

17 Stock

	Group		Company	
	2021	2020	**2021**	2020
	£m	£m	**£m**	£m
Land	**105.4**	98.1	**—**	—
Properties in construction	**225.6**	260.3	**—**	—
Completed properties	**57.7**	50.7	**—**	—
Rental properties held for sale	**18.3**	23.9		
Other	**1.3**	1.2	**—**	—
	408.3	434.2	**—**	—

18 Debtors: amounts falling due after more than one year

	Group		Company	
	2021	2020	**2021**	2020
	£m	£m	**£m**	£m
Derivative financial instruments held to manage the interest rate profile and currency risk	**4.5**	48.9	**—**	—
Revaluation of foreign currency denominated debt	**28.2**	—		
Trade and other debtors	**—**	2.9	**—**	—
Agency leases	**—**	0.2	**—**	—
Loans and advances to customers	**—**	0.2	**—**	—
Mortgages	**1.2**	1.6	**—**	—
	33.9	53.8	**—**	—

19 Debtors: amounts falling due within one year

	Group		Company	
	2021	2020	**2021**	2020
	£m	£m	**£m**	£m
Rental debtors	**15.1**	13.6	**—**	—
Less: Provision for bad and doubtful debts	**(6.1)**	(6.3)	**—**	—
	9.0	7.3	**—**	—
Other trade debtors	**36.5**	25.2	**9.6**	1.1
Mortgages	**0.1**	0.1	**—**	—
Deferred tax	**1.4**	-	**—**	—
Corporation tax	**3.2**	8.5	**—**	—
Capital debtors	**35.9**	41.9	**—**	—
Derivative financial instruments held to manage the interest rate profile and currency risk	**0.9**	8.1	**—**	—
Amounts due from related undertakings	**—**	—	**0.9**	1.9
Amounts due from joint ventures undertakings	**1.7**	1.1	**—**	—
Sundry debtors, prepayments and accrued income	**49.8**	49.2	**5.8**	4.7
Loans and advances to customers	**0.2**	0.8	**—**	—
Loans to employees	**0.4**	0.2	**—**	—
	139.1	142.4	**16.3**	7.7

20 Current asset investments

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Cash held as security	**12.8**	24.3	**—**	—

21 Creditors: amounts falling due within one year

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Debt				
Housing and bank loans principal payable within one year	**80.2**	31.5	**—**	—
Debentures/stocks principal payable within one year	**52.3**	2.2	**—**	—
Discount on bond issue	**(5.5)**	(5.3)	**—**	—
Derivative financial instruments held to manage the interest rate profile and currency risk	**0.2**	3.2	**—**	—
Finance leases	**1.7**	1.8	**—**	—
	128.9	33.4	**—**	—
Other financial liabilities				
Interest on housing loans	**46.2**	45.5	**—**	—
Payments received on account	**11.6**	11.9	**—**	—
Prepaid rent	**6.9**	6.5	**—**	—
Corporation tax	**—**	—	**0.3**	0.3
Deferred tax	**—**	6.8	**—**	—
Other taxes	**3.4**	2.5	**0.1**	0.9
Capital development creditor	**78.6**	84.0	**—**	—
Trade creditors	**14.6**	18.2	**0.9**	0.6
Other creditors and accruals	**78.5**	105.9	**15.8**	7.6
Deferred Government grant	**22.7**	17.3	**—**	—
Recycled Capital Grant Fund (note 23)	**16.8**	13.8	**—**	—
Disposal Proceeds Fund (note 23)	**—**	0.1	**—**	—
	408.2	345.9	**17.1**	9.4

22 Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	**2021**	2020
	£m	£m	**£m**	£m
Debt				
Housing and bank loans	**1,557.1**	1,669.7	**—**	—
Debenture stock/bonds	**1,187.9**	1,239.5	**—**	—
Discount on bond issue	**(29.1)**	(33.7)	**—**	—
Obligations under finance leases	**222.6**	224.1	**—**	—
Derivative financial instruments held to manage the interest rate profile and currency risk	**60.2**	48.0	**—**	—
Revaluation of foreign currency denominated debt	**—**	35.0	**—**	—
	2,998.7	3,182.6	**—**	—
Other financial liabilities				
Recycled Capital Grant Fund (note 23)	**34.9**	37.7	**—**	—
Deferred Government grant	**1,297.8**	1,315.1	**—**	—
Fair value of breakage costs	**98.5**	99.3	**—**	—
HomeBuy grant	**38.4**	40.4	**—**	—
Total creditors falling due after more than one year	**4,468.3**	4,675.1	**—**	—

The total value of the loans subject to a guarantee is £75.0m (2020: £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, 0.28% - 11.95%, in instalments.

Included within housing and bank loans is £12.3m (2020: £14.3m) which relates to the cost of debt issue.

23 Recycled capital grant and disposal proceeds fund

Recycled capital grant fund		Homes England 2021 £m	2020 £m	Greater London Authority 2021 £m	2020 £m
At 1 April		**35.0**	31.6	**12.0**	15.0
Inputs to RCGF:	Grant recycled	**7.2**	8.4	**1.3**	1.2
	Interest accrued	**—**	0.2	**—**	0.1
Recycling of grant:	New build	**(3.9)**	(5.2)	**—**	—
Repayment of grant to the HE/GLA		**—**	—	**(4.6)**	(4.3)
At 31 March		**38.3**	35.0	**8.7**	12.0
Amounts three years old or older where repayment may be required		**16.3**	10.9	**0.6**	2.9

Disposals proceeds fund		Homes England 2021 £m	2020 £m	Greater London Authority 2021 £m	2020 £m
At 1 April		**—**	—	**0.1**	0.1
Recycling of grant:	Transferred to reserves	**—**	—	**(0.1)**	—
At 31 March		**—**	—	**—**	0.1
Amounts three years old or older where repayment may be required		**—**	—	**—**	0.1

	2021	2020
Recycled capital grant fund in respect of Scottish subsidiaries	**4.7**	4.5
Total recycled capital grant fund	**51.7**	51.6

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 riskmanagement 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 £219.7m (2020: £217.8m). Bank balances and short-term investments were £108.0m at the year end (2020: £207.9m). In addition to this, the Group had further available facilities of £873m (2020: £750m) and has established a European Medium Term Note Programme of £554m (2020: £554m) 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 77% 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 £1.0m 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 £0.3m 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.

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 36.6% of debt matures within the next 5 years, including 4.3% 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 2021 the Group held cross currency interest rate swaps with a mark to market value of £55.0m.

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 on page 169 include the impact of hedging transactions, all of which have cash flow movements in line with the impact in the statement of comprehensive income.

24 Financial instruments (continued)

Ageing profile and interest rate risk of financial assets as at 31 March 2021

Group

	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	**4.22%**	**20.2**	**—**	**—**	**—**	**11.7**	**—**	**8.5**
Floating rate	**0.64%**	**6.4**	**—**	**—**	**—**	**—**	**—**	**6.4**
Amounts due from related undertakings	**11.63%**	**50.8**	**28.1**	**3.4**	**2.0**	**0.4**	**—**	**16.9**
		77.4	**28.1**	**3.4**	**2.0**	**12.1**	**—**	**31.8**
Mortgages and loans		**1.5**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**1.0**
Derivative financial instruments held to manage interest rate risk		**5.4**	**0.9**	**1.0**	**(0.3)**	**1.3**	**1.6**	**0.9**
		84.3	**29.1**	**4.5**	**1.8**	**13.5**	**1.7**	**33.7**

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

Comparative figures as at 31 March 2020 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	2.15%	19.5	—	—	—	—	11.6	7.9
Floating rate	0.90%	8.3	—	—	—	—	—	8.3
Amounts due from related undertakings	9.93%	73.9	28.2	2.5	0.8	25.5	0.4	16.5
		101.7	28.2	2.5	0.8	25.5	12.0	32.7
Mortgages and loans		1.7	0.1	0.1	0.1	0.1	0.1	1.2
Derivative financial instruments held to manage interest rate risk		57.0	8.1	6.2	11.1	7.3	10.7	13.6
		160.4	36.4	8.8	12.0	32.9	22.8	47.5

24 Financial instruments (continued)

Ageing profile and interest rate risk of financial liabilities as at 31 March 2021

	Effective interest rate %	Total amount £m	Within 1 year £m	1 – 2 years £m	2 – 3 years £m	3 –4 years £m	4 – 5 years £m	Over 5 years £m
Stocks and bonds:								
Fixed rate	**4.77%**	**1,546.4**	**52.4**	**52.4**	**113.7**	**272.1**	**38.2**	**1,017.6**
Indexed	**3.44%**	**50.3**	**50.3**	**—**	**—**	**—**	**—**	**—**
Discount on bond issue		**(34.5)**	**—**	**—**	**—**	**—**	**—**	**(34.5)**
		1,562.2	**102.7**	**52.4**	**113.7**	**272.1**	**38.2**	**983.1**
Housing and other loans:								
Fixed rate	**4.38%**	**1,828.8**	**108.8**	**188.7**	**80.2**	**94.6**	**166.8**	**1,189.7**
Index linked	**3.74%**	**47.8**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**46.3**
Floating	**1.81%**	**374.6**	**8.7**	**98.1**	**49.1**	**198.1**	**2.0**	**18.6**
		2,251.2	**117.8**	**287.1**	**129.6**	**293.0**	**169.1**	**1,254.6**
Finance leases	**5.79%**	**596.8**	**15.2**	**15.2**	**15.2**	**15.2**	**15.2**	**520.8**
Derivative financial instruments held to manage interest rate risk		**60.3**	**0.2**	**11.3**	**3.7**	**11.4**	**2.7**	**31.0**
		4,470.5	**235.9**	**366.0**	**262.2**	**591.7**	**225.2**	**2,789.5**

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

Comparative figures as at 31 March 2020 were as follows:

	Effective interest rate %	Total amount £m	Within 1 year £m	1 – 2 years £m	2 – 3 years £m	3 – 4 years £m	4 – 5 years £m	Over 5 years £m
Stocks and bonds:								
Fixed rate	4.77%	1,598.8	52.4	52.4	52.4	113.7	272.1	1,055.8
Indexed	3.65%	50.0	0.4	49.6	—	—	—	—
Discount on bond issue		(39.0)	—	—	—	—	—	(39.0)
		1,609.8	52.8	102.0	52.4	113.7	272.1	1,016.8
Housing and other loans:								
Fixed rate	4.57%	1,800.6	76.0	106.9	141.6	68.8	98.7	1,308.6
Index linked	3.47%	47.2	0.3	0.3	0.3	0.3	0.3	45.7
Floating rate	2.51%	529.1	17.3	110.6	100.4	50.6	199.5	50.7
		2,376.9	93.6	217.8	242.3	119.7	298.5	1,405.0
Finance leases	5.79%	458.7	11.5	11.5	11.5	11.5	11.5	401.2
Derivative financial instruments held to manage interest rate risk		51.2	3.2	2.6	22.0	3.9	3.9	15.6
		4,496.6	161.1	333.9	328.2	248.8	586.0	2,838.6

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.

Borrowing facilities

As at 31 March 2021, the Group had undrawn committed borrowing facilities expiring as follows:

	2021	2020
	£m	£m
In one year or less, or on demand	**285.6**	210.8
In more than one year but not more than two years	**162.6**	311.7
In more than two years	**425.0**	228.8
	873.2	751.3

£62.5m of the undrawn committed borrowing facilities require fixed charge security to be placed with lenders (2020: £62.5m).

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.

					Group
			2021		2020
	Note	**Book value**	**Fair value**	Book value	Fair value
Financial assets		**£m**	**£m**	£m	£m
Fixed asset investments	15 and 16	**253.0**	**190.2**	273.4	276.4
Current asset investments	20	**12.8**	**12.8**	24.3	24.3
Cash and cash equivalents		**95.2**	**95.2**	183.6	183.6
Long-term debtors	18	**—**	**—**	3.1	3.1
Mortgages and loans	18 and 19	**1.5**	**1.5**	2.7	2.7
Derivative financial instruments held to manage interest rate risk	18 and 19	**5.4**	**5.4**	57.0	57.0
Revaluation of foreign currency denominated debt	18	**28.2**	**28.2**	—	—
Amounts owed from joint venture undertakings	19	**1.7**	**1.7**	1.1	1.1
Financial assets falling due within one year	19	**83.7**	**83.7**	74.6	74.6
		481.5	**418.7**	619.8	622.8
Financial liabilities					
Debenture stocks and bonds	21 and 22	**1,240.2**	**1,447.9**	1,241.7	1,397.7
Discount on bond issue	21 and 22	**(34.5)**	**(34.5)**	(39.0)	(39.0)
Housing loans	21 and 22	**1,637.3**	**1,637.3**	1,701.2	1,701.2
Revaluation of foreign currency denominated debt	22	**—**	**—**	35.0	35.0
Derivative financial instruments held to manage interest rate risk	21 and 22	**60.4**	**60.4**	51.2	51.2
Other financial liabilities	21 and 22	**276.0**	**276.0**	277.5	277.5
Financial liabilities falling due within one year	21	**180.6**	**180.5**	183.4	183.4
		3,360.0	**3,567.6**	3,451.0	3,607.0

Of the financial assets above £5.4m (2020: £57.0m) are derivative financial instruments and £28.2m (2020: £nil) is revaluation of foreign currency denominated debt with the remaining amounts being measured at amortised cost.

Of the financial liabilities above £60.4m (2020: £51.2m) are derivative financial instruments and £nil (2020: £35.0m) is revaluation of foreign currency denominated debt with the remaining amounts being measured at amortised cost.

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.

25 Pension obligations

The pension costs for Places for People Group relate to 13 schemes of which employees and former employees are members. Details of each scheme are set out below.

	2021 £m	2020 £m
Group defined benefit scheme surplus		
PFPL (Holdings) Limited PFPL (Holdings)	**0.1**	—
Places for People Group Retirement Benefit Scheme PFP Group	**—**	25.5
Residential Management Group section of the Citrus Pension Plan |(RMG)	**—**	0.4
	0.1	25.9
Group defined benefit scheme liabilities		
Places for People Group Retirement Benefit Scheme "PFP Group"	**(1.8)**	—
The Social Housing Pension Scheme "SHPS"	**(8.4)**	(4.4)
The Scottish Housing Associations' Pension Schemes "SHAPS"	**(2.9)**	(1.2)
Cambridgeshire County Council Pension Fund "CCCPF"	**(9.0)**	(6.9)
Residential Management Group section of the Citrus Pension Plan "RMG"	**(0.3)**	—
PFPL (Holdings) Limited "PFPL (Holdings)"	**—**	(0.6)
	(22.4)	(13.1)

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 2018 and has been updated by the independent actuary to take account of the requirements of FRS 102. As part of the actuarial valuations as at 31 March 2018, the Group agreed a schedule of contributions which included the Group paying £16.3m in March 2019 and further annual contributions of £5m between 1 April 2019 and 31 March 2025. The Group expects to contribute £5m to the scheme during the year to 31 March 2022.

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 2021 is 105% S2PA CMI_2020 core projections with a long-term rate of improvement of 1.0%. The mortality assumption used at 31 March 2020 was 105% S2PA CMI_2019 core projections with a long-term rate of improvement of 1.0%. Based on these assumptions, a male currently aged 60 years old has a life expectancy of 25.5 years (2020: 25.6 years), a female currently aged 60 years old has a life expectancy of 27.8 years (2020: 27.7 years), a male currently age 40 years old will expect to have a life expectancy of 26.7 years (2020: 26.7 years) when they reach age 60 and a female currently aged 40 years old will expect to have a life expectancy of 29.0 years (2020: 29.0 years) when they reach age 60.

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 which is 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 31 March 2019, 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 2021 is 95% of S3PxA CMI_2019 core improvements [0.20% p. a long-term rate]. Based on these assumptions, a male currently aged 65 years old has a life expectancy of 22.7 years (2020: 22.6 years), a female currently aged 65 years old has a life expectancy of 25.0 years (2020: 24.9 years), a male currently aged 45 years old has a life expectancy of 44.0 years (2020: 43.9 years) and a female currently aged 45 years old has a life expectancy of 46.3 years (2020: 46.3 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 2021.

Assumed to be in line with CMI 2017 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 2021 is 90% of S2PxA CMI_2017 core improvements [1.5% p.a. long-term rate]. The mortality assumption used at 31 March 2020 is 90% of S2PxA CMI_2017 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 22.5 years (2020: 22.4 years), a female currently aged 65 years old has a life expectancy of 23.7 years (2020: 23.6 years), a male currently aged 45 years old has a life expectancy of 45.1 years (2020: 45.0 years) and a female currently aged 45 years old has a life expectancy of 47.4 years (2020: 47.3 years).

Cambridgeshire County Council Pension Fund
The CCCPF is 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 are performed by an independent, professionally qualified actuary using the projected unit method. The latest triennial actuarial valuation was at 31 March 2019. The CCCPF is open to the employees of Chorus Group Limited.

The mortality assumption used at 31 March 2021 is that a male currently aged 65 years old has a life expectancy of 22.2 years (2020: 22.0 years), a female currently aged 65 years old has a life expectancy of 24.4 years (2020: 24.0 years), a male currently aged 45 years old has a life expectancy of 43.2 years (2020: 42.7 years) and a female currently aged 45 years old has a life expectancy of 46.2 years (2020: 45.5 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 2017. This valuation revealed a deficit of £1,522m. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

SHPS is classified as a 'last-man standing arrangement'. Therefore each participting employer 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 Group participating employers to account for the scheme as a defined benefit scheme.

The mortality assumption used at 31 March 2021 is that a male currently aged 65 years old has a life expectancy of 21.6 years (2020: 21.5 years), a female currently aged 65 years old has a life expectancy of 23.5 years (2020: 23.3 years), a male currently aged 45 years old has a life expectancy of 42.9 years (2020: 42.9 years) and a female currently aged 45 years old has a life expectancy of 44.1 years (2020: 44.5 years).

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 £198m. A recovery plan has been put in place to eliminate the deficit which runs to 28 February 2022 for the majority of employers, although certain employers have different arrangements. SHAPS is classified as a 'last-man standing arrangement'.

25 Pension obligations (continued)

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 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 2021 is that a male currently aged 65 years old has a life expectancy of 21.5 years (2020: 21.5 years), a female currently aged 65 years old has a life expectancy of 23.4 years (2020: 23.2 years), a male currently aged 45 years old has a life expectancy of 42.8 years (2020: 42.8 years) and a female currently aged 45 years old has a life expectancy of 45.0 years (2020: 44.5 years).

The major assumptions used by the actuaries of each scheme were:

			2021			
	SHPS	**SHAPS**	**PFP Group**	**PFPL (Holdings)**	**RMG**	**CCCPF**
	%	**%**	**%**	**%**	**%**	**%**
Discount rate	**2.10**	**2.10**	**2.10**	**1.96**	**2.40**	**2.00**
Rate of RPI inflation	**3.30**	**3.30**	**3.30**	**3.39**	**3.45**	**n/a**
Rate of increase in salaries	**3.84**	**3.87**	**2.60/1.90**[1]	**3.35**	**2.45**	**3.35**
Rate of increase in pension payments	**n/a**	**n/a**	**n/a**	**2.80**	**n/a**	**2.85**
Rate of CPI inflation	**2.60**	**2.60**	**n/a**	**2.85**	**2.45**	**n/a**

			2020			
	%	%	%	%	%	%
Discount rate	2.60	2.60	2.50	2.25	2.30	2.30
Rate of RPI inflation	2.90	2.90	2.60	2.70	2.80	n/a
Rate of increase in salaries	2.65	2.60	2.60/1.90[1]	2.60	1.90	2.40
Rate of increase in pension payments	n/a	n/a	n/a	2.10	n/a	1.90
Rate of CPI inflation	n/a	n/a	n/a	2.10	1.90	n/a

[1] RPI max 5% pa/ RPI max 2.5% pa

25 Pension obligations (continued)

The major categories of assets as a percentage of total assets are as follows:

	2021					
	SHPS	**SHAPS**	**PFP Group**	**PFPL (Holdings)**	**RMG**	**CCCPF**
	%	**%**	**%**	**%**	**%**	**%**
Diversified growth funds, hedge funds and structure funds	**14.5**	**14.1**	**20.0**	**17.2**	**15.8**	**—**
Equities	**19.6**	**19.0**	**17.0**	**69.4**	**14.0**	**69.0**
Gilts	**—**	**—**	**—**	**3.6**	**—**	**15.0**
Liability driven investments	**30.1**	**28.8**	**26.0**	**—**	**15.1**	**—**
Absolute return bonds	**11.6**	**11.2**	**—**	**—**	**15.4**	**—**
Corporate bonds	**5.9**	**7.5**	**30.0**	**4.9**	**9.8**	**—**
Cash and cash equivalents	**—**	**—**	**7.0**	**1.1**	**18.2**	**1.0**
Other fixed interest	**4.2**	**5.5**	**—**	**—**	**—**	**—**
Insurance linked securities	**2.4**	**2.1**	**—**	**—**	**6.7**	**—**
Direct lending	**7.7**	**7.7**	**—**	**1.4**	**5.0**	**—**
Property	**4.0**	**4.1**	**—**	**2.4**	**—**	**15.0**

	2020					
	SHPS	SHAPS	PFP Group	PFPL (Holdings)	RMG	CCCPF
	%	%	%	%	%	%
Diversified growth funds, hedge funds and structure funds	14.5	16.5	15.0	18.0%	17.0	—
Equities	18.0	16.9	11.0	65.2%	12.6	68.0
Gilts	0.0	1.3	0.0	4.4%	0.0	12.0
Liability driven investments	36.6	30.6	31.0	0.0%	16.4	—
Absolute return bonds	9.9	10.4	0.0	0.0%	0.0	—
Corporate bonds	5.7	7.3	26.0	5.9%	0.0	—
Cash and cash equivalents	0.0	0.0	17.0	2.3%	16.3	3.0
Other fixed interest	3.8	5.6	0.0	0.0%	29.6	—
Insurance linked securities	3.1	2.7	0.0	0.0%	8.1	—
Direct lending	4.4	4.4	0.0	0.0%	0.0	—
Property	4.0	4.3	0.0	4.2%	0.0	17.0

25 Pension obligations (continued)

Amounts recognised in the Statement of Financial Position

	Value at 31 March 2021						
	SHPS	**SHAPS**	**PFP Group**	**PFPL (Holdings)**	**RMG**	**CCCPF**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Fair value of assets	**37.0**	**30.0**	**249.2**	**6.9**	**6.6**	**29.9**	**359.6**
Present value of the scheme's liabilities	**(45.4)**	**(32.9)**	**(251.0)**	**(6.8)**	**(6.9)**	**(38.9)**	**(381.9)**
Surplus/(deficit) in the scheme	**(8.4)**	**(2.9)**	**(1.8)**	**0.1**	**(0.3)**	**(9.0)**	**(22.3)**

	Value at 31 March 2020						
	SHPS	SHAPS	PFP Group	PFPL (Holdings)	RMG	CCCPF	Total
	£m	£m	£m	£m	£m	£m	£m
Fair value of assets	33.9	26.8	242.7	5.2	5.8	24.2	338.6
Present value of the scheme's liabilities	(38.2)	(28.1)	(217.1)	(5.9)	(5.4)	(31.1)	(325.8)
Surplus/(deficit) in the scheme	(4.3)	(1.3)	25.6	(0.7)	0.4	(6.9)	12.8

25 Pension obligations (continued)

Amounts recognised in the Statement of Comprehensive Income

	Year ending 31 March 2021						
	SHPS £m	**SHAPS £m**	**PFP Group £m**	**PFPL (Holdings) £m**	**RMG £m**	**CCCPF £m**	**Total £m**
Current service cost	**—**	**—**	**—**	**(0.1)**	**(0.1)**	**(0.3)**	**(0.5)**
Amount charged in arriving at operating profit	**—**	**—**	**—**	**(0.1)**	**(0.1)**	**(0.3)**	**(0.5)**
Expected return on plan assets	**0.9**	**0.7**	**6.0**	**0.1**	**0.1**	**0.6**	**8.4**
Interest on scheme liabilities	**(1.0)**	**(0.7)**	**(5.3)**	**(0.1)**	**(0.1)**	**(0.7)**	**(7.9)**
Amount charged/(credited) to other finance costs	**(0.1)**	**—**	**0.7**	**—**	**—**	**(0.1)**	**0.5**
Total charged to the statement of comprehensive income	**(0.1)**	**—**	**0.7**	**(0.1)**	**(0.1)**	**(0.4)**	**—**

	Year ending 31 March 2020						
	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)	(0.4)	(0.6)
Expected return on plan assets	0.8	0.7	5.7	0.1	0.2	0.6	8.1
Interest on scheme liabilities	(1.1)	(0.8)	(5.6)	(0.1)	(0.2)	(0.8)	(8.6)
Amount charged/(credited) to other finance costs	(0.3)	(0.1)	0.1	—	—	(0.2)	(0.5)
Total charged to the statement of comprehensive income	(0.3)	(0.1)	0.1	(0.1)	(0.1)	(0.6)	(1.1)

Amounts recognised in Other Comprehensive Income

	Year ending 31 March 2021						
	SHPS £m	**SHAPS £m**	**PFP Group £m**	**PFPL (Holdings) £m**	**RMG £m**	**CCCPF £m**	**Total £m**
Actuarial gain/(loss) in pension scheme	**(5.0)**	**(2.6)**	**(33.0)**	**0.6**	**(0.7)**	**(2.3)**	**(43.0)**

	Year ending 31 March 2020						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
Actuarial gain/(loss) in pension scheme	2.5	0.7	20.7	(0.4)	1.0	3.3	27.8

The change in the fair value of the plan assets is analysed as follows:

	Year ending 31 March 2021						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
As at 1 April 2020	33.9	26.9	242.7	5.2	5.9	24.2	338.8
Interest on plan assets	0.9	0.7	6.0	0.1	0.1	0.6	8.4
Company contributions	1.2	0.9	5.0	0.2	0.1	0.6	8.0
Contribution by scheme participants	—	—	—	—	—	0.1	0.1
Benefits paid	(1.6)	(1.0)	(7.6)	(0.1)	(0.1)	(0.8)	(11.2)
Return on assets less interest	2.6	2.5	3.1	1.5	0.6	5.2	15.5
As at 31 March 2021	**37.0**	**30.0**	**249.2**	**6.9**	**6.6**	**29.9**	**359.6**

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 2021	**3.4**	**3.2**	**9.1**	**1.6**	**0.7**	**5.8**	**23.8**
For year ending 31 March 2020	1.4	1.4	15.7	0.4	0.1	(0.8)	18.2

The change in the present value of the defined benefit obligations is analysed as follows:

	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
As at 1 April 2020	38.3	28.0	217.2	5.9	5.4	31.1	325.9
Current service costs	—	—	—	—	—	—	—
Past service costs	—	—	—	0.1	0.1	0.3	0.5
Contribution by scheme participants	—	—	—	—	—	—	—
Administration costs	—	—	—	—	—	0.1	0.1
Interest costs	1.0	0.7	5.3	0.1	0.1	0.7	7.9
Benefits paid	(1.6)	(0.9)	(7.6)	(0.1)	(0.1)	(0.8)	(11.1)
Actuarial losses/(gains) from changes to demographic assumptions	0.2	—	7.2	—	—	0.4	7.8
Actuarial losses from changes to financial assumptions	8.1	4.7	30.5	—	—	7.5	50.8
Actuarial (gain)/loss on obligation	(0.6)	0.4	(1.6)	0.8	1.4	(0.4)	—
As at 31 March 2021	**45.4**	**32.9**	**251.0**	**6.8**	**6.9**	**38.9**	**381.9**

26 Capital commitments

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Capital expenditure that has been authorised and contracted for but has not been provided for in the financial statements	**132.2**	242.4	**—**	—
Capital expenditure that has been authorised by the board of directors	**1,017.7**	1,258.6	**—**	—

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.

	Group				Company	
	Land and buildings	**Motor vehicles & equipment**	Land and buildings	Motor vehicles & equipment	**Motor vehicles & equipment**	Motor vehicles & equipment
	2021 £m	**2021 £m**	2020 £m	2020 £m	**2021 £m**	2020 £m
In one year or less	**1.9**	**3.5**	2.6	3.8	**0.2**	0.3
In one year or more but less than five years	**8.0**	**3.0**	10.0	2.4	**0.2**	0.2
In more than five years	**10.6**	**3.3**	13.5	3.1	**0.1**	0.2
	20.5	**9.8**	26.1	9.3	**0.5** -	0.7

27 Contingent liabilities

The Group is party to prospective legal action arising from the scheme rules of the Group retirement benefit pension scheme, more detail can be found on page 173 .

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, the Residential Management Group section of the Citrus Pension Plan and the Cambridgeshire County Council Local Government Pension Scheme. Details of transactions with the schemes are disclosed in note 25.

Key management personnel of the entity or its parent

On 17th June 2020, the shares (2021: £5,000,000, 2020: £5,000,000) that Living+ held in a listed social housing REIT were sold for £4,700,000. In the year to 31 March 2021 dividends of £129,000 (2020: £127,000) were received from this investment.

As at 31 March 2021 Places for People Ventures Operations Limited had a loan to a development company with £6,039,086 (2020:£6,039,086) outstanding. The loan is unsecured and at a variable rate of return. During the year the director involved in this company resigned from the Group.

Places for People Ventures Operations Limited held a £200,000 (2020:£200,000) investment in an asset management company comprising of a £100,000 loan and an investment of £100,000. During the year the investment was sold for £105,000. No dividends were received from this company in the year to 31 March 2021. During the year the director involved in this company resigned from the Group.

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 2021 £	Interest received £	Dividends received £
Big Issue	—	—	625,000	9,248	—
Blueprint LP	—	—	1,101,500	—	—
Boxed Energy Limited	50,929	437,002	150,929	7,000	—
Brio Retirement Living (Chapelton) Limited	—	17,498,390	—	342,335	—
Brooklands Milton Keynes LLP	21,182,670	—	—	2,241,207	—
Countryside Places for People (Lower Herne) LLP	—	—	1,526,000	—	—
Eione LLP	1,150,614	449,687	130,951	—	—
Fair By Design Venture Ltd Partnership	—	—	136985	—	—
Global Habitat	—	91,247	—	—	—
Ickneild Port Loop LLP	—	—	562,970	60,429	—
Ilke Homes Limited External	—	250,796	—	—	—
London & Newcastle Capital Limited	—	—	6,000,000	—	—
PFP Urban Splash JV LLP	—	—	15,979,517	1,389,350	—
PFPC MMR LP	511,924	—	—	—	150,499
Picture Living LP	1,201,538	—	—	—	728,500
Romsey Extra Care Ltd	—	—	9,768,785	237,239	—
Triple Point Social Housing REIT plc	—	—	—	—	129,000
Uliving@Essex2 Limited	842,106	—	66,252	—	55,032
Uliving@Gloucestershire Limited	949,442	—	72,500	—	106,455
Uliving@Hertfordshire plc	5,535,292	—	—	—	573,368
	31,424,515	**18,727,122**	**36,121,389**	**4,286,808**	**1,742,854**

The Group had the following transactions during the year with companies associated with key management personnel and directors.

	Services provided £	Services received £	Amounts outstanding £	Interest received £	Dividends received £
James Andrew Residential Limited	—	2,027	2,027	—	—
Social Communications Group Limited	—	93,189	—	—	—
	—	**95,216**	**2,027**	**—**	**—**

29 Disclosure of Group undertakings

The following entities are related undertakings of Places for People Group Limited and unless stated otherwise, are incorporated in the UK. The registered office address for each entity is 80 Cheapside, London, EC2V 6EE, unless stated otherwise.

Subsidiaries

Name	Class of share held	Proportion of shares held
Allenbuild Limited	Ordinary A* & B*	100%
Allenbuild (South East) Limited	Ordinary*	100%
Blueroom Properties Limited	Ordinary/Preference*	100%
Braintree District Leisure Community Association Ltd**	N/A	N/A
Brio Care Landale Limited[1]	Ordinary*	100%
Brio Care Limited	Ordinary*	100%
Brio Retirement Living (Applegreen) Limited	Ordinary A* & B*	95%
Brio Retirement Living (Barton Marina) Limited	Ordinary*	100%
Brio Retirement Living (Chapelton) Limited[1]	Ordinary*	100%
Brio Retirement Living (Chester) Limited	Ordinary*	100%
Brio Retirement Living (Holdings) Limited	Ordinary A*, B* & C*	93%
Brio Retirement Living (JV) Limited	Ordinary*	100%
Brio Retirement Living (Midco) Limited	Ordinary*	100%
Brio Retirement Living (Poundbury) Limited	Ordinary*	100%
Brio Retirement Living (Sole Risk) Limited	Ordinary A* & B*	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%
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*	100%
Derwent Facilities Management Limited[2]	Ordinary*	100%
Derwent Housing Association Limited***	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 A* & B*	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%
HNJV Limited	Ordinary*/Preference*	100%
Hope Social Enterprises Limited	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*	100%
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%
MDH (Group) Limited[4]	Ordinary A*, B*, C*, D*, E* & F*	100%
Millwood Contracts Limited[4]	Ordinary*	100%

29 Disclosure of Group undertakings (continued)

Subsidiaries (continued)

Name	Class of share held	Proportion of shares held
Millwood Designer Homes Limited[4]	Ordinary A* & B*	100%
Millwood Designer Homes Kent Ltd[4]	Ordinary*	100%
Millwood Designer Homes (Southern) Limited[4]	Ordinary*	100%
Minton Healthcare (Buckingham) Limited	Ordinary*	100%
ModularWise Limited	Ordinary*	100%
Officers Field Development Limited	Ordinary*/Ordinary A*	100%
Osterna Limited[5]	Ordinary*	100%
PFP Capital Limited	Ordinary/Preference*	100%
PFP Cosec 2 Limited	Ordinary	100%
PFP Cosec 4 Limited	Ordinary*	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
PFPESCO 1 Limited	Ordinary	100%
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 Developments (PRS) Limited	Ordinary	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 International Limited	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 International Limited	Ordinary*	100%
Places for People Investments 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%

29 Disclosure of Group undertakings (continued)

Subsidiaries (continued)

Name	Class of share held	Proportion of shares held
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**[7]	N/A	N/A
Places for People SPV 2 Limited**[7]	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%
Residential Management Group Limited[3]	Ordinary* & Ordinary B	99.9%
Residential Management Group Scotland Limited[8]	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
Stow Care Village LLP	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	95%
Upper Strand Developments Limited[1]	Ordinary*/Preference*	100%
Urban Matrix (Ditton) LLP	N/A	N/A
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	Ordinary*	100%
Wood Trustees Limited[3]	Ordinary* & Ordinary Deferred*	100%
ZeroC Acheson Consortium Limited	Ordinary*	100%
Zero C Holdings Limited	Ordinary* & Ordinary A*	100%
ZeroC Group (2008) Limited	Ordinary*, Ordinary A* & B*	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 6 Alexander Grove, Kings Hill, West Malling, England, ME19 4XR
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 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.

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
Abode Modular Living LLP	N/A	N/A	N/A
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 Limited Partnership***2	N/A	N/A	N/A
Blueprint (General Partner) Limited[2]	Ordinary*	50%	50%
Blueprint (Nominees) Limited[2]	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) LLP7	N/A	N/A	N/A
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
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
PFP US (IPL) LLP[5]	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%
Reside Student Living LLP	N/A	N/A	N/A
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	N/A	N/A	N/A
Swedish By Design LLP	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%

Other Group interests/investments

Symlconnect Limited[13]	A Ordinary*	100%	30%
Ansaar Management Company (Private) Limited[14]	Ordinary	25%	25%
Sunamp Limited[15]	Ordinary	1%	1%
Impact Social Value Reporting Ltd[16]	Ordinary*	8%	8%
Ilke Homes Holdings Limited[17]	Ordinary*	8%	8%
Romsey Extra Care Limited[18]	Ordinary*	1%	1%

* 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 further13 companies to develop/manage various student sites:

Alumno Student Management Limited
Alumno Student (Barn) Limited
Alumno Student (Manchester) Limited
Alumno Student (Lewes Road) Limited
Alumno Student (Park Hill) Holdings Limited
Alumno Student (Mgmt) Limited
Alumno Student (Rockingham) Limited
Alumno Student (Alscot) Limited
Alumno Student (Essex) Limited
Alumno Student (Pershore) Limited
Alumno Student (Whitelock) Limited
Alumno Student (Park Hill) Limited
Alumno Student (Jock's Lodge) 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 6) Limited
East Wick & Sweetwater Projects (Phase 7) 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] Office 201, 69 Old Street, London, EC1V 9HX
[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
[8] 6th Floor, 350 Euston Road, Regent's Place, London, NW1 3AX
[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] Institute of Life Sciences 2, Room 504, University of Swansea, 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] 2nd Floor, 24-26 Lever Street, Manchester, M1 1DW
[17] Flaxby Industrial Estate, Knaresborough, Harrogate, HG5 0XJ
[18] Unit 1, Barnes Wallis Court, Wellington Road, Cressex Business Park, High Wycombe, HP12 3PS

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.

	2021 £m	2020 £m
Places for People Financial Services Limited	**0.1**	0.1
Places for People Landscapes Limited	**0.4**	0.3
Places for People Scotland Limited	**0.1**	0.1
Touchstone Corporate Property Services Limited	**0.5**	0.5
PFPL (Holdings) Limited	**0.1**	0.1
Residential Management Group Limited	**—**	—
Zero C Holdings Limited	**0.2**	0.2
	1.4	1.3

30 Events after the reporting date

There were no events after the reporting date.

31 Housing stock

The Group owns or manages 219,616 housing properties. A breakdown of these housing properties is shown below:

	2020 No.	Units developed or newly built units acquired No.	Units sold/ demolished No.	Other movements No.	**2021 No.**
Social housing owned					
— General needs housing	54,577	318	(148)	(1,725)	**53,022**
— Affordable rent – general needs	2,787	116	(2)	124	**3,025**
— Affordable rent – supported housing	—	114	—	(1)	**113**
— Supported housing	3,354	89	(32)	(28)	**3,383**
— Housing for older people	2,153	—	—	1,809	**3,962**
— Low cost home ownership accommodation	5,587	58	(109)	(7)	**5,529**
Total social housing owned	**68,458**	**695**	**(291)**	**172**	**69,034**
Social housing managed					
— General needs housing (including intermediate rent)	55,165	318	(148)	(1,549)	**53,786**
— Affordable rent – general needs	3,811	1,003	(2)	124	**4.936**
— Affordable rent – supported housing	—	114	—	(1)	**113**
— Supported housing	1,748	89	(32)	125	**1,930**
— Housing for older people	2,154	—	—	1,795	**3,949**
— Low cost home ownership accommodation	5,948	58	(109)	(7)	**5,890**
Total social housing managed	**68,826**	**1,582**	**(291)**	**487**	**70,604**

	2021 No.	2020 No.
Total social housing units managed but not owned	**3,587**	2,337
Total social housing units owned but not managed	**2,017**	2,285
Non-social housing managed		
— Market rent (incl. keyworker accommodation)	**23,378**	23,811
— Managed services	**100,476**	89,443
— Leased housing — freehold only	**7.688**	9,924
— Student accommodation	**15,151**	14,832
— Staff	**—**	105
Total non-social housing managed	**146,693**	138,115
Total social housing managed	**70,604**	68,826
Total housing managed	**217,297**	206,941
Total housing owned but managed by another body	**2,319**	2,371
Total housing owned or managed	**219,616**	209,312
Garages, commercial premises and other non-residential units managed or serviced	**12,640**	11,813
Total residential and non-residential units managed or serviced	**232,256**	221,125

Board of directors, executives and advisors

For the year ending 31 March 2021

Board of Directors	**Non-executives**	
	R Gregory	Group Chair (appointed 1 February 2021)
	C Phillips	Group Chair (resigned 31 January 2021)
	A Cleal	(resigned 31 January 2021)
	A Daniel	
	R Finn	
	N Hopkins	
	A Hussain	(resigned 31 January 2021)
	T James	(resigned 12 January 2021)
	G Kitchen	
	G Waddell	Senior Independent Director
	E Woolman	(resigned 31 January 2021)
	L Lackey	(appointed 1 April 2020)
	Executives	
	D Cowans	Group Chief Executive
	D Marriott-Lavery	Group Director Affordable Housing
	S Black	Group Director Development (appointed 1 May 2020)
	T Weightman	Group Director Assets and Investments
	A Winstanley	Group Finance Director

Company Secretary	C Martin
Registered Office	80 Cheapside, London EC2V 6EE
Banker	Barclays Bank Plc, 38 Fishergate, Preston PR1 2AD
Registered Auditor	KPMG LLP, 15 Canada Square, London E14 5GL
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

Places for People
80 Cheapside
London EC2V 6EE
Tel. 020 7429 0400
www.placesforpeople.co.uk

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The Institute of Customer Service MEMBER

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