

# Financial Statements

For the year ended 31 March 2024



Company registration number: 04015633

Registered provider number: L4389

Registered charity number: 1108779

Registered office: 100 Hatherton Street, Walsall WS1 1AB

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## Board, Executive Directors and Advisors

Board	Appointed	Left
<b>Gary Moreton</b> (Chair)		
<b>Gary Fulford</b> (Chair of Admin Coterminous Board)		
<b>Paul O'Driscoll</b>		
<b>Guy Weston</b> ( Chair of the Audit and Assurance Committee)		
<b>Daren Fradgley</b>		
<b>Akshay Parikh</b>		
<b>Elisabeth Downes</b>		
<b>Ian Shapiro</b>		
<b>Natalia Hill</b>		
<b>Katie Kershaw</b> (Chair of Commercial Coterminous Board)	25/05/2023	
<b>Deborah Walthorne</b> (Deputy Chair of the Audit and Assurance Committee)	01/06/2023	
<b>Parminder Kaur</b>	01/06/2023	
<b>Company Secretary</b>		
<b>Dawn Hendon</b>		

# Board, Executive Directors and Advisors

Executive Directors		
<b>Gary Fulford</b>	Group Chief Executive	
<b>Sangita Surridge</b>	Corporate Director of Finance	
<b>Dawn Hendon</b>	Corporate Director of Governance, Compliance and Communications	
<b>Lisa Wallis</b>	Corporate Director of People and Culture	
<b>Robert Gilham</b>	Corporate Director of Strategy, Assets and Transformation	
<b>Fay Shanahan</b>	Corporate Director of Operations and IT	
<b>Rebecca Bennett Casserly</b>	Corporate Director of Development	

Statutory Auditor	Internal Auditor	Principal Banker
Beever and Struthers The Colmore Building 20 Colmore Circus Queensway Birmingham B4 6AT	BDO LLP Two Snowhill Queensway Birmingham B4 6GA	Lloyds Bank plc The Bridge Walsall WS1 1LU

whg was formed in

# 2003

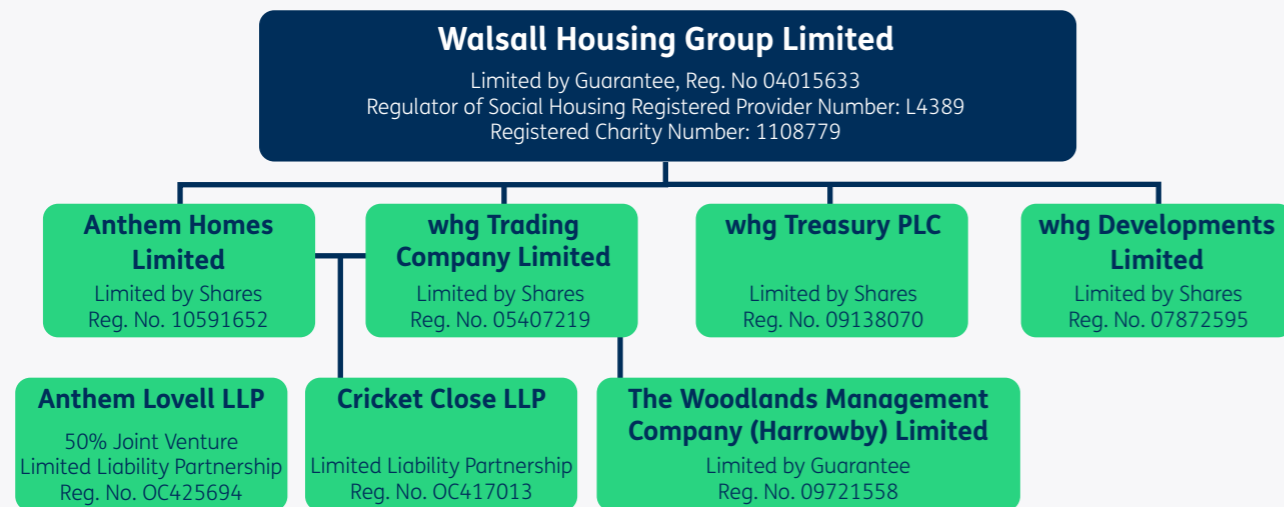


# Strategic Report

## Principal Activities

The Group is a not-for-profit, social housing business whose principal activities include the development and management of affordable housing across the Midlands and investing in our local communities. Services include shared ownership homes and the development of homes for rent and outright sale. During 2023/24 the Group continued to expand

outside of Walsall and owns and manages homes in 21 local authorities in the Midlands. The Group, as of 31 March 2024, owns and/or manages 22,400 social homes. The Company, its subsidiaries and its joint venture are shown in the diagram below for the year ended 31 March 2024.



### Walsall Housing Group Ltd (Parent):

This is the registered provider of the Group that rents and maintains our homes. It also owns the newly developed homes for rent and shared ownership and borrows from banks and whg Treasury PLC to fund its development programme.

### whg Treasury PLC:

This company was set up to issue a public bond to raise funds for investment in our development programme via Walsall Housing Group Limited.

### whg Developments Ltd:

This company carries out design and build services for any land-led sites. This helps to deliver efficiencies within professional fees incurred for these sites and therefore contributes towards the ongoing value for money drive.

### whg Trading Company Ltd:

This company holds our non-housing related commercial activity and generates profits to help subsidise our affordable homes new development programme.

### Anthem Homes Ltd:

This company invests in joint ventures to build homes for outright sale. Profits generated from this activity are used to help subsidise our affordable homes new development programme.

### Anthem Lovell LLP:

This is one of our outright sales joint ventures which Anthem Homes owns a 50% investment in with Lovell owning the other 50%.

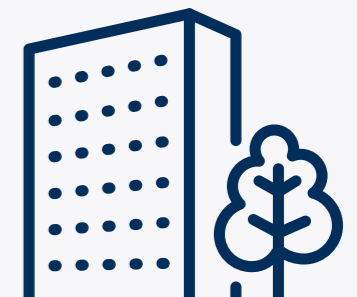
### Cricket Close LLP:

This is another partnership which Anthem Homes holds in conjunction with whg Trading. It owns land which will be developed in the future.

### The Woodlands Management (Harrowby) Company Ltd:

This company's principal activity is residential property management.

We operate across  
**21**  
local authorities in  
the Midlands



## Our vision

‘Dedicated to the success of our people and places’

## Our values



### Accountable

Taking responsibility



### Courageous

Trying new things



### Trustworthy

Being honest in everything we do



### One Team

Achieving great things by working together



### Excellent

Striving to be the best

## Our Corporate Plan (2020 to 2024) has five key aims:

### Aim 1

#### Deliver high quality homes and services for our customers

Providing excellent services across our expanding geography, working with our customers, communities and stakeholders to sustain tenancies. We are an anchor organisation who invests in the provision of new affordable homes to help meet housing need.

### Aim 2

#### Be an exceptional place to work that attracts, develops and retains talent

To ensure colleagues can truly shine and reach their full potential, we are committed to being a great employer that recognises the importance of a truly flexible and inclusive workplace and rewards excellence. All colleagues are given the opportunity to make a real difference and we encourage them to perform to the best of their ability. We recognise the need for excellent leaders across the organisation and will praise and celebrate great work whilst expecting every colleague to be accountable for their individual performance.

### Aim 3

#### Grow and extend our services, our reach and our range

Being a community focussed organisation, we understand the needs and challenges that our customers and communities face. We will therefore continue to work with partners and stakeholders to ensure that these needs are met, whether this is through the provision of in-house services or through our strategic partners. We have ambitious plans for growth and central to this growth is a bold development and acquisition programme which will underline the regional nature of our business. We will continue to improve our environmental performance through appropriate use of modern methods of construction and the continued improvement of our existing homes.

### Aim 4

#### Promote health and prosperity where we can make a difference

We want our customers to live healthy, prosperous lives but understand some may require additional support to achieve this. We do what we can, together with our partners, to find the right solution for each individual. This includes programmes geared towards promoting independence, improving health, building confidence, enhancing capability, reducing the digital divide and gaining the skills to secure employment.

### Aim 5

#### Deliver a strong business, fit for today and prepared for tomorrow

We will develop a roadmap to incorporate sustainability into our activities. Recognising our ever more challenging operating environment, we will safeguard our income by focusing appropriate priority and resource on core services. This approach is supported by the careful financial management and good governance needed to fulfil our future aspirations. We are efficient, driving down costs and constantly seeking value for money. Building on our performance management culture, pursuing excellence and striving for continuous improvement will help achieve this.

**We report on our strategic key performance indicators as part of our ‘Value for Money’ section embedded within our operating and financial review.**

# Operating and Financial Review

## Key highlights



**G1/V1 regulatory judgement**



**Accredited as a sustainable housing provider by RITTERWALD**



**Rated A2 by Moody's**



**£135.8m annual turnover**



**£41.8m operating surplus**

## Meeting the challenges of the year

This has been the final year of our current Corporate Plan, finishing off what we started 10 years ago. It has also been our 20th anniversary, marking two decades of providing good quality and affordable homes.

Over those years we have seen many changes; with unprecedented challenges testing our resilience and adaptability. Covid-19, Brexit, the war in Ukraine, and economic factors have all impacted our operations.

We are seeing competing financial pressures, including the cost of retrofitting and meeting net zero, while our costs for goods and services continues to increase. These increasing demands on our income stream have meant we have managed operating cost carefully, balancing our desire to invest in our existing homes against the desire to build more homes.

More crucially, the financial crisis has had, and continues to have, a significant impact on our customers and our communities. We are seeing increasing vulnerabilities and support needs, with more and more customers turning to our additional services such as money advice and health and wellbeing.

Despite these challenges we remained resilient and committed to our core purpose of providing good-quality, safe and secure homes that people can thrive in. We continued to increase our portfolio, building hundreds of new homes and seeing healthy shared ownership sales. We invested a huge amount of additional support and interventions to enable customers to sustain their tenancies and lead happy and healthy lives.

We also completed our three year programme to modernise our IT estate. The SaS (Security and Stability) programme, which forms part of our Cyber Essentials accreditation process, was delivered on time and under budget. These deployments have already meant that our initial systems risk rating on the Strategic Risk Register have successfully been reduced. These foundations give whg the platform to invest in new systems, generate future efficiencies and re-deploy resource to front line services for customers.

We developed our services, expanding on our work with health partners to provide employment opportunities and wellbeing initiatives for customers. We received national recognition for our work; our commitment to tackling social injustice was featured in a report by the Housing Ombudsman, while our Community Housing Officer model was held up as best practice in the National Housing Federation's report on the Better Social Housing Review.

We also received plaudits for our ongoing sustainability work and welcomed the Levelling up Secretary to one of our flagship developments. We welcome the support of our partners and grant funding, which is enabling us to build more affordable homes and decarbonise our existing stock.

We know that 2024/25 brings with it new challenges. New regulations will require significant resource for our business, while the outcome of the general election could see changes to housing policy. However, we are confident in our ability to continue to deliver high-quality, sustainable homes and services, while also maintaining financial resilience.

With the launch of Our 2030 Plan, our new corporate plan, we are excited to embark on our next chapter through six key transformational programmes, forming an ambitious programme of change, which will support us as we build a resilient and prosperous future.



## Keeping customers safe

We created a new Director of Building Safety role to focus and prioritise our building safety work. We registered our high-rise buildings with the Building Safety Regulator and developed our building safety case reports ready for inspection when called for. These are managed and maintained electronically through our innovative building safety platform, Twinned IT.

We also embarked on our regular audits of fire-resistant doors and produced bespoke building safety booklets to ensure we are compliant with the latest regulation.

## Reviewing our complaints process

2023/24 was a challenging year for complaints in the housing sector, with a significant increase in volumes. This was reflected within whg, with 527 complaints received, a 53% increase in comparison to the previous financial year. We know how important it is for customers to have appropriate redress when things go wrong and used these complaints as a valuable source of learning to help us improve services.

During the year we invested in our Customer Experience team and continuously improved our ways of working. We have improved our tracking and monitoring of complaints cases in terms of identifying risks and providing advice. We introduced a process to review complaints and complaint themes to understand the root cause, identify improvements and agree action plans with service areas. During the year we conducted eight deep dive reviews covering a range of areas under our new process with customer involvement.

## Delivering the TSMs

We launched the Tenant Satisfaction Surveys in April 2023 and included the results in our monthly performance management framework. We took part in mid-year benchmarking exercises to understand our performance in relation to the wider sector. Senior leaders developed an action plan to continuously improve services based on feedback received.

## Meeting the new consumer standards

We encouraged transparency in our decision-making processes and ensured customers had a say in matters affecting them and their homes. We also carried out customer impact assessments of our policies and decisions to show how customers were involved.

We involved customers in decision making; during the year 54 customer engagement activities took place, with 40 influencing strategic decisions, including policy, strategy, procurement and recruitment decisions. These included customers helping to develop the Customer Voice strategy and being involved in writing our new Damp, Mould and Condensation Policy. Over the same time period we also held 17 individual events where customers had the opportunity to meet and speak with Board Members directly.

Highlights



502 homes completed



115 shared ownership homes sold



invested £74.9m into building new homes



638 new homes in the pipeline



Worked on 26 sites

Our development programme

Building more homes

It has been a record year for our development programme with more than 500 homes (including 131 for social rent) delivered across 26 sites in 2023/24 – our highest number over the course of our Corporate Plan. We have expanded our offer into new local authority areas and forged new partnerships with developers. Across the Midlands we are currently on 22 sites building 1,044 homes across 11 local authorities. In Walsall alone we are currently on 9 sites building 331 homes.

New developments include our first homes in Stourbridge, where we are working with Revelan Group, Homes England and Dudley Council to transform the former Tudor Dairies site into a 51-home development.

We are making good progress at The Royal Quarter in Wolverhampton, a new residential place created out of land in and around the Grade II Listed former Royal Hospital. With around 500 new homes across three phases, phase one and part of phase two are already occupied. The ongoing phase two includes 48 apartments for over 55s within the Grade II Listed former hospital, and 154 homes for affordable rent and shared ownership on land to the rear.

We also opened our new wellbeing scheme for over 55s at Lockside, in Walsall. The apartment block of 50 one and two bed homes is part of a wider development of 324 homes.



Our delivery resilience

The operating environment continues to be challenging and we have seen the impact of inflation, material supply and planning delays on our handover profile. We have also been uncompromising in the quality of new homes which has affected the number completed.

We continued to operate our development risk framework which includes robust financial checks on contractors, monitoring of site progress and programme scrutiny and our development exposure golden rule which limits the amount of capital committed to new development schemes each year.

The last year saw the demise of one of our SME development partners. The safeguards and resilience we have in place ensure we are not over-exposed to SMEs and we have been able to adapt our programme to minimise the impact this has had.

Building long-term partnerships with stakeholders and investors

Our regeneration activity both at large scale and small scale has some impressive placemaking credentials and we have built on our reputation of successfully converting brownfield sites to residential use. Over the last year our work has garnered attention from numerous quarters. We have welcomed the Mayor of the West Midlands to numerous sites and the Secretary of State for Levelling Up, Housing and Communities praised our Lockside development in Walsall as an ‘exemplar’ of brownfield redevelopment during a visit in February.

We have successfully re-profiled our Homes England funded programme and as a result have secured an additional grant of £1.3m, which will enable us to build even more homes. We have also started to access funding through Homes England’s continuous market engagement route.



## Highlights



55%  
EPC C and above



£65.1m  
investment in  
existing homes



100% compliant  
with all building  
and safety metrics



70% reduction  
in damp  
and mould cases

## Our homes

### Investing in our homes

We continued to invest in our stock and spent £65.1m improving our homes in 2023/24.

We have managed our risks carefully; rising costs and the increasing need to secure value for money meant we worked closely with contractors for our major works programme to manage costs. We terminated contracts with one of our delivery partners due to quality and costs issues, reducing our major works contractors to two. This resulted in delivery days. However, we are now gearing up with a larger programme and are back on track with our spend. We also continued with our five-year cycle of stock condition surveys, gathering data on more than 7,000 of our properties to drive our future work program.

### Tackling repairs

In 2023/24 we invested £5 million in tackling our repairs backlog. Recognising our satisfaction levels for repairs carried out is high, we decided to do this in-house by recruiting an additional 20 colleagues. We also introduced two 'Repairs Booster Teams' of multi-skilled trades people carrying out multiple jobs in a single visit. This has been hugely successful in reducing wait times and we strive to clear our backlog during 2024/25.

### Addressing damp and mould

We take any report of damp and mould very seriously and have robust systems in place to investigate and take remedial action. We worked with customers on our Damp and Mould Task &

Finish (Scrutiny) Group to help shape and improve the way we deal with damp and mould, knowing we would get the best results with their help. Their views helped us shape our service, resulting in improved processes, communications and use of technology to build on our best practice service delivery.

### Creating more energy efficient homes

We continued to target energy efficiency improvements to our older homes and started a two-year programme to improve 445 homes with a range of energy saving measures such as external wall insulation, solar photo-voltaic panels, loft and cavity wall insulation and improved ventilation to help combat the challenges around any potential future damp and mould. We were also awarded £1.68m from the Social Housing Decarbonisation Fund (SHDF) which will be used to improve the energy efficiency of 178 homes over the next two years.

### Measuring our impact

We continue to pursue decarbonisation to help us deliver net zero carbon by 2050. Our emissions baseline includes not just scope 1 and 2 emissions from our own operations, but also scope 3 emissions originating from activities outside of our control. We continue to be a Ritterwald accredited organisation which means we hold a Certified Sustainable Housing Label. This label provides external assurance on our ESG credentials which is particularly favoured by our current and potential future investors. Our accreditation scores include 'Ambassador' for the Environmental dimension, 'Front Runner' for the Social dimension and 'Ambassador' for the Governance dimension.

## Highlights



Our jobs and training  
service raised the  
employment chances  
of 3,848 customers



Achieved  
MIST accreditation



Secured £44.6m in  
social value



£554k external  
funding secured to  
support a range of  
community projects

## Our customers

### Strengthening our communities

We continued to invest in our Community Housing model and increased the number of Community Housing Officers that we have, creating more capacity and opportunity for us to work proactively in our communities. We also restructured our services, bringing our Community Safety Team and Neighbourhoods Team under our Community Housing umbrella, providing a more cohesive and effective service. These improvements ensured we have a visible local presence across all our communities and that our customers know who they can go to if they need us.



Over the course of the year we were cited as best practice by both the Housing Ombudsman (Jan 2024) and the National Housing Federation which can be found at the following web links;

- (<https://www.housing-ombudsman.org.uk/reports/spotlight-on-attitudes-respect-and-rights-relationship-of-equals/>). NHF (December 2023)
- (<https://www.housing.org.uk/resources/a-year-on-from-the-better-social-housing-review/>).

Demonstrating our ongoing commitment to our communities, we invested £1.1m to upgrade our CCTV cameras across our neighbourhoods. This ensures that we have the latest, most up to date equipment, enabling us to better identify risk of incidents of ASB, criminality and fly tipping. This upgrade provides us with greater scope to support our Community Housing Officers and partners such as police through the provision of evidence to better support their investigations.

### Preventing Homelessness

The continuing economic challenges affecting the UK has meant ongoing financial hardship for many of our customers. To address this, we continued to invest in our 'here when you need us' services for customers, including our Money Advice Team, which has seen a 26% increase in the number of cases opened in the last 12 months. The team secured over £4.8m in financial gains for customers. This included helping our customers to secure the welfare benefits that they are entitled to, as well as successfully challenging benefit decisions through the appeals process.



During 2023/24 we were re-awarded our HQN MIST accreditation. MIST is an independent assessment of our Income Collection and Money Advice Service, and we were delighted to see our strong commitment to tenancy sustainment reflected in the findings of the review:

“...to support a tenancy sustainment ethos, whg recognises the need to maintain a strong offer of advice and support for households experiencing hardship. This has been an area of outstanding success for whg, with over £31m in financial gains generated over the past five years”.

We continued to sustain a very low number of evictions. In 2023/24, we only had 13 evictions (9 in 2022/23), which in view of our size and strong income collection performance compares very well against our peers.

**Improving customer service**

In March 2024 we launched our new Omnichannel functionality. This enables us to manage all customer enquiries across multiple channels (online customer portal / social media / telephone calls and emails etc), improving our customer’s experience and streamlining our process. We also responded to an increase in customer demand by increasing our colleague investment in Customer Services. We will continue to innovate and improve our customer service and in 2024/25, we will be focussing on increasing the number of enquiries we resolve at first point of contact.

**Supporting customers to thrive**

We continued to deliver against our H Factor Strategy, Health, Hope and Happiness. We secured £554k in additional income, helping us to expand our work to build capacity in our communities and support our customers.

We supported 150 residents into work at Walsall Healthcare Trust through our Work 4 Health programme and led strategically the Black Country Health & Housing Forum, bringing together housing providers from across the Black Country together with the Integrated Care Board (ICB). This Forum enables us to amplify the needs of our customers to health partners, share good practice and influence strategic priorities.



Our Diabetes Champions Service was recognised as best practice by Diabetes UK in their report ‘Tackling Inequality Commission Report’.

[https://diabetes-resources-production.s3.eu-west-1.amazonaws.com/resources-s3/public/2023-11/366\\_Tackling\\_Inequality\\_Commission\\_Report\\_DIGITAL%20\(1\).pdf](https://diabetes-resources-production.s3.eu-west-1.amazonaws.com/resources-s3/public/2023-11/366_Tackling_Inequality_Commission_Report_DIGITAL%20(1).pdf)

This programme, which is funded by the NHS Black Country Integrated Care Board (ICB) and delivered in partnership with the NHS community diabetes service, will support 400 people over the next two years.



**Highlights**



**Our people**

**Building our culture**

We aim to be an exceptional place to work that attracts, develops and retains talent. To help us achieve this, in 2023/24 we developed a People and Culture Dashboard. This dashboard enables us to measure and understand how initiatives and policies are impacting our culture and employee wellbeing and engagement and supports us to foster a positive work environment in line with our values and behaviours.

We used data-driven insight to inform decisions on services to colleagues. As a result of a colleague survey, we enhanced our Employee Value Proposition by introducing a new reward platform. This includes additional benefits and the opportunity for colleagues to be recognised for good performance and demonstrating our values and behaviours.

An external review of our organisational culture in 2023 found strong, positive evidence of good practice, colleague experience and aligned values. Actions to turn the dial on our organisational culture from ‘good’ to ‘great’ are underway and will also underpin strategy development in 2024/25.

**Developing a high performance workforce**

We aim to be fit for the future and ensure our colleagues receive continuous training, education, and development that supports our current and future needs. We carried out a data exercise to provide us with evidence-based insights which is supporting our approach to workforce planning.

We established a long-term process to identify and grow talent from within, with the goal to fill leadership positions; at the end of 2023/24, over 50% of our managers were ‘homegrown.’

We also introduced a new Performance Management Framework (PMF). This not only gives us a consistent approach to people management across the line management structure, but also supports our work to develop a strong workforce of the future, identifying future leaders and supporting our succession planning strategy. Through our PMF we can provide opportunities for growth within the organisation and ensure we have the talent there when we need it.

We also responded to a change in regulations and invested heavily in damp and mould training, to ensure colleagues had the knowledge they need to appropriately diagnose and address those issues in customers’ homes. We continue to prioritise statutory and regulatory training needs and maintain 100% compliance in relevant roles.

**Promoting equality, diversity and inclusion**

In our ongoing commitment to fostering an inclusive workplace, we recognise the importance of addressing the gender and ethnicity pay gap.

This year, for the first time, we have sought additional assurance on our approach and methodology from an external specialist when compiling our pay gap figures. They confirmed our data is accurate and that our approach is genuinely making a difference.

We appointed a new Head of Inclusion and Organisational Culture, introduced 'blind sifting' so that hiring managers are unable to see personal details of applicants and achieved Living Wage employer recognition from the Living Wage Foundation, enhancing our inclusive employment offer. We also altered our board recruitment process to ensure we are accessing all available talent and reaping the benefits of diversity. Our most recent figures show the impact this approach is having. We have seen our gender pay gap narrow for a fourth year running. The mean gender pay gap has reduced from 12.67% to 8% over the period. Our ethnicity pay gap has also reduced over the same four year period from 12.7% to 8.3%.

We continue to develop the diversity and inclusion offer to colleagues, by facilitating a range of lunch and learn sessions, also attended by our Board members.

### Supporting health and wellbeing

We aim to make a difference to all colleagues through a culture that cares and have created a safe, healthy workplace where the mental and physical health of our workforce is valued equally. We created a new Colleague Wellbeing and Engagement Manager post and deliver a regular calendar of events that support both our wellbeing and diversity and inclusion offer.

These wellbeing initiatives all contributed to a positive, productive and rewarding environment, with scores from our latest colleague survey outperforming the sector benchmark.

### Building a culture of sustainability

We are proud to be a carbon literate organisation and by March 2024 over 10% of our colleagues were accredited as carbon literate. These colleagues made group action pledges that align with sustainability and decarbonisation objectives to support delivery of the Sustainability Strategy. Our approach continues to be used as an example of best practice across the sector and beyond with the business gaining the Bronze accredited carbon literate award for its commitment to this agenda.



# Value for Money Statement

The Regulator of Social Housing ('RSH') published the Value for Money (VFM) Standard and the VFM Code of Practice in 2018. Both of these specify what registered providers are required to report in their statutory financial statements to comply with the VFM Standard. The RSH use the VFM Standard to implement their co-regulatory approach and their statutory obligations in relation to economic and consumer matters. Our Board has the responsibility of ensuring that we meet the expectations set out in the VFM Standard.

This VFM statement is divided into the following sections, as set out in the VFM Standard, to articulate how we comply with the Standard:

## Section 1

Strategic approach to VFM and how we achieve VFM in meeting our strategic objectives

## Section 2

Benchmarking to compare how we perform with others

## Section 3

VFM gains achieved through consideration of alternative delivery structures

## Section 1: Strategic approach to VFM

### VFM Strategy

Underpinning the five key aims, our Board has set our VFM Strategy which identifies how we seek to deliver VFM for our customers and stakeholders in delivering each aim. 2023/24 was the final year of our Corporate Plan. In 2024/25 whg will be reporting against our new VFM strategy.

We have adopted the five Es as the guiding principles for our strategic approach to VFM, which are:

### Guiding Principles



#### Economy

For us this means minimising our costs while continuing to deliver quality homes and services to our customers.



#### Efficiency

We will seek to stretch our resources as far as possible without compromising quality.



#### Effectiveness

We will use our resources to achieve our five strategic Corporate Plan aims and the VFM measures that are embedded within each aim.



#### Equity

We will ensure we use our resources to reduce inequality in our communities.



#### Ethics

We will use our resources with integrity, being open and accountable about our spending decisions.

The Board has set outcome based VFM targets against each of the five aims of the 2020-24 Corporate Plan, which include both strategic key performance indicators, and specific VFM metrics that capture and measure one or more of the five Es. Our annual budgets are aligned to deliver these targets. Each target, if achieved, delivers against one or more of the five guiding principles outlined above.

Performance against the outcome-based targets is monitored internally on a quarterly basis and reported externally on an annual basis within this VFM statement. Performance information is also subject to scrutiny by internal audit on a cyclical basis and we are also supported by third party advisors to help us continually develop and refine our performance data. We compare to peers using the Regulator’s Value for Money Metrics Benchmarking Tool: Group Data (consolidated) and Housemark for service level peer analysis.

Creating value for money allows us to provide as many new homes as possible and increase investment in our existing homes, backed by high quality services. Our approach to VFM is embedded throughout the business both at a strategic level and an operational level across all business streams and is an integral part of our culture with colleagues fully aware of the importance.

Our Board sets the strategic approach to VFM and the delivery of it is overseen by the Board VFM Champion. Our Executive Team implements the VFM strategy and is supported by all colleagues who instil the guiding principles in operational planning and service delivery at individual business stream level. Our customers play a key part in informing our VFM work through various channels. Our customer voice strategy sets out a wide range of opportunities for our customers to influence and scrutinise our strategies, policies, and services. During 2023/24 we have completed 54 consultations and engaged with over 2,200 customers. Our approach to consultation is embedded into all customer facing policies and forms part of our governance arrangements for approval and fulfils the requirements of the RHS’s Consumer Standards. The Customer Service Oversight Committee oversees the outcomes of customer involvement in key areas of work, reporting this to the Board.

We strive to make the optimum use of our resources and assets and use the returns they generate to

help us increase investment in our existing homes and build new ones, as explained throughout this statement. We demonstrate our **efficiency** by generating a strong operating margin and we demonstrate our **effectiveness** by building many more new homes that people need, investment in existing homes and striving towards high levels of customer satisfaction with our services and neighbourhoods. We demonstrate our **economy** by tight budgetary control and controlled procurement activity; ensuring where possible, costs are in line with or below our peers and driving down our outliers. These three VFM principles are measured through our performance against the value for money metrics set by the RSH and delivery against our own value for money targets.

Our optimal use of resources includes our approach to remuneration and employment costs. We regularly benchmark our salaries and strive to make them both competitive and in line with sector averages. This helps us to deliver good quality services for our customers by attracting the right talent.

Equity and Ethics principles underpin our approach to creating social and environmental value for our customers and communities. Aim 4 of our Corporate Plan included some VFM targets specifically aimed at delivering outcomes for health and wellbeing, employment and training and supporting those in hardship. Equity and Ethics also underpins our approach to aim 2 in terms of how we attract and retain high quality people. We develop people policies and practices that deliver a culture where colleagues feel engaged, treated fairly and are committed to delivering whg’s ambitions. As we develop our approach to sustainability in the future, both from a corporate perspective and from the point of view of our customers’ homes, we will seek to deliver ambitions that are not underpinned by financial outcomes but by ethical outcomes, such as working towards net zero carbon aims for our homes, reduction in energy costs for our customers’ and reducing our corporate carbon footprint to help towards global climate change prevention targets.

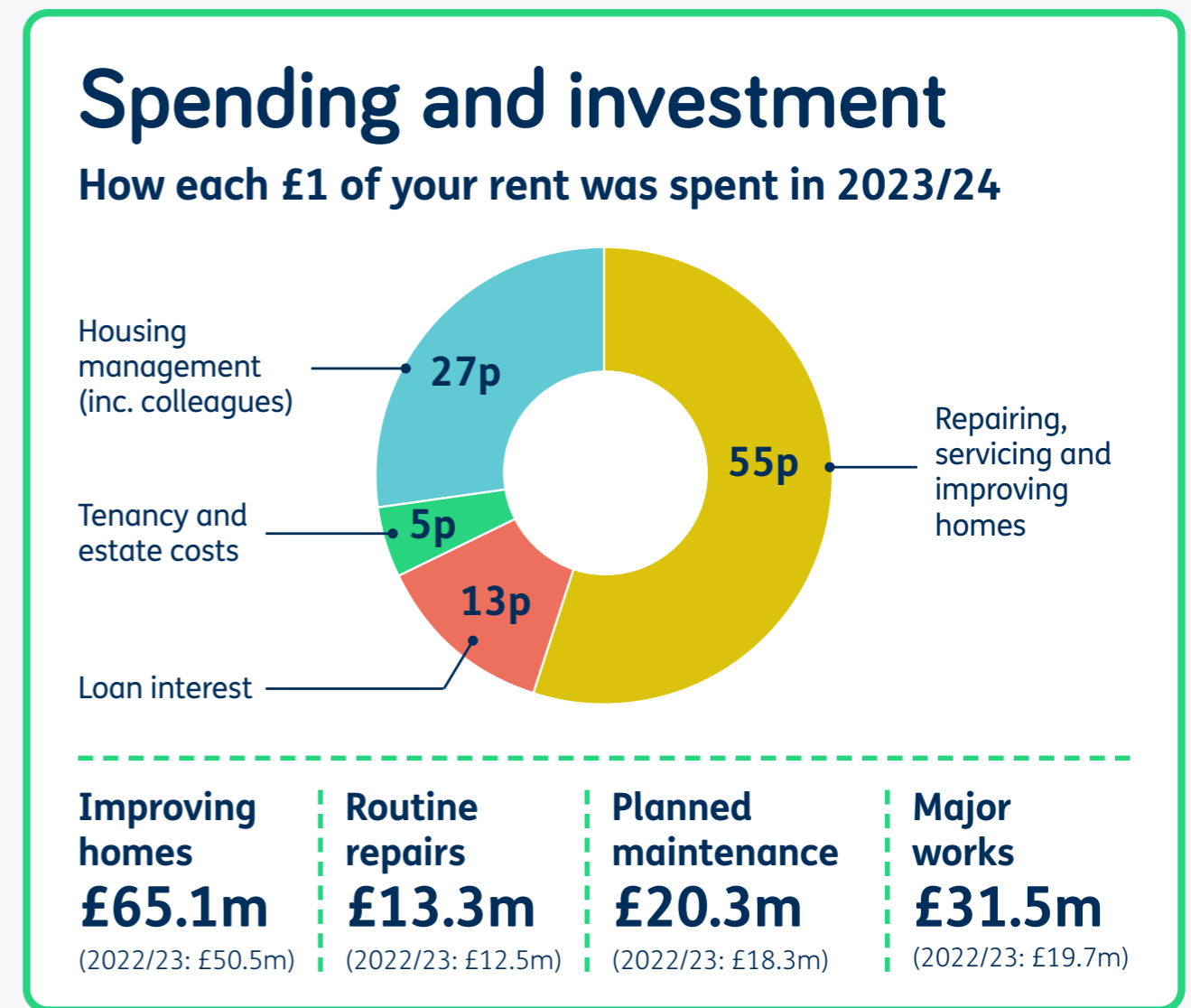
Transparency and accountability are important to us and we have appropriate performance monitoring and reporting systems in place which encompass all aspects of our VFM principles. Our social value ambitions are articulated throughout the relevant aims of the Corporate Plan. In addition, our strategic report includes information on ESG and Sustainability.

### Summary of VFM outcomes against the five aims of the Corporate plan

The following sections demonstrate how we have delivered VFM against our five strategic aims for the financial year ending 2023/24.

#### Aim 1: Deliver high quality homes and services for our customers

Of the 22,501 homes that whg owns and manages, over 99.8% are deemed as affordable which means our customers’ rents are below the general rents charged by the private sector. 80% of whg’s homes are for social rent, which provides good value for money for our customers. The rent our customers pay for their homes also covers a wide range of additional services, creating additional value for our customers. The chart below indicates where customers’ rent is spent.



The chart shows how whg spends each pound of rent. The largest proportion being spent on repairs, investment in homes and servicing to maintain the quality of our homes.

The following table shows our performance on our aim 1 VFM targets set by the Board. These are the historical transactional KPIs that were set out in the VFM strategy approved by the Board specifically for each Corporate Plan aim. Each target has been RAG rated (Red/Amber/Green) to indicate whether it is significantly below target (red), below target (amber), or at/above target (green).

	22/23 Actual	23/24 Actual	Target	Comments	
At least 90% of our customers will recommend us	74%	70%	82%	The percentage of customers who would recommend whg has dipped in 2023/24 when compared to the previous year. This is largely linked to satisfaction with the repairs service. This year we have invested resource into our Repairs Booster Teams, to reduce the repairs backlog and waiting times for customers. We expect our backlog to be cleared during 2024/25. Action plans have also been created to improve satisfaction scores across TSMs.	
Avoidable contact with customers will be less	27.62%	28.29%	<5%	Avoidable contact has been influenced by our repairs performance. Significant changes have been made to the repairs service to drive improvement. Our 2030 Plan includes a transformation programme in relation to repairs delivery.	
We will achieve 70% first point of contact resolution	65%	69%	70% by 2024	First point of contact resolution has increased bringing performance slightly under target. Our Customer First project, enabled by our new omni-channel solution, will review contact levels into the business with an aim to reduce avoidable contact and increase first point of contact resolution.	
Provide a great, consistent housing and services offer	% of properties with a valid gas safety certificate	99.93%	99.94%	100%	Despite challenges within the court system, gas safety has improved compared to last year. The percentage of homes with a valid gas safety certificate is at 99.94%, and we remain 100% compliant with the gas regulations as all legal actions are being taken to gain access to the homes without a valid certificate.
	% of properties with an electrical condition report	99.99%	99.99%	100%	Although performance for electrical condition reports is maintained, the one home overdue as at 31 Mar 2024 has since been completed. This was a challenging case and colleagues in Community Housing and the Repairs service worked in collaboration to resolve.
	% of planned asbestos inspections carried out in communal areas	100%	100%	100%	We are pleased to report that for the remaining Building and Safety metrics we have maintained 100% compliance.
	% of planned water hygiene risk assessments completed	100%	100%	100%	We have carried out 100% of inspections as planned.
	% of communal areas with an FRA	100%	100%	100%	We are pleased to report that for all other Building and Safety metrics we have maintained 100% compliance.

	22/23 Actual	23/24 Actual	Target	Comments
Customer satisfaction with repairs %	84.3%	93.7%	>84%	Customer satisfaction for completed repairs remains above target and has increased when compared to the previous year. However, timescales for repairs have consistently been the most common reason for dissatisfaction in overall customer satisfaction survey results throughout 2023/24.
Repairs appointments made and kept %	94%	95.5%	98%	This metric has improved but is still below target. As the backlog is cleared during 2024/25 we expect to reach target for appointments made and kept.
Average days to complete a repair	29	28	35	This metric has improved since last year as the Repairs Booster Team works through our backlog.
ASB satisfaction %	97%	86%	100%	This year we have seen a decline in our Anti-social behaviour (ASB) satisfaction score. We are currently working to understand how we can improve in this area and work is ongoing to strengthen our partnership working in this area.
Decent Homes Standard compliance	100%	99.99%	100%	This year there has been a decline in the number of homes meeting the Decent Home Standard compliance; typically, these are homes that are void and subject to high repair costs or disposal on the open market to generate income to subsidise the new development programme.
% of customers satisfied their landlord provides a home that is well-maintained	62%	72.4% Sector quartiles not yet published	Median	The % of customers satisfied their home is well maintained has improved compared to the previous year by just over 10%.
% of customers satisfied their landlord provides a home that is safe	67%	79.7% Sector quartiles not yet published	Median	We have also seen an improvement in the % of customers who are satisfied that their home is safe. This TSM has improved by over 12%.
% of customers satisfied with rent as VFM	84%	74%	87%	The number of customers satisfied with their rent as VFM has declined compared to the previous year. Based on survey responses, it is likely that delays with repairs, maintenance of communal areas, and the rent increase, have contributed to this lower score. It could also be caused by the concerns around the cost of living and high inflation. As reported above, we have invested in our repairs service to deliver more repairs and we anticipate this will have a positive impact on this metric in 2024/25.

### Aim 2: Be an exceptional place to work that attracts, develops and retains talent

Delivering this aim is business critical for whg to ensure we can continue to provide value adding services to our customers. Without the commitment and dedication of our people, our customer satisfaction levels and effectiveness of service delivery could not be maintained. Culture weaves through all we do and how we operate, and we can demonstrate a culture of inclusiveness, diversity and high levels of colleague engagement. We achieve this by investing in our people in a way which is economical in terms of cost but also delivers on equity and ethics principles to be a fair employer.

We carry out regular benchmarking of salaries paid to our colleagues to ensure they are in line with the housing sector at a level which ensures whg can continue to secure the right quality people to deliver services to our customers.

The value for money measures for aim 2 are shown in the table below and are built around maintaining an engaged workforce that share the vision and values of whg and are also committed to delivering a safe working environment for both our customers and colleagues.

	22/23 Actual	23/24 Actual	Target	Comments
At least 90% of our colleagues will recommend whg as a great place to work	86%	77%	90%	The methodology for calculating this score changed with the launch of our new engagement survey in December 2023 and a move towards Employee Net Promoter Score. The score of 77% is therefore not comparable with previous years' reported figures. One of the transformational programmes in Our 2030 Plan is 'Work and workplace of the future' which seeks to improve all of our colleague engagement scores.
Contracted hours lost due to sickness	4.41%	4.58%	<3.5%	Performance for 2023/24 is just outside target. Sickness absence was below target in six out of 12 months in 2023/24, but the average rate was impacted by exceptionally higher levels between August and November 2023. The appointment of a new HR Advisor and a renewed approach to managing long-term absence has resulted in absence trending downwards in the final quarter of 2024. Additional resources dedicated to colleague wellbeing, launched in the second half of 2023, should also result in a sustained improvement in the absence rate throughout 2024/25.
Annual colleague rolling turnover	15.3%	13.56%	<15%	Labour turnover has remained consistent throughout 2023/24 and remains stable and manageable. A slight decline in Quarter 4 is in part the result of a relatively significant increase to headcount from recruiting Trades colleagues to support the RBT. Otherwise, labour turnover is positive and, because our employer brand and Employee Value Proposition are competitive, our ability to recruit new colleagues remains strong.
Number of colleague accidents and near misses	61 accidents (5 x RIDDOR) 88 near misses	52 accidents (5 x RIDDOR) 89 near misses	0	Despite having controls in place accidents will occur from time to time. Our drive for safety culture improvement and managing our risks, is embedded in our 2030 Plan. The level of RIDDOR accidents and near misses reported in 2023/24, are consistent with numbers reported in the previous year, however the total number of accidents has reduced. The incidents, however minor, give us the opportunity to learn, and contribute towards a culture that cares.

### Aim 3: Grow and expand our services, our reach and our range

This aim is to ensure we can provide value added services to as many people/families in need as possible. In delivering this aim, we invest significant amounts in our local areas. We strive to build more new homes and serve more communities.

The table below summarises the grant and sales income we generate and investments we make to increase the supply of new homes. We not only aim to provide affordable housing, but we also seek to generate returns from market rent and market sales homes in order to reinvest these into the delivery of more affordable homes. The table sets out the level of investment we aim to deliver via Our 2030 Plan.

	2023/24 £000s Actual	2024/25 £000s Forecast	2025/26 £000s Forecast	2026/27 £000s Forecast	2027/28 £000s Forecast
<b>Income generated:</b>					
Development grant	1,122	4,709	13,396	14,204	14,814
Sales income generated for reinvestment	16,352	10,326	20,520	13,210	14,778
Share of Joint Venture Profits	316	332	-	-	-
Market rent surpluses	90	229	243	257	270
Cashable savings	7,570	3,541	3,614	3,743	3,879
<b>Sub total</b>	<b>25,449</b>	<b>19,137</b>	<b>37,773</b>	<b>31,414</b>	<b>33,741</b>
<b>Investments made:</b>					
Developing new homes	(83,070)	(70,865)	(80,099)	(69,659)	(66,550)
Investment in Joint Ventures to deliver mixed tenure homes	-	-	-	-	-
<b>Sub total</b>	<b>(83,070)</b>	<b>(70,865)</b>	<b>(80,099)</b>	<b>(69,659)</b>	<b>(66,550)</b>
<b>Income shortfall funded through loan drawdowns</b>	<b>(57,621)</b>	<b>(51,727)</b>	<b>(42,326)</b>	<b>(38,245)</b>	<b>(32,809)</b>

The value for money measures for aim 3 are shown in the following table and demonstrate how we are committed to delivering new homes for our communities.

	22/23 Actual	23/24 Actual	Target	Comments
Complete 500 new affordable homes every year	255 in year (cumulative 1,007 since Apr '20)	502 in year (cumulative 1,509 since Apr '20)	2,000 new homes over the period 2020 to 2024	Despite the challenging operating environment, we have delivered an additional 502 new homes in 2023/24. This brings the total (since Apr 2020) to 1,509.
Homes started on site	494 in year (cumulative 1,289 since Apr '20)	184 in year (cumulative 1,473 since Apr '20)	2,000 + over the period 2020-2024	We started on site with 184 homes in 2023/24. Given the challenges of the operating environment, this is a good performance and brings the total (since April 2020) to 1,473.
Shared ownership sales	68	115	88	The shared ownership sales programme has performed well this year, despite uncertainty with the mortgage market and higher interest rates.
Complete 50 outright sales per annum	53	43	200 over the period 2020 to 2024	Since April 2020, there have been 96 outright sales, 43 of these which were achieved this year at our Anthem Lovell LLP Joint Venture at Lockside, Walsall. In addition, Keepmoat continue to sell their homes on our land at Goscote through 2024 generating overage payments for whg.

#### Aim 4: Promote health and prosperity where we can make a difference

This aim is all about helping our customers and communities prosper. We play an influential role in building healthier, more resilient and connected communities with a range of key partners, making a greater impact by working together. The areas we focus our resources on are those which help people increase their confidence, skills, health and wellbeing. The ways we achieve this are:

- + **Education and Training:** We work closely with our partners to promote employment opportunities. The NHS funds a dedicated Employment and Skill officer post to specifically work with our customers to promote training and employment opportunities. whg also employs a small number of dedicated colleagues to build the capacity of our customers to secure employment.
- + **Health and Wellbeing:** We work with partners in this area; we contribute strategically and operationally to the 'Walsall Together' Partnership, specifically the resilient communities priority, ensuring our service is aligned. In addition, we invest in 'social prescribing' to improve people's health and wellbeing. We also have a number of funded health champion posts who are employed to promote healthy lifestyles to our residents.
- + **Hardship support:** We work closely with a number of organisations to secure funding and donations to help to support vulnerable people throughout the year with general living costs and basic necessities required for modern living. We also run specific campaigns for example we sought donations of toys for families who were struggling to meet the costs of Christmas. whg also has a hardship fund which is accessed on a needs basis.

The table below highlights our community investments made, subsidised through our rental income stream as well as external grants secured.

	2022/23 £000s Forecast	2023/24 £000s Forecast	2024/25 £000s Forecast	2025/26 £000s Forecast	2026/27 £000s Forecast	2027/28 £000s Forecast
<b>Income</b>						
Employment & Training	440	95	48	-	-	-
Health Partnerships	-	-	32	-	-	-
Resilient Communities	138	217	-	-	-	-
Infant Feeding	-	-	140	-	-	-
Social Prescribing	-	18	16	-	-	-
Wellbeing Schemes	144	157	250	258	266	274
Young Persons	173	151	223	223	-	-
Grant Secured for External Partners	735	-	-	-	-	-
<b>Total income</b>	<b>1630</b>	<b>638</b>	<b>709</b>	<b>481</b>	<b>266</b>	<b>274</b>
<b>Expenditure</b>						
Employment & Training	(651)	(298)	(274)	(282)	(237)	(237)
Health Partnerships	-	-	(43)	-	-	-
Stronger Communities	-	(217)	(238)	(245)	(252)	(260)
Resilient Communities	(138)	(217)	-	-	-	-
Infant Feeding	-	-	(127)	-	-	-
Social Prescribing	(210)	(153)	(213)	(134)	-	-
Wellbeing Schemes	(366)	(208)	(261)	(269)	(277)	(285)
Young Persons	(59)	(47)	(49)	(51)	-	-
Grant Expenditure by External Partners	(735)	-	-	-	-	-
<b>Total expenditure</b>	<b>(2,159)</b>	<b>(1,140)</b>	<b>(1,205)</b>	<b>(981)</b>	<b>(766)</b>	<b>(782)</b>
<b>Income shortfall funded through rental income</b>	<b>(529)</b>	<b>(502)</b>	<b>(496)</b>	<b>(500)</b>	<b>(500)</b>	<b>(508)</b>

The value for money measures for aim 4 are shown in the table below and demonstrate that not only do we invest in our homes, we invest in supporting people's lives to help them grow their independence.

	22/23 Actual	23/24 Actual	Target	Comments
Support 10,000 people into new opportunities	3,437 (Cumulative 12,913 since Apr '20)	3,848 (Cumulative 16,761 since Apr '20)	10,000 by Mar'24	We have beaten our target to achieve this success measure by supporting over 16,761 customers to increase their confidence, skills, and health and wellbeing by moving them into new opportunities. This equates to 168% of our four-year target being achieved.
Generate social value equivalent to a third of our turnover	£51.1m + £230m from £65.6m new development spend	£44.6m + £279m from £79.7m new development spend	>£40.2m	A wide range of social, economic and wellbeing initiatives have been delivered during 2023/24 that are quantified using the HACT Social Value measurement tool and externally verified. The original target did not include social value returns on new developments. The HACT tool uses a 3.5 times multiplier to calculate the social value of our development spend.
Secure £5 million funding for community investments by 2024	£1.63m (Cumulative £4.7m since Apr '20)	£554K (Cumulative £5.2m since Apr '20)	£5m by 2024	We have levered £554K of funding in 2023/24 (this includes Infant Breast Feeding, Click Start and NHS funding). Over the past four years we have exceeded the £5 million target of external funding for community investments.

#### Aim 5: Deliver a strong business, fit for today and prepared for tomorrow

We aim to remain financially strong and to keep us prepared for the future, we continuously monitor our operating environment to mitigate risks and be able to quickly respond to opportunities and challenges.

We continuously explore ways to drive down costs and achieve greater value for money, using insight and data to guide investment decisions. In addition, we are investing significantly in information technology to enable us to have greater choices for digitalisation of services, automation and use of artificial intelligence. A significant proportion of these investments will enable the streamlining and simplification of processes. This approach enhances efficiency in terms of reducing the cost of delivering processes, which in turn frees up resources to invest more in front line services to customers.

We prioritise the delivery of effective, equal and ethical services to customers over the cost of service delivery, therefore we recognise that when we compare our costs to other housing providers, we are not always the cheapest. We do however strive towards achieving the most economical cost of service delivery by monitoring our costs alongside other housing providers through benchmarking and through procurement activity.

The table below shows our performance against our aim 5 VFM measures which are key for us maintaining our financial strength to enable continued investment in new homes and services.

	22/23 Actual	23/24 Actual	Target	Comments
Our normal operating margin will exceed 30%	31%	31%	>30%	Our profitability provides good assurance that we can meet our financial obligations and that our financial health is strong compared with some of our peers.
Work towards achieving sector median or lower for headline social housing cost per home	£4,051 Below sector median (i.e. higher than median cost)	£4,455 Below sector median (i.e. lower than median cost)	Sector median by 2024	This enables us to service more debt, build more new homes and increase investment in our existing homes and communities. For 2024/25, we have increased our budget to £4,852 per home, the increase being invested in existing homes.
Current arrears	2.92%	2.63%	<3.15%	Rent arrears ended the year at 2.63% (customer best point method), which is an improvement compared to last year and 0.23% under target.
Void rent loss	0.67%	1.14%	<0.65%	In 2023/24 several trades colleagues were transferred from the Voids team, to support with damp related remedial works, and later in the year, to support responsive repairs. This has impacted void rent loss (VRL) performance for 2023/24. However, despite ending the year 0.49% outside target, monthly VRL is on a downward trend and is expected to be within target by the end of Quarter 2 of 2024/25.
Cashable VFM savings	£6.8m	£7.57m	£3.9m	Cashable gains totalled £7.57m for 2023/24. Cashable savings are reinvested in our business so we can deploy more resources directly to our frontline services or new development programme.
Property turnover	1,072	1,112	< 1,404	Property turnover increased this year, however, remains within target. Tenancy sustainment remains a key focus across the organisation and we are pleased to report an evictions rate of only 13 tenancies.



# Service Level Benchmarking

## Section 2: Benchmarking to compare how we perform with others

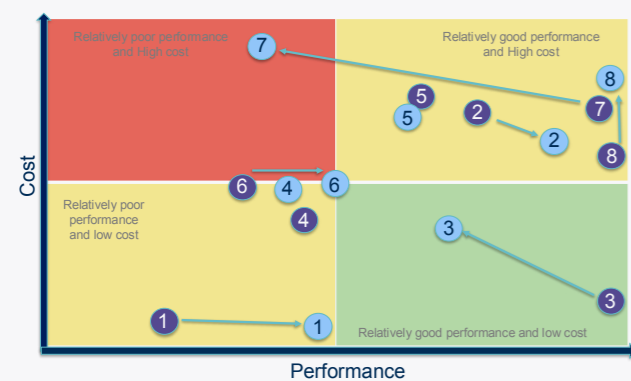
In addition to our internally set VFM measures, we also engage in regular benchmarking activity to identify where we sit in relation to our peers at both a national level and more tailored, specific level. We use this information to continually inform our future budget setting and strategic planning as we continually strive to achieve upper quartile performance on performance measures when compared to other registered housing providers. There are two main sources of benchmarking used:

- + Housemark provides service level benchmarking. There are 231 housing providers in the Housemark national dataset and 20 providers in the tailored dataset, which is based on the Midlands and North West organisations of between 10,000 to 30,000 homes. The Housemark dataset is based on the financial year 2022/23 submissions; and
- + The RSH VFM Metrics Benchmarking Tool. We have constructed a number of bespoke level peer groups using this tool, as encouraged by the Regulator. The tool allows peers to be selected based on geographical region, number of homes owned, mix of general needs and supported housing, and whether they are a traditional housing provider or LSVT ('Local Authority Stock Transfer').

### Housemark benchmarking data

The VFM quadrants below plot whg's performance over the previous two years, the first being the bespoke benchmark group and the second being the national dataset. The arrow indicated the relative movement in performance between the two years.

#### Benchmark Comparison – Tailored peer group



#### Key to bespoke group

- 1 Responsive repairs
- 2 Voids and lettings
- 3 Rent arrears and collection
- 4 Tenancy management
- 5 Resident engagement
- 6 Customer services
- 7 Neighbourhood management
- 8 Community investment

- Prior Year
- Current Year

#### National Comparison



#### Key to national group

- 1 Responsive repairs
- 2 Voids and lettings
- 3 Rent arrears and collection
- 4 Tenancy management
- 5 Resident engagement
- 6 Customer services
- 7 Neighbourhood management
- 8 Community investment

- Prior Year
- Current Year

### Explanations:

The tables below summarise the performance measures used for each service line's position on the VFM quadrant. Commentary on the tables of data is by exception, focusing on those areas which are performing outside of our expectations. For example there are areas where we have planned to spend more than the sector median, such as community investment, and areas where we would expect spend to be lower than sector median where we have aimed for the most economical and efficient service delivery model such as rent arrears and collection. Note that the 'indicative' 2023/24 outturn has been included in the table below for contextual purposes but these may be subject to change. Note also that the indirect cost per property indicative 2023/24 figures have reduced since 2022/23 due to some large one-off costs in 2022/23 such as redundancies, non-cash pension costs and closure of satellite office space.

#### 1. Responsive repairs

	20/21	21/22	22/23	Indicative 23/24	Peer Median 22/23	Sector Median 22/23
Direct cost per property of responsive repairs	£239.58	£268.48	£336.13	<b>£362.22</b>	<b>£579.29</b>	<b>£569.13</b>
Indirect cost per property of responsive repairs	£86.13	£58.25	£108.46	<b>£40.00</b>	<b>£51.59</b>	<b>£40.69</b>
Total cost per property of responsive repairs	£325.71	£326.73	£444.59	<b>£402.22</b>	<b>£630.88</b>	<b>£609.82</b>
Satisfaction with the overall repairs service	74%	78%	84%	<b>94%</b>	<b>84%</b>	<b>87%</b>

whg's costs are low when compared to peers, therefore demonstrating 'economy' is achieved. However, in terms of customer satisfaction, scores are on par with our peers but slightly below the sector median. We strive to do better than this. During the year we aimed to reduce the backlog of repairs, however there is still a backlog. We approved an additional investment of £5m into the service and we are on track for the backlog to be cleared in 2024/25. £3.3m of the investment was spent in 2023/24 with the remainder carried forward to 2024/25.

## 2. Voids and lettings

	20/21	21/22	22/23	Indicative 23/24	Peer Median 22/23	Sector Median 22/23
Direct cost per property of void works and lettings	£217.17	£233.10	£229.55	<b>£564.66</b>	<b>£257.92</b>	<b>£228.88</b>
Indirect cost per property of void works and lettings	£72.22	£44.30	£71.33	<b>£26.31</b>	<b>£10.01</b>	<b>£11.44</b>
Total cost per property of void works and lettings	£289.39	£277.40	£300.88	<b>£590.97</b>	<b>£267.93</b>	<b>£240.32</b>
Void rent loss	0.74%	0.66%	0.69%	<b>1.2%</b>	<b>1.36%</b>	<b>1.36%</b>

Our costs are showing higher than peers and the sector median however this was a planned investment as we outsourced more of our void repair works than ever before. This need arose as our internal voids trade operatives were moved to our responsive repairs service to help reduce the backlog during 2023/24.

## 3. Rent arrears and collection

	20/21	21/22	22/23	Indicative 23/24	Peer Median 22/23	Sector Median 22/23
Direct cost per property of rent arrears and collection	£84.73	£80.86	£87.98	<b>£81.67</b>	<b>£97.23</b>	<b>£92.77</b>
Indirect cost per property of rent arrears and collection	£56.19	£28.89	£65.61	<b>£24.20</b>	<b>£68.78</b>	<b>£61.53</b>
Total cost per property of rent arrears and collection	£140.92	£109.75	£153.59	<b>£105.87</b>	<b>£166.01</b>	<b>£154.30</b>
Rent collected %	99.1%	100.0%	100.0%		<b>99.6%</b>	<b>99.4%</b>

Performance in this area has improved, the percentage of rent collected is comparable with peers and is impressive especially when viewed in context of whg's homes being primarily based in areas where unemployment and deprivation are higher than the national average. This leads to challenges around collecting rents but the income team are proactively looking for ways to innovate and respond to the challenges.

## 4. Tenancy management

	20/21	21/22	22/23	Indicative 23/24	Peer Median 22/23	Sector Median 22/23
Direct cost per property of tenancy management	£61.04	£68.85	£87.40	<b>£81.13</b>	<b>£86.87</b>	<b>£87.93</b>
Indirect cost per property of tenancy management	£50.08	£25.38	£57.70	<b>£21.28</b>	<b>£58.23</b>	<b>£62.11</b>
Total cost per property of tenancy management	£111.12	£94.23	£145.10	<b>£102.41</b>	<b>£145.10</b>	<b>£150.04</b>
Satisfaction with the service provided	85.9%	82.3%	80.2%		<b>81.0%</b>	<b>80.8%</b>

whg is fully committed to a Community Housing Model. The aim of the model is to ensure we have a local presence across all of our geography. In terms of both cost and quality we are around median performance when compared to the sector and our peers for 2022/23 but we expect to show an improved performance for 2023/24 as we recover from one-off costs incurred in the previous year.

## 5. Resident involvement

	20/21	21/22	22/23	Indicative 23/24	Peer Median 22/23	Sector Median 22/23
Direct cost per property of customer involvement	£28.70	£30.41	£28.69	<b>£26.63</b>	<b>£24.27</b>	<b>£31.72</b>
Indirect cost per property of customer involvement	£24.84	£33.39	£24.73	<b>£9.12</b>	<b>£17.31</b>	<b>£22.96</b>
Total cost per property of customer involvement	£53.54	£63.80	£53.42	<b>£35.75</b>	<b>£41.58</b>	<b>£54.68</b>
Satisfaction that views are taken into account	76.8%	63.8%	71.7%		<b>63.8%</b>	<b>65.1%</b>

Whilst direct costs are showing as more expensive than peers, this is due to planned investment in this area and when viewed in conjunction with the satisfaction levels that customer views are considered, the investment is yielding positive results. As the regulatory landscape is changing, with more emphasis on listening to customers, whg intends to continue investing in this area over the coming years.

## 6. Customer services

	20/21	21/22	22/23	Indicative 23/24	Peer Median 22/23	Sector Median 22/23
Direct cost per property of housing management	£247.94	£275.04	£296.42	£275.16	£299.58	£309.60
Indirect cost per property of housing management	£185.38	£100.10	£221.19	£81.57	£218.03	£207.42
Total cost per property of housing management	£433.32	£375.14	£517.61	£356.73	£517.61	£517.02
Average seconds to answer inbound calls	277	306	327		352	224

During the year we have implemented a new Omni-channel system to improve customer contact experience across a multitude of communication channels including phone, email and social media. Our performance is strong compared to peers on this metric and we expect to see further efficiency savings over the coming years.

## 7. Neighbourhood management

	20/21	21/22	22/23	Indicative 23/24	Peer Median 22/23	Sector Median 22/23
Direct cost per property of ASB	£64.79	£64.79	£64.54	£59.91	£37.19	£38.17
Indirect cost per property of ASB	£9.85	£22.94	£52.04	£19.19	£24.69	£26.47
Total cost per property of ASB	£74.64	£87.73	£116.58	£79.10	£61.88	£64.64
Satisfaction with neighbourhoods as a place to live	82.1%	82.3%	80.2%		81.0%	81.5%

We continue to see costs that are higher than our peers in this area however this spend is necessary as we strive to ensure our customers feel safe. We have a significant proportion of high-rise flats within our homes portfolio which means anti-social behaviour can be a problem. We have invested in CCTV and our Community Safety Team to mitigate this risk and make our blocks feel like safe places to live. High investment in this area is likely to continue to keep our satisfaction scores high.

## 8. Community investment

	20/21	21/22	22/23	Indicative 23/24	Peer Median 22/23	Sector Median 22/23
Direct cost per property of community investment	£53.21	£54.88	£63.24	£58.70	£58.21	£25.31
Indirect cost per property of community investment	£19.26	£20.36	£57.90	£21.36	£31.90	£15.08
Total cost per property of community investment	£72.47	£75.24	£121.14	£80.06	£90.11	£40.39
Residents undertaking training or education	1,567	1,821	1,187		92	59

As shown by the figures above, whg has made a conscious decision to invest in this area compared to the sector median because whg's homes are primarily based in areas where unemployment and deprivation are higher than the national average. Performance remains strong as whg are supporting significantly more customers with training and education than the national average.

## Regulator of Social Housing Benchmarking – VFM metrics

We report and compare our performance against the VFM metrics using the latest Global Accounts 2022/23 published by the RSH. We have compared ourselves at a national level, against all other registered housing providers, as well as at a more tailored peer group level.

The peer groups were as follows:

- + **Peer Group 1:** Nine providers between 20,000 to 30,000 homes, at least 30% of their homes of general needs type and at least 30% of their homes in the East Midlands, North East, North West, and West Midlands. All LSVTs.
- + **Peer Group 2:** Five providers between 20,000 to 30,000 homes, at least 50% of their homes of general needs type and at least 30% of their homes in the East Midlands and West Midlands. All LSVTs.
- + **Peer Group 3:** Eight providers between 20,000 to 30,000 homes, at least 80% of their homes of general needs type and at least 50% of their homes in the East Midlands, North East, North West, and West Midlands. LSVTs and traditional providers.
- + **Peer Group 4:** Fifteen providers between 10,000 to 35,000 homes, at least 30% of their homes of general needs type and at least 30% of their homes in the East Midlands and West Midlands.

We believe Peer Group 2 provides the most meaningful comparisons as it is most geographically aligned to whg. Peer Group 4 is most aligned in terms of the proportion of general needs homes owned. The table below shows the data for all peer groups and has RAG rated (red, amber, green) the outcomes for whg to indicate whether we perform worse than the lowest 25% of the peer groups 2 and 4 (red), worse than the lowest 50% (amber) or better than median (green). Only the 2022/23 outcomes have been RAG rated as that is the year relevant to the dataset published by the Regulator.

Metric	Peer Group 1	Peer Group 2	Peer Group 3	Peer Group 4	whg Actual 22/23	whg Actual 23/24
Reinvestment	7.0%	7.0%	7.3%	8.2%	11.6%	13.3%
New Supply (Social)	1.2%	1.7%	1.4%	1.9%	1.2%	2.3%
New Supply (Non Social)	0.09%	0.02%	0.1%	0.0%	0.0%	0.0%
Gearing	46.8%	51.2%	46.5%	53.5%	56.3%	51.2%
EBITDA MRI	90.1%	117.9%	104.0%	117.9%	141%	194%
Headline Social Housing Costs per home	£4,418	£4,418	£4,303	£4,188	£4,051	£4,455
Operating Margin social housing lettings	18.7%	23.1%	20.7%	23.1%	24.8%	26.1%
Operating Margin overall	18.7%	20.7%	17.5%	20.7%	24.2%	24.8%
ROCE	2.6%	2.7%	2.6%	3.0%	4.8%	5.2%

As shown by the table above, except for gearing we perform well on all indicators when compared to all peer groups. The table below is included for information and compares our performance to the sector.

Metric	Sector Median	Sector Weighted Average	whg Actual 2022/23	whg Actual 2023/24
Reinvestment	6.7%	6.9%	11.6%	13.3%
New supply delivered (SH units)	1.3%	1.7%	1.20%	2.3%
New supply delivered (NSH units)	0.00%	0.27%	0.02%	0.0%
Gearing (NBV of Housing Properties)	45.3%	47.4%	56.3%	51.2%
EBITDA MRI Interest Cover	128%	104%	141%	194%
Headline SH cost per unit	£4,586	£5,251	£4,051	£4,455
Operating Margin (SHL)	19.8%	21.3%	24.8%	26.1%
Operating Margin (Overall)	18.2%	16.6%	24.2%	24.8%
Return on Capital Employed (ROCE)	2.8%	2.6%	4.8%	5.2%

### Reinvestment

Reinvestment % looks at the scale of investment in our existing and new homes as a % of their value. We are upper quartile for this metric due to our aim of developing 500 new homes each year and approach to maintaining the quality of our homes. We perform stronger than all four peer groups on this metric.

### New supply delivered (SH units)

New supply social % expresses the number of new social homes delivered as a proportion of all homes owned. In 2022/23 our performance placed us lower than most of the peer groups in the benchmark year. This was due to some delays in delivering the development programme; these homes were delivered in 2023/24 and our performance rose to 2.3%.

### New supply delivered (NSH units)

The supply of non social housing is expected to be 0%. There were no plans to deliver either market rent or outright sale homes during the year although these are included in mixed development schemes in the future. Other peer groups delivered a small number of homes in this category.

### Gearing (NBV of Housing Properties)

Gearing % shows the proportion of net borrowing in relation to the value of the asset base and indicates the degree of dependence on debt finance. Gearing is above the sector median because our fixed asset values are below the sector average. As the Group builds more new homes over the forthcoming years, the gearing will reduce. A more relevant measure of gearing for the Group is the gearing covenant set by the funders for which we have sufficient headroom. Our peers range from 46.8% to 53.5% median performance.

### EBITDA MRI Interest Cover

Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) interest cover % measures our level of cash surplus generated as a percentage of interest paid. The interest cover percentage is stronger than the sector average and all of our peer groups.

This is primarily due to the underspend in our asset investment programme (£7.6m) as our newly appointed contractors took longer than expected to mobilise the programme. By 2023/24, contractors were fully mobilised. The development programme has also under-spent, contributing to lower interest payable than expected. This metric has increased to 194% for 2023/24 but this relates mainly to debt drawdowns being lower than expected therefore saving on interest costs. There is also a one-off notional interest receivable, this is a non cash adjustment for 2023/24 only and it relates to theoretical interest on our opening pension asset as at April '23. Higher cash reserves have also generated higher than expected interest receivable.

### Headline SH cost per unit

Headline social housing cost per unit combines several cost elements to provide our overall social housing cost per unit. Our costs in 2022/23 reflects a lower spend per home than sector median performance and our peer groups for reasons outlined above. Spend increases for 2023/24 and is more in line with the sector.

### Operating Margin (SHL)

Operating margin % shows the profitability of our assets and is an indicator of our operating efficiency. Our social housing operating margin is stronger than our peer group and sector average which is mainly due to our high concentration of general needs homes and low levels of diversified income streams. This is a good indicator of our credit strength as noted by our credit rating agency.

### Operating Margin (Overall)

Our overall operating margin is stronger than the sector average and our peer groups. As mentioned above our spend increases in 2023/24 but our margins are still maintained at this strong level.

### Return on Capital Employed (ROCE)

Return on capital employed shows how well we are using our assets and debt to generate a financial return. This indicator remains upper quartile when compared to the sector average and our peer groups.

In addition to the above sector benchmarking information, we have recently collated a full year's information on our Tenant Satisfaction Measures. These will be published separately on our website for customer information at <https://www.whg.uk.com>

## Section 3: VFM gains achieved through consideration of alternative delivery structures

There are a number of activities in place across the business to implement new ways of working through alternative commercial, organisational and delivery structures. A number of VFM gains have been made over the past two years and further gains are forecast for the future.

The tables below summarise the VFM gains. As shown, we have a successful track record in delivering cashable VFM gains. We have set up our Corporate Company Structure in such a way to maximise VAT benefits in relation to our key areas of spend. We continue to engage in procurement activity which seeks to reduce our costs while maintaining quality of service delivery. We obtain ad hoc grants for our asset management work and we continually seek to refine our funding arrangements. Significant refinancing work was undertaken in 2022/23 to ensure we pay the least amount of debt servicing costs and this had continued to deliver benefit in 2023/24. Cashable savings in 2023/24 are £7.57m; all of these cashable savings are reinvested in our business so we can deploy more resources directly to our frontline services or new development programme.

For non-cashable gains, these are mostly derived from 'social value' that has been created by either our community investment activities or our new development programme. We use the HACT model to calculate social value which uses various multipliers for each activity. For example, with new development spend, £79.8m of development spend is multiplied by 3.5 to derive £279.2m of social value. The value is deemed to be improved prospects for a new person or family being provided a permanent and affordable place to live.

VFM Summary	2022/23 £000s		2023/24 £000s		2024/25 £000s	2025/26 £000s
	Target	Actual	Target	Actual	Target	Target
Total Cashable	5,001	7,088	6,012	7,570	6,042	4,609
Total Non-Cashable	327,504	279,807	352,946	326,843	255,605	287,668
<b>Grand Total</b>	<b>332,505</b>	<b>286,895</b>	<b>358,958</b>	<b>334,413</b>	<b>261,647</b>	<b>292,277</b>

Economy	2022/23 £000s		2023/24 £000s		2024/25 £000s	2025/26 £000s
	Target	Actual	Target	Actual	Target	Target
<b>Paying the lowest possible price to achieve the desired quality</b>						
Procurement savings	100	348	100	326	172	181
Asset Management savings	127	314	127	777	2,575	2,575
Treasury	1,996	2,500	1,953	2,103	741	691
Other	-	169	100	1,639	156	164
<b>Total VFM Savings</b>	<b>2,223</b>	<b>3,331</b>	<b>2,280</b>	<b>4,845</b>	<b>3,644</b>	<b>3,611</b>
<b>Cashable</b>	<b>2,223</b>	<b>3,331</b>	<b>2,280</b>	<b>4,845</b>	<b>3,644</b>	<b>3,611</b>
<b>Non Cashable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Efficiency	2022/23 £000s		2023/24 £000s		2024/25 £000s	2025/26 £000s
	Target	Actual	Target	Actual	Target	Target
<b>Getting the most out of the resources put in</b>						
Procurement savings	-	464	100	335	131	138
Vat Recovery	1,652	1,231	2,055	1,721	1,668	254
Other	-	791	110	161	356	374
<b>Total VFM Savings</b>	<b>1,652</b>	<b>2,486</b>	<b>2,265</b>	<b>2,217</b>	<b>2,155</b>	<b>766</b>
<b>Cashable</b>	<b>1,652</b>	<b>1,772</b>	<b>2,055</b>	<b>1,721</b>	<b>1,668</b>	<b>254</b>
<b>Non Cashable</b>	<b>-</b>	<b>714</b>	<b>210</b>	<b>496</b>	<b>487</b>	<b>512</b>

Effectiveness	2022/23 £000s		2023/24 £000s		2024/25 £000s	2025/26 £000s
	Target	Actual	Target	Actual	Target	Target
<b>Using our resources to achieve our aims and social purpose</b>						
Procurement savings	-	29	10	48	10	11
Asset Management savings	47	50	53	-	-	-
Insurance	-	154	50	254	54	56
Other	-	18	100	19	3	3
<b>Total VFM Savings</b>	<b>47</b>	<b>251</b>	<b>213</b>	<b>321</b>	<b>67</b>	<b>70</b>
<b>Cashable</b>	<b>47</b>	<b>50</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non Cashable</b>	<b>-</b>	<b>201</b>	<b>160</b>	<b>321</b>	<b>67</b>	<b>70</b>

Ethics	2022/23 £000s		2023/24 £000s		2024/25 £000s	2025/26 £000s
	Target	Actual	Target	Actual	Target	Target
<b>Use our resources with integrity in our communities</b>						
Health & Wellbeing Outcomes	5,655	6,930	6,105	10,098	7,188	11,658
Customer Voice	4,400	5,392	4,751	4,575	5,593	6,327
Digital Inclusion	3,930	4,816	4,243	851	-	-
Housing Benefit Bill Savings	7,509	9,202	8,107	6,095	9,545	7,036
External Funding & Donations	1,078	1,660	1,625	688	460	460
Environmental Gains & EPC energy bill savings	-	275	-	359	270	329
<b>Total VFM Savings</b>	<b>22,572</b>	<b>28,275</b>	<b>24,831</b>	<b>22,666</b>	<b>23,056</b>	<b>25,810</b>
<b>Cashable</b>	<b>1,078</b>	<b>1,935</b>	<b>1,624</b>	<b>1,004</b>	<b>730</b>	<b>744</b>
<b>Non Cashable</b>	<b>21,494</b>	<b>26,341</b>	<b>23,207</b>	<b>21,662</b>	<b>22,326</b>	<b>25,066</b>

Equity	2022/23 £000s		2023/24 £000s		2024/25 £000s	2025/26 £000s
<b>Use our resources to reduce inequality</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Target</b>
Money Advice Service	15,145	18,560	16,351	21,310	19,251	24,539
Jobs & Training / Employment	3,606	4,419	3,893	3,482	4,584	4,020
Development	287,259	229,572	309,125	279,572	208,891	233,460
<b>Total VFM Savings</b>	<b>306,010</b>	<b>252,551</b>	<b>329,369</b>	<b>304,364</b>	<b>232,726</b>	<b>262,019</b>
<b>Cashable</b>	-	-	-	-	-	-
<b>Non Cashable</b>	<b>306,010</b>	<b>252,551</b>	<b>329,369</b>	<b>304,364</b>	<b>232,726</b>	<b>262,019</b>

### Asset maximisation

Our regeneration plans to maximise financial and social returns of our homes and under-utilised land holdings and garage sites continue to be delivered. This work is closely linked to our development strategy ambition to enhance ‘place’ by ‘becoming a leading place shaper, known for focus on safety, sustainability, innovation, mixed tenure and quality homes which provide improved health outcomes’. For example, we have successfully commenced a new development scheme for 17 new homes on small sites of land holdings where unused land has been re-purposed to create new affordable homes. We have also developed our sustainability strategy which includes a focus on open spaces and how we can use them to deliver on our social and environmental objectives.

We have also been successful in achieving grant funding from three different sources (Walsall Council, the Social Housing Decency Fund Wave 2, and Towns Fund) to create a Net Zero Carbon ready neighbourhood in Dudley Fields in Bloxwich. These projects will be delivered over the next two financial years.

### Investment in non-social housing activity

We invest in non-social housing activity with purpose, to reinvest surpluses in social housing homes and services. We invest in open market sales homes but limit the risk exposure to £20m and carry out activity through a subsidiaries and joint venture arrangements in order to protect our social housing assets. In addition, we generate income through solar panels on a small proportion of our buildings.

### Treasury Initiatives

We continue to drive value for money through our funding structure. For example, we have reduced our interest payable by refinancing some of our fixed rate loans. We have also increased the borrowing power of a proportion of our homes by switching valuation bases.

### Geography

In order to ensure our cost base is as efficient as possible, and that the services we provide are as effective as possible for customers, we have ensured our new development strategy prioritises geographical areas beyond Walsall that do not compromise our abilities to serve our customers. Our primary areas of operation are the West Midlands and where opportunities arise beyond this boundary, the areas need to be easily accessible from one of our management hubs and should be of sufficient density for efficiency of service delivery. Anthem Homes which delivers our outright sales programme is not restricted to any geographical boundaries.

### IT Strategy Investments

During the year, we have continued to invest in our IT infrastructure, in particular our security foundations. We have successfully completed our two year Security and Stability Programme. We have modernised our IT infrastructure by moving to the cloud and upgrading our data centre infrastructure. This programme was a series of complex changes which have been delivered on time and within budget.

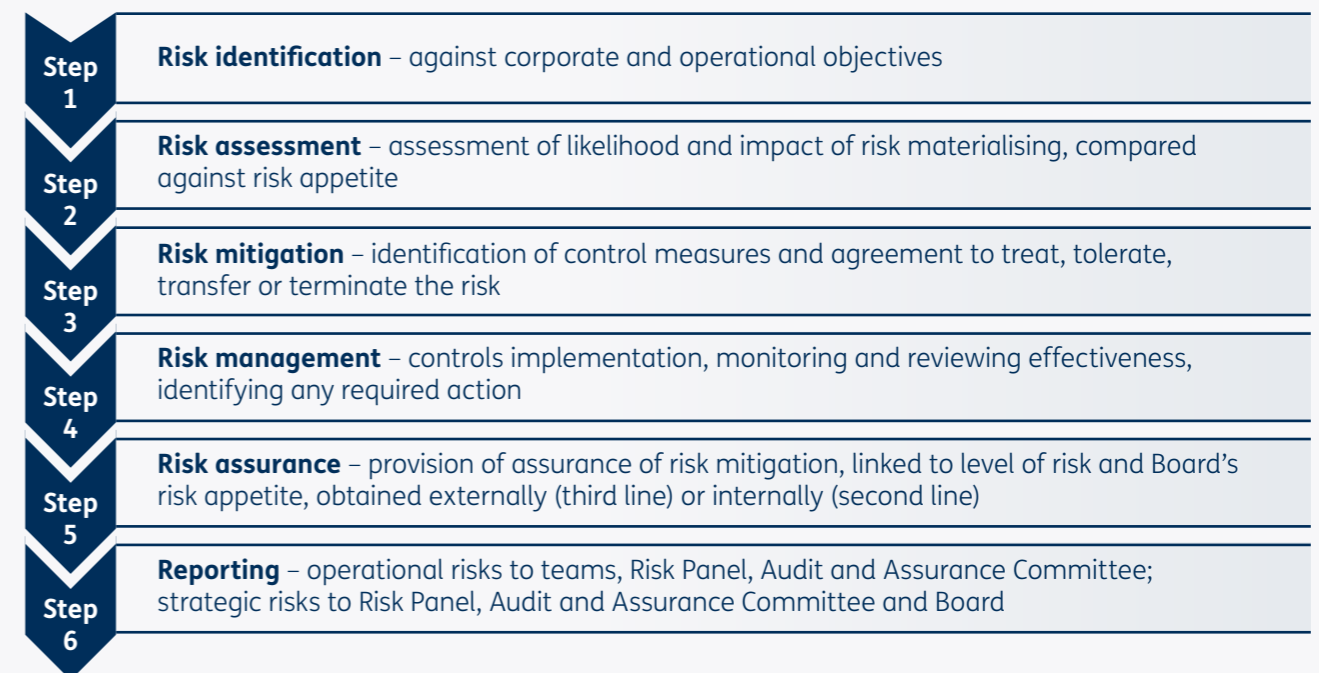
We have also replaced our customer contact system with a cloud hosted omni-channel system which is set to improve how we manage our customer contact through multiple channels to improve our customer experience.

# Principal Risks and Uncertainties

The environment in which we operate produces inherent risks that we face in our everyday operations including economic challenges, government policy, technological and social change. The Board clearly sets out its appetite to risk, shown below, providing the setting for business operations.



We are not averse to taking on measured risk to deliver our objectives, but when taking these decisions, the Board fully appraises the risk to understand the potential impact. The Risk Management Framework approved by the Board sets out the arrangements for identifying and managing risk as set out in the process below.



The Group has adopted the three lines of defence risk management model, which is designed so that assurance is obtained through the strength and source of controls and the Group's reliance upon them. Regular reviews of risk and work set out in the Risk Management Framework are overseen by the Risk Panel, Executive Team and Audit and Assurance Committee which remain focused on mitigating risks at all levels in the business whilst the Board retains overall responsibility. This ensures effective controls are in place. This approach is central to putting us in a strong position to achieve our strategic aims and embrace opportunities as they may arise.



The Board, as part of its review of risk management, has identified its most significant Strategic Risks and uncertainties, together with the mitigating actions taken in order to ensure that the risks are appropriately monitored and controlled. A summary of our Strategic Risk Register is set out below.

Key to Summary of Assurance		
Substantial		
Moderate		
Limited		

Strategic Risk Summary (risk category)	Risk Scores		Appetite/ Target risk score
	Gross (G)	Net (N)	
1. Information security breach	25	14	Minimalist 8
OUTSIDE APPETITE	Summary of Assurance		
	First line	Second line	Third line

This risk covers cyber security threats and physical security arrangements and access to buildings and secure areas. Ongoing improvements to security and system stability have reduced the risk in this area over the past two years and will further reduce the risk scores but potentially not to within the minimalist 'IT security and resilience' risk appetite and target score, due to the ongoing threat of cyber attack.

Strategic Risk Summary (risk category)	Risk Scores		Appetite/ Target risk score
	Gross (G)	Net (N)	
2. Serious health, safety or environmental incident	21	14	Averse 3
OUTSIDE APPETITE	Summary of Assurance		
	First line	Second line	Third line

This risk includes the potential for colleague and customer safety issues (building, gas, electrical, fire, water hygiene, asbestos, mechanical equipment, infectious disease) as well as possible environmental incidents. The risk is tolerated outside of the averse 'health and safety' risk appetite and target score due to the possibility of human error and the impact of a potential serious incident, but the controls and assurance are strong with the risk being mitigated as far as it can be.

Strategic Risk Summary (risk category)	Risk Scores		Appetite/ Target risk score
	Gross (G)	Net (N)	
3. Insufficient investment in assets	24	13	Open 13
WITHIN APPETITE	Summary of Assurance		
	First line	Second line	Third line

This risk considers the potential of insufficient asset investment to meet legislative or regulatory requirements, or customer expectations. Whilst this risk is managed within the open 'asset management and regeneration' risk appetite and target score, services have had increased pressure stemming from the Covid-19 pandemic, rising costs and the availability of labour and materials. In addition to the controls around day to day repairs service delivery, further mitigating controls in progress include investment in building safety, net zero carbon (linked to risk 4 below) and Decent Homes 2.

Strategic Risk Summary (risk category)	Risk Scores		Appetite/ Target risk score
	Gross (G)	Net (N)	
4. Impact of climate change	17	13	Cautious 13
WITHIN APPETITE	Summary of Assurance		
	First line	Second line	Third line

This risk focuses on the impact of climate change on whg's ability to deliver its new build development and stock investment programmes whilst meeting Government carbon reduction targets. It also considers the impact of climate change on existing housing stock, customers and colleagues. This was identified as a new strategic risk at the end of 2021/22 and is managed within the cautious risk target score (encompassing the averse 'health and safety', minimal 'legal and regulatory compliance', cautious 'finance' and 'reputation', open 'growth - development', 'asset management and regeneration' and 'environment/zero carbon approach' risk appetites). The Sustainability Strategy and Decarbonisation Roadmap was approved in December 2022 and Ritterwald ESG accreditation was obtained in 2023. Other controls will continue to be developed with a 'Sustainable Futures' transformational project detailed in Our 2030 Plan.

Strategic Risk Summary (risk category)	Risk Scores		Appetite/ Target risk score
	Gross (G)	Net (N)	
5. Inadequate governance arrangements	24	13	Minimalist 8
OUTSIDE APPETITE	Summary of Assurance		
	First line	Second line	Third line

This risk covers the potential for governance failures across the Group, as well as non-compliance with legislation and regulation, including data protection. The many mitigating controls ensure the risk is managed well, but the scores were increased in March 2024 due to the increased scrutiny of the sector and new legislation and regulatory framework to respond to. This risk is now outside the minimal 'legal and regulatory compliance' risk appetite and target score but is expected to return to within target with controls being strengthened. Existing controls include strong board, committee and inter-group arrangements which minimise the risk to Walsall Housing Group as the parent, and its social housing assets, and protecting its charitable status and objectives. A verified risk management and strong internal controls framework supports the strong governance arrangements.

Strategic Risk Summary (risk category)	Risk Scores		Appetite/ Target risk score
	Gross (G)	Net (N)	
6. Development programme delayed	23	12	Open 17
WITHIN APPETITE	Summary of Assurance		
	First line	Second line	Third line

This deals with risk to the delivery of the Development Strategy up to March 2024. It is managed within the open 'growth - development' risk appetite with controls including funding availability, robust governance, technically experienced teams, robust contractor/development partnership arrangements and appropriate due diligence around development opportunities and land acquisitions.

Strategic Risk Summary (risk category)	Risk Scores		Appetite/ Target risk score
	Gross (G)	Net (N)	
7. Ineffective services to customers	20	9	Open 15
WITHIN APPETITE	Summary of Assurance		
	First line	Second line	Third line

This risk covers the potential for service failure across any area of the business delivering front line services to customers, excluding asset management (included in risk 3 above). Controls such as the embedded community housing model and support services attracting external funding, ensure this risk is managed well within the open 'customer service' risk appetite and target score, enabling ongoing support for customers and communities.

Strategic Risk Summary (risk category)	Risk Scores		Appetite/ Target risk score
	Gross (G)	Net (N)	
8. Insufficient funding	17	9	Cautious 13
WITHIN APPETITE	Summary of Assurance		
	First line	Second line	Third line

Loan and grant funding, rental income, void rent loss, sale of outright sale and shared ownership homes are all identified as risk areas, but this risk is well controlled overall and managed within the cautious 'Finance' risk appetite and target score, despite external political and economic factors. Strong controls are in place including a range of external assurance.

Strategic Risk Summary (risk category)	Risk Scores		Appetite/ Target risk score
	Gross (G)	Net (N)	
9. Insufficient colleague resource (capacity and capability)	13	5	Open 17
WITHIN APPETITE	Summary of Assurance		
	First line	Second line	Third line

This risk considers the impact of not having the right colleagues on the delivery of the Corporate Plan. Challenges with recruiting and retaining the right people are generally limited to a small number of specialist roles. Controls include competitive pay and benefits, a robust recruitment process, improvements to the performance framework and strong learning and development arrangements. The risk is managed well below the open 'people' risk appetite and target score.



# Sustainability, Net Zero and ESG (Environmental, Social and Governance)

## Streamlined Energy and Carbon Reporting (SECR)

whg is using the Streamlined Energy and Carbon Reporting (SECR) guidance to measure and report on our carbon footprint. This policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force. This will be the standard against which we can gauge energy and carbon performance across the whole organisation. It will also highlight what we need to change and where.

By tracking our energy and fuel consumption and the associated carbon emissions, we can see if our improvements are working and set ourselves targets to achieve which will help us reach our goal of becoming a net zero carbon organisation by 2050.

whg have opted to use the Operational Control boundary definition to define our carbon footprint boundary. The reporting period for the compliance is 1 April 2023 – 31 March 2024. Included within that boundary are Scope 1 & 2 energy emissions, as well as Scope 3 emissions from business travel in the UK.

## How is our Carbon Footprint measured?

The mandatory reporting requirements (for Companies registered under the Companies Act), under the SECR guidance include annual greenhouse gas (GHG) emissions from activities for which the company is responsible including combustion of fuel and operation of any facility. Carbon emission data is split into Scope 1, 2 and 3.

+ **Scope 1** relates to the direct emissions from gas and transport fuel combustion. For whg this will include gas consumption from our offices, community centres, communal areas and plant rooms, as well as transport fuel used for our company fleet.

- + **Scope 2** relates to the indirect emissions from electricity generation. For whg this will include electricity consumption from our offices, communal areas, and plant rooms.
- + **Scope 3** relates to the indirect emissions associated with our value chain. The only mandatory reporting for Scope 3 is the emissions from business travel in employee-owned vehicles where the organisation is responsible for purchasing the fuel. The rest of Scope 3 is only optionally reported because it can be harder to track, and the boundaries are harder to define.

## Methodology

The methodology used to calculate emissions followed the guidance from the revised edition of the GHG Protocol Corporate Accounting and the Reporting Standard and the UK Government Guidance on SECR.

For Scopes 1 and 2 we have used energy and fuel consumption data from our suppliers and partners and used The UK Government Department for Business, Energy and Industrial Strategy's (BEIS) 2022 conversion factors to calculate the CO<sub>2</sub>e emissions. Business travel is recorded as mileage from the expenses system and the UK conversion factors relating to mileage allowed us to calculate the emissions.

In SECR reporting there are two reporting approaches: 'location-based' and 'market-based'. Location-based reporting is the mandatory method and uses grid average figures (a mix of renewable and non-renewable fuels). A market-based reporting approach calculates the emissions associated with the energy sources or tariffs that the consumer has specifically chosen.

## Carbon intensity ratios

Our Scope 1, 2 and 3 emissions are also measured against factors that indicate the size of the organisation. For our disclosure, we have used the number of full-time employees. This provides us with a 'carbon intensity ratio' that help us to understand our carbon footprint relative to our size. It means we can not only benchmark against future reports if we change size, we can also compare ourselves directly to other, similar organisations.

## Energy efficiency actions

whg has invested heavily over many years and continues to invest in our homes to improve their energy efficiency and move all homes above EPC band C rating over the next 6 years. whg also has a clear commitment for our homes, commercial buildings and our business to achieve Net Zero by or before 2050.

Within the 2023/24 financial year, whg completed 1,569 of either thermal or heating improvement measures which include;

- + 448 Roof replacements
- + 979 boiler or full heating replacements and controls
- + 142 double glazed full window installations

From these energy efficiency improvement measures it is expected that a significant amount of energy will be saved over the next five years.

## Carbon Emissions Reporting

### Emissions Calculations

The tables below provide a breakdown of whg's footprint for 2023/24, comparing both market and location based emissions, comparing our performance against the previous financial year.

Figure 1 Market Based Emissions

Type of Emissions Activity	Activity	kWh	tCO <sub>2</sub> e	% of Total
Energy Generation	Solar PV Renewal Generation	239,070	-	0%
	<b>Subtotal</b>	<b>239,070</b>	<b>-</b>	<b>0%</b>
Direct (Scope 1)	Natural Gas	2,578,557	-	0%
	Company Fleet	2,793,991	668	90.1%
	<b>Subtotal</b>	<b>5,372,548</b>	<b>668</b>	<b>90.1%</b>
Indirect (Scope 2)	Electricity	3,694,003	-	0%
	<b>Subtotal</b>	<b>3,694,003</b>	<b>-</b>	<b>0%</b>
Indirect Other (Scope 3)	(kwh)	288,250	70	9.9%
	<b>Subtotal</b>	<b>288,250</b>	<b>70</b>	
<b>Total Energy Use (kWh)</b>		<b>(kWh)</b>	<b>9,354,801</b>	
<b>Total (Market-based*) Gross Emissions (tCO<sub>2</sub>e)</b>		<b>(tCO<sub>2</sub>e)</b>	<b>725</b>	
<b>Full Time Employees (FTE)</b>		<b>FTE</b>	<b>767</b>	
<b>Tonnes of Gross CO<sub>2</sub>e per FTE</b>		<b>(tCO<sub>2</sub>e)</b>	<b>0.95</b>	

The results show that whg's total energy use and total gross Green House Gas (GHG) emissions amounted to 9,354,801 kWh and 1,978 tonnes of CO<sub>2</sub>e (location-based) respectively in the 2023/24 financial year in the UK. This is a 3% reduction from the previous financial year.

As whg purchases 100% green electricity and gas backed by REGOs and RGGOs respectively, our market-based emissions for the 2023/24 financial year are zero. Furthermore, whg generated 239,070 kWh of electricity through solar panels saving 50 tCO<sub>2</sub>e; this is a reduction from 380,820 kWh or 81 tCO<sub>2</sub>e in 2022/23.

whg have chosen 'Tonnes of CO<sub>2</sub>e per full time employee (FTE)' as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2023/24 was 2.58 tCO<sub>2</sub>e/FTE compared to 2.63 tCO<sub>2</sub>e/FTE in 2022/23.

**Figure 2 – Year on Year analysis (2023/24 vs 2022/23)**

Type of Emissions Activity	Units	2023/24	2022/23	YOY % Change
<b>Energy Generation</b>	(kwh)	239,070	380,820	-37%
<b>Direct (Scope 1)</b>	(kwh)	5,372,548	5,642,315	-5%
	(tCO <sub>2</sub> e)	1,143	1,189	-4%
<b>Indirect (Scope 2)</b>	(kwh)	3,694,003	3,728,640	-1%
	(tCO <sub>2</sub> e)	765	721	6%
<b>Indirect Other (Scope 3)</b>	(kwh)	288,250	291,945	-1%
	(tCO <sub>2</sub> e)	70	72	-3%
<b>Total Energy Use</b>		<b>9,354,801</b>	<b>9,662,900</b>	<b>-3.2%</b>
<b>Total Gross Emissions</b>		<b>1,978</b>	<b>1,982</b>	<b>-0.2%</b>
<b>Renewable Electricity</b>		<b>765</b>	<b>721</b>	<b>6.1%</b>
<b>Total Net Emissions</b>		<b>738</b>	<b>725</b>	<b>1.8%</b>
<b>Tonnes of Gross CO<sub>2</sub>e per FTE</b>		<b>2.58</b>	<b>2.63</b>	<b>-1.9%</b>

The year-on-year analysis outlines that there has been a reduction of 3.2% in total energy usage (kWh) as well as a 0.2% reduction in total Gross (Location Based) emissions between the 2023/24 and 2022/23 financial year. This is equivalent to 4 tCO<sub>2</sub>e.

# Financial Review

## Statement of Comprehensive Income (SOCI)

### Turnover: £135.8m

Social housing lettings contributed £119.9m to Group turnover for the year. This includes the impact of the annual rent increase and new homes developed during the year. A further £11.9m derived from Shared Ownership first tranche sales and £4m from other activities takes the total turnover to £135.8m, higher than last year's £121.1m.

### Operating surplus: £41.8m (31% operating margin)

Operating performance continues to be strong with an Operating Surplus of £41.8m (31%). Without the impact of fixed asset sales, the margin would be 26%. These are good results for the Group and demonstrate that the core financial performance is complemented by, but not dependent on, asset sales and this surplus will support investment in new and existing homes. The social housing lettings operating margin was 26% for the year which is also good performance and helps us to maintain our credit rating, a key part of our Treasury Strategy, to ensure value for money in future borrowing costs.

### Surplus for the year after tax: £32.4m

The surplus for the year after tax includes net interest and financing costs of £15.4m (2023: £20.3m), interest receivable £5.9m (2023: £3.6m) and surplus from joint venture of £0.3m (2023: £nil). The interest receivable included notional interest on pension assets of £3m.

### Total comprehensive income for the year: (£36.8m)

The net deficit for the year of £36.8m was significantly impacted by two factors.

Whilst there was a £14.2m positive movement in the value of our pension asset derived from a year-end actuarial valuation of pension assets and liabilities, there was also a derecognition of the pension asset from the Statement of Financial Position. This has resulted in a movement of £83.5m.

### Statement of Financial Position

The Statement of Financial Position demonstrates the strength and capacity of the Group to continue to deliver our strategic objectives.

### Fixed Assets: £749m

Capital expenditure is set out in Notes 12 to 14 to the Financial Statements. During the year we have invested a gross £78.8m in major works to existing properties and in developing and acquiring new homes. We have received £8.9m from the Homes England Affordable Homes Programme towards the cost of our new build programme. This combined investment can be seen in the movement in the net book value of housing assets to £721.3 from £641.6m. The year-end balance includes £61.5m relating to schemes that are already on site and will contribute to future completed home targets.

### Net Current Assets: £30.7m

Current assets have decreased by £41m. Significant movements include £39.8m reduction in investments, cash and cash equivalents due to the continued expenditure on development. Debtors due after one year has reduced by £7.3m due to the repayment of £4.9m of loans from Anthem Homes Ltd, the remaining balance is due in 2024/25. Short term creditors have reduced by £4.9m which is due to the release of social housing grant received in advance.

### Long Term Creditors: £518.4m

The net movement in long term creditors was an increase of £6.1m. The most significant element of which was an increase in deferred grant of £7.1m. There was a decrease in loan premium and amortised costs of £783k and a £240k decrease in the recycled capital grant.

### Pensions Asset: £0

whg has de-recognised last year's pension asset to align with the sector. Our underlying actuarial valuation shows an asset of £88.8m. (See Note 26 for more detail).

### Reserves: £260.3m

Reserves have decreased by £36.8m reflecting the total comprehensive income for the year. Movement in the reserves balances is further shown in the Statement of Changes in Reserves.

### Statement of Cash Flows

This statement shows that the cash inflow generated from operating activities of £62.7m. During the year we funded investment in new and existing housing assets of £94m. £31.7m was withdrawn from investments, interest of £17.6m was payable and £4.9m was repaid from the joint venture with Anthem Lovell. Overall, there has been a net cash outflow of £8.1m.



### 5-year trend analysis of key financial ratios

Statement of comprehensive income	23/24 £m	22/23 £m	21/22 £m	20/21 £m	19/20 £m
Turnover	135.8	121.1	120.5	120.8	112.2
Operating surplus	41.8	39.2	40.5	38.4	37.6
Operating margin	30.8%	32.4%	33.6%	31.8%	33.5%
Net margin	23.9%	18.2%	17.3%	22.6%	14.7%
EBITDA	50.2	45.2	46.5	46.1	41.0
EBITDA (MRI)	28.3	29.8	28.6	34.4	29.2
<b>Statement of financial position</b>					
Total net assets	779.8	810.9	780.6	646.5	618.5
Long Term Debt	395.0	395.0	450.9	401.1	402.8
Deferred Grant	101.4	94.5	82.2	69	61.3
Derivatives	-	-	-	-	9.6
Other LT Creditors	21.9	22.8	27.5	0.1	-
Pension Provision	0.3	0.3	0.2	8.7	14.2
Other Provisions	0.9	1.2	0.5	0.8	0.9
Income and expenditure reserve	260.3	297.1	219.3	166.8	129.7
	<b>779.8</b>	<b>810.9</b>	<b>780.6</b>	<b>646.5</b>	<b>618.5</b>
<b>Funding metrics</b>					
Interest cover covenant	3.1	2.4	2.1	2.11	2.12
Weighted average cost of funds	4.2%	4.2%	4.7%	4.8%	4.8%
Gearing covenant (Housing Properties at Cost)	39%	38%	39%	-	-
Gearing covenant (net debt per unit)	-	-	14.8	15.1	14.9

*Operating surplus: operating surplus for 21/22 & 20/21 includes the reclassification of gain on disposal of fixed assets and movement in fair value of investment properties.*

*EBITDA: Earnings before interest, tax, depreciation and amortisation*

*EBITDA (MRI): EBITDA with capitalised repairs spend deducted.*

*Total net assets: Fixed assets, plus current assets less creditors due within one year*

**Turnover** has steadily increased over the past five years as a result of our new build programme and rent increases. The rent settlement for 2023/24 was 7.7% resulting in an increase of £10.3m. Our **operating surpluses** and **operating margin** have come under increasing pressure over the past two years due to the high inflationary environment and government intervention in the 2022/23 rent increase, capping it at 7%. During the period we have continued to invest in delivering services and continuing to increase the supply of homes.

Our **net margin** has varied over the years, mainly due to changes in the actuarial valuation of our pension fund. The **EBITDA** (Earnings Before Interest, Tax, Depreciation and Amortisation) shows a consistently healthy position, allowing whg to continue investing in existing homes and new homes. The **EBITDA MRI** (EBITDA Major Repairs Included) shows the impact on the EBITDA with major repairs capital spend included, an indicator of earnings available to service debt used to build new homes. Performance on this indicator varies depending on the nature of investment works carried out to our homes and the scale of components replaced in any one year in order to maintain the quality of our homes.

**Total net assets** have reduced in 2023/24 for the following reasons: the derecognition of the pension asset of £83.5m, reduction of cash and investments of £39.8m offset by an increase in housing properties of £79.7m. Our deferred grant account continues to increase each time a new grant is received, made up primarily of Homes England funding for the new build programme although we also receive other grants to a lesser degree from local authorities and other government agencies.

Our funder metrics also have a track record of strong performance over the past five years. Our **interest cover** remains strong at 3 times cover and our **gearing covenant** has remained stable at 39%. Our **weighted average cost of funds** has remained unchanged at 4.2%.

### Treasury Management

The Group has a formal Treasury Management Policy and Treasury Management Strategy which are reviewed annually by the Board. The Policy provides the framework within which the Group seeks to mitigate risk relating to the borrowings and cash holdings it has at any one time.

The Strategy aims to maximise capacity within the funding structure so that the Group can continue investing in new homes and existing homes. The Group has a cautious risk appetite in relation to its debt portfolio and seeks to ensure that sufficient liquidity is available to meet foreseeable needs. Treasury activities are also supported by independent professional advice.

### Liquidity and Capital Structure

The Group finances its activities using facilities of £595m, made up of several funding sources as shown in the chart on the right. Strong liquidity is also in place as 34% (£200m) of secured facilities are currently undrawn.

### Interest Rate Risk

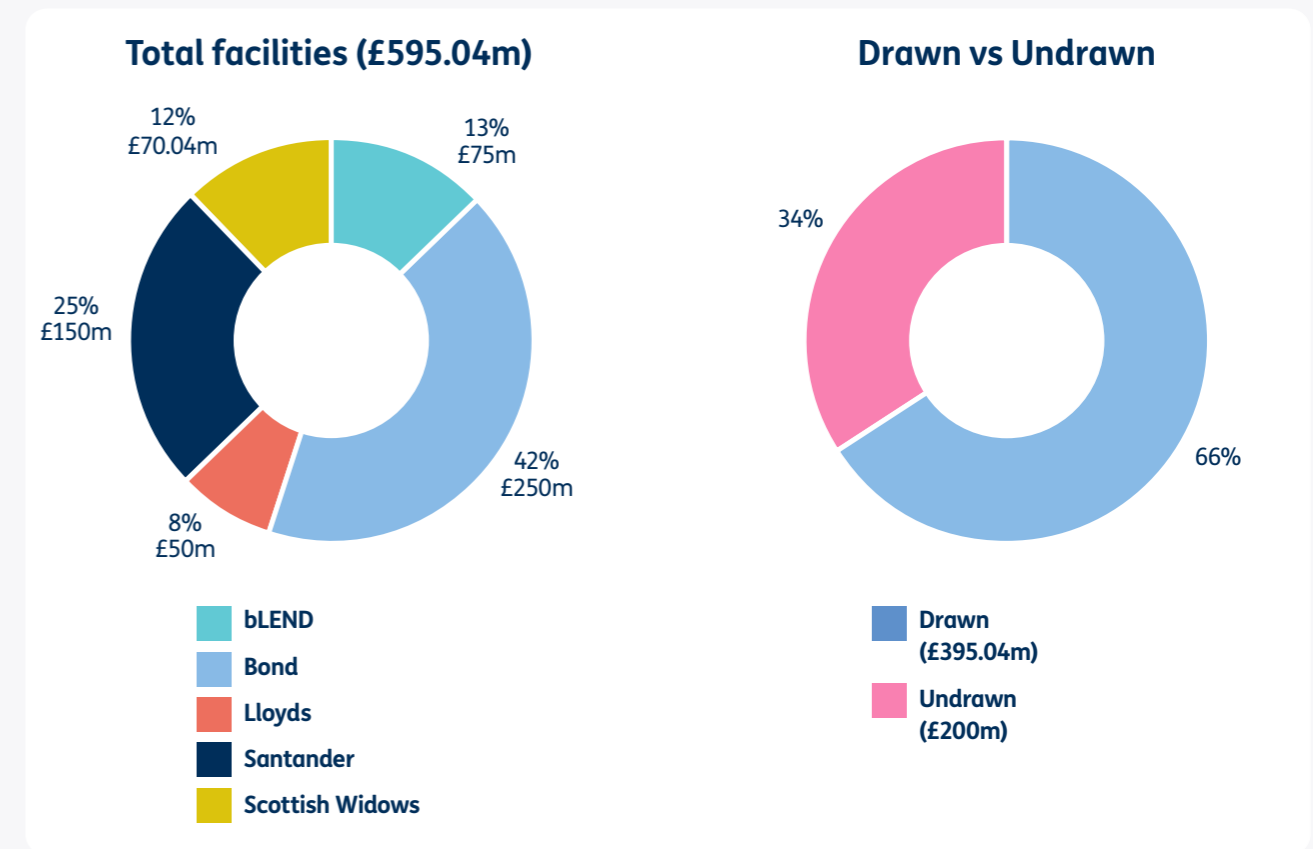
The Group manages its interest rate risk through its Treasury Policy which requires at least 60% of drawn debt to be fixed. As at 31 March 2024, 100% of debt was fixed.

### Investment Policy

Cash balances are invested on competitive term rates until required. In accordance with the Treasury Management Policy, the Group maintains a list of investment limits for approved organisations with which it will deposit funds. The ratings of the approved organisations are checked to ensure investments are not at risk. Surplus cash is mainly invested in AAA rated money market funds as well as fixed or floating deposit accounts. Rates of interest have increased during the year as these vary with Bank of England base rate and in the final quarter of the financial year the average weighted return across the portfolio was 5.2%.

### Currency Risk

The Group borrows and invests in GBP sterling only and therefore does not have any currency risk.



### Loan Covenants

The Group ensures that it operates with a prudent level of headroom on all loan covenants and monitors forecast covenant performance on a monthly basis. This is reported to the Board on a quarterly basis. The Business Plan is very resilient to these covenants with a degree of headroom. As at 31 March 2024 and throughout the year, the Group met all of its covenant targets for the financial year.

### Credit Rating

During the year Moody's upgraded our rating to A2 stable which was reaffirmed in January 2024. We have improved our rating amidst a challenging period for the Housing Association sector.

The credit strengths listed were:

- + Solid operating performance
- + Strong Interest coverage ratios
- + Strong financial management policies
- + Sustained concentration on low-risk social housing lettings
- + Supportive institutional framework in England

The Strategic Report of the Board was approved by the Board on 27 July 2023 and signed on its behalf by:

**Gary Moreton**, Chair of the Board  
1 August 2024

**Gary Fulford**, Chief Executive  
1 August 2024

# The Report of the Board

The Board presents its report and audited Financial Statements for the year ended 31 March 2024.

The Group structure, registration status and principal activities are shown in the Strategic Report.

## Board Statement of Public Benefit

The Group’s aims and activities primarily benefit people in the following ways:

- + Provision of housing at rents below market levels for those in housing need;
- + Related home repair, improvement and tenancy management services;
- + Support services that tackle social exclusion, money management and fuel poverty based on identified needs;
- + Community interest activity aimed at helping residents into work or training; promoting new enterprise and health and wellbeing in the communities we work in; and
- + Environmental initiatives that reduce our impact on the areas we work in and increase fuel efficiency for our customers.

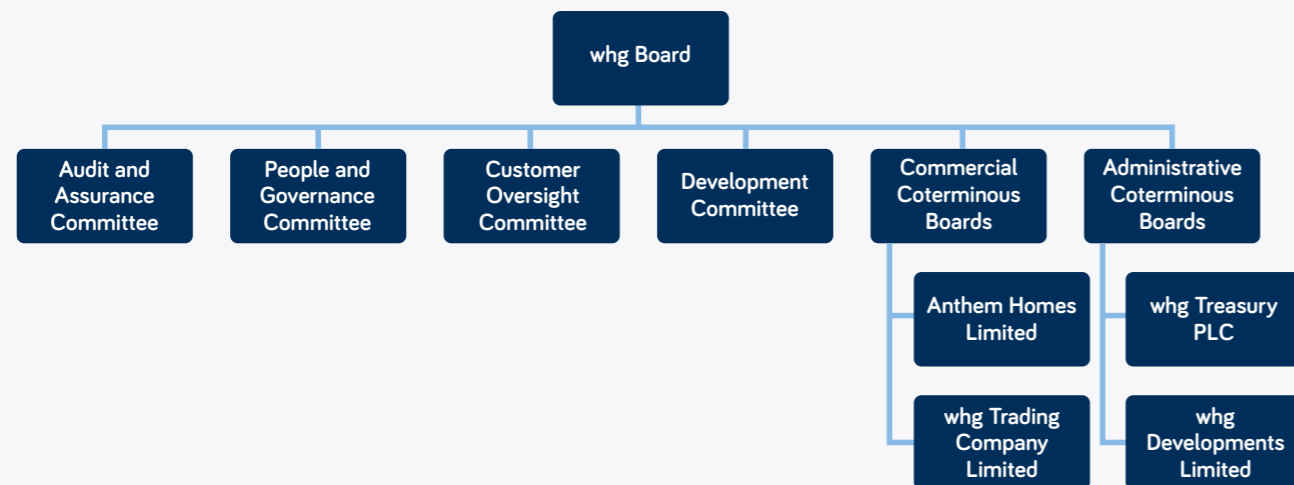
The Board has concluded that our activities are in the public interest as defined in the Charity Commission’s guidance. Our activities are restricted only in terms of our area of operation and our published policies, designed to ensure fair access to our services for all those in housing or other need.

The Board is not aware of any private benefits and has robust policies in place to prevent unintended benefits to related parties. The incidental benefits of a well-run housing service and environmental improvements are shared by our residents.

As a registered charity, the Board Members of Walsall Housing Group Limited, who are considered Trustees under charity law are responsible for ensuring compliance with all relevant charity law. We provide annual returns to the Charity Commission and have arrangements in place to obtain Trustees’ consent before disposing of assets. Any non-charitable activities are carried out in an appropriate subsidiary company.

## Governance

The Non-Executive Board Members and the Executive Directors are listed in the front of these accounts. As of 31 March 2024, the Board was made up of twelve Board Members, who are responsible for the Group’s governance. The Board meets regularly, with additional development days and training days. The Board works alongside the Executive Team which is responsible for the day to day management of the Group’s activities. The Board complies with the National Housing Federation Code of Governance 2020 and can have a maximum of 12 Members. The Board and Committee structure is summarised below:



Committee Members are appointed by the Board and each Committee is chaired by a Board Member, providing accountability to the Board.

## Complying with the National Housing Federation (NHF) Code of Governance

The Regulator of Social Housing (RSH) requires all Registered Providers (RPs) to adopt and comply with a recognised Code of Governance. The whg Board approved the adoption of the latest version of the National Housing Federation (NHF) Code of Governance 2020 from April 2021, as recommended by the Governance and Remuneration Committee (now the People and Governance Committee).

The People and Governance Committee reviewed and approved the latest self-assessment against the Code of Governance in May 2024, on the basis that it had strong assurance that whg and its subsidiaries, where applicable, are fully compliant with the NHF Code of Governance.

The subsidiaries have also adopted the Code where it is relevant.

## Board Statement on compliance with RSH’s Governance and Financial Viability Standard

The People and Governance Committee has completed an annual assessment of our compliance with the RSH’s Governance and Financial Viability Standard and reported to the Board in May 2024 that we are fully compliant in all material respects. This includes using all reasonable endeavours to ensure compliance with all relevant law, including the review of six monthly updates from an external legal advisor.

Our procedures ensure that we comply with statutory guidance in areas such as health and safety, for example, legionella testing and gas safety. whg has effective and robust governance arrangements in place that enable us to successfully deliver our Corporate Plan and improve our services to customers. Tight procedures are in place to ensure that we remain viable and that our assets are not put at risk.

## General Data Protection Regulation

whg respects an individual’s right to data privacy and data protection in line with the General Data Protection Regulation (GDPR). We are pleased to report there has been no issues with the ICO during the year.

## Board Statement on Modern Slavery

This statement is made under Section 54(1) of the Modern Slavery Act 2015. It constitutes whg’s Anti-Slavery and Human Trafficking Statement for the financial year ending 31 March 2024. This statement is approved by the Board and applies to all organisations within the Group. It is reviewed and updated annually.

whg is committed to acting ethically and with integrity in all business relationships. We have taken steps to ensure that adequate processes and controls are in place to ensure slavery and human trafficking is not taking place anywhere in our supply chains. To read the full statement, visit:

<https://www.whg.uk.com/wp-content/uploads/2024/07/whg-Anti-Slavery-and-Human-Trafficking-Statement-2023-24-Signed.pdf>

## Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of Directors of Walsall Housing Group Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 March 2024. In particular, by reference to the approval of our 2030 Plan. We work within a regulated sector and are proud to hold the highest level accreditation of G1/V1 for our governance activity and our financial viability.

## Long term consequences of our decisions

Our plan was designed to have a long-term beneficial impact on the Group and to contribute to its success in delivering quality homes and services to our customers. We will continue to operate our business within tight budgetary controls and in line with our regulatory targets. Our plan was informed by engagement with customers, enabling us to gain an understanding of their views and priorities, communicating and listening. We have a strong commitment to quality.

### Key decisions in the year to demonstrate that decision making has been supported by financial and non-financial information:

The Board approved the annual Budget in March 2024. As part of this Budget approval, the Board assessed in-depth financial information on all aspects of the business. In addition, the Board approved a long-term Business Plan and all economic assumptions made within it. The Board assessed the financial impact of numerous scenarios on the Business Plan via a comprehensive set of stress tests and mitigating actions to ensure ongoing financial viability should the economic or regulatory environment worsen. In terms of non-financial information, the Board has assessed performance information on a regular basis throughout the year and used this to determine investment decisions for the long-term Business Plan. Key examples of this include investment in technology, energy efficiency and carbon reduction measures and improvement of existing homes.

Throughout the year the Board worked on our 2030 Plan, which was finalised in March, and reviewed our achievements against our previous strategy that was set out 10 years ago. We are proud of what we achieved over the last four years and look forward to our new plan which focuses on six transformational projects that form an ambitious programme of change. They include sustainability, making places, a workplace for the future, social justice, forward-thinking services and data-driven decisions.

## Interests of our colleagues

Our colleagues are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our colleagues receive. The health, safety and wellbeing of our

colleagues are primary considerations in the way we do business. We work to attract, develop and retain the best talent, equipped with the right skills for the future. Our people have a crucial role in delivering against our strategy and creating value.

**Key decisions in the year that demonstrate protection of colleagues' interests:** The Board was deeply aware of how the current economic climate was impacting colleagues but were mindful of how any salary increase needed to be balanced against affordability and service to customers. During the year the Board worked with unions to award fair and competitive salary uplifts reflecting the current economic climate.

Regular salary benchmarking continues to take place to ensure colleagues' salaries are in line with industry norms. whg invests in pension scheme arrangements, offering a choice of schemes allowing colleagues to select the most appropriate for their circumstances. In addition, whg enhanced its Employer Value Proposition, launching a new rewards platform which enables colleagues to collaborate and acknowledge great performance.

Training on equality, diversity and inclusion has also been provided to support the culture of treating people fairly and a number of lunch and learn sessions have taken place on allyship and unconscious bias.

A robust policy framework is in place, including policies for code of conduct and health and safety, which protects colleagues. In addition, an annual engagement survey is carried out to monitor the ongoing wellbeing of teams across the business. The engagement scores are high, indicating that whg's approach to colleague management is in line with its ambition to be an employer of choice.

Last year colleagues were involved in the development of our 2030 Plan and helped shape the new values. Their feedback has ensured our values are authentic and accurately reflect the culture within whg.

whg has a voluntary recognition agreement with three trade unions: GMB, Unison and Unite. It is committed to creating and maintaining positive colleague relations. Local trade union representatives meet regularly with senior leaders via a Joint Negotiating Committee and the Health and Safety Committee.

## Business relationships with suppliers, customers and others

We also aim to act responsibly and fairly in how we engage with our suppliers. We depend on the capability and performance of our suppliers, contractors and other partners, such as small businesses to help deliver the products and services we need for our operations and our customers.

### Key decisions in the year that demonstrate relationship management with stakeholders:

whg actively engages with stakeholders during the year through various channels. An effective procurement strategy is in place which enables opportunities for suppliers of all sizes to offer their services and ongoing contract management approaches ensure that suppliers receive the level of engagement expected from whg as determined by the contractual arrangements. whg ensures all contractors have strong sustainability credentials and share similar values.

whg's new 2030 Plan is heavily focused on understanding our customers and delivering great service. During the year the Board focussed on making the authentic 'voice of the customer' a fundamental part of its decision-making. Customers were given the opportunity to influence and contribute to strategic decisions, while the Board had insight into customers' views, needs, concerns and complaints. During 2023/24, 54 customer engagement activities took place, with over 2,200 customers involved in influencing decisions, including policy, strategy, procurement and recruitment decisions.

The Board also took every opportunity to engage with customers, taking part in activities such as Customer in the Room sessions, estate walkabouts, networking and community events.

## Impact on the community and the environment

Our Corporate Plan considered the impact of the Group's operations on the community and environment and our wider societal responsibilities, and how we impact the regions we serve throughout the Midlands.

### Key decisions in the year to demonstrate our impact on the community and environment:

whg is working towards upgrading homes to a minimum EPC C rating by 2030.

This includes the start of our next phase of retrofit this year which includes partnering with Walsall Council to deliver a net zero neighbourhood accelerator plan to support sustainable communities. This goes beyond the fabric of a home and considers energy infrastructure, engagement with retrofit and what it means to a community to be sustainable.

whg continues at pace to refine its business as usual approach to include ESG, articulating how current activities meet environmental and sustainability outcomes and developing new objectives to drive future investment decisions. This has been reflected in a sustainability objective being included in the Performance Management Framework for colleagues to use where carbon literacy pledges have been made or where appropriate in their area of delivery. whg now has over 10% of colleagues accredited as carbon literate with 4 Board members including the chair also completing this training.

The ESG working group will continue to meet to provide assurance that sustainability is being managed as a strategic priority across operations and planning.

## High standards of business conduct

As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan that reflects our responsible behaviour. whg is well run and has tight budgetary controls ensuring we achieve our budgeted targets each year. This provides assurance to our lenders and investors.

**Key decisions in the year:** whg carries out an annual assessment of compliance against regulatory standards and continues to achieve a G1/V1 regulatory grading, evidencing high standards of business conduct. whg was also upgraded to an A2 rating with a stable outlook by Moody's in October 2023. In addition, the assurance framework and three lines of defence model continues to drive a strong internal control environment. There are numerous policies in place for code of conduct, standing orders and financial regulations, fraud and whistleblowing, all of which provide a clearly defined framework for business conduct.

## Act fairly between members

As a Registered Provider of social housing, a charity and not for profit organisation, the focus of our activities is to deliver housing and other support services to our customers. We are committed to act fairly and avoid conflicts of interest should they arise.

**Key decisions in the year:** We implemented the recommendations from an external review of governance arrangements conducted in 2022/23.

During the year we welcomed six new Board and Committee members to the whg governance structure. As well as bringing a wealth of skills and lived experience, our new additions have increased the diversity across our Boards and Committees.

The adoption of the NHF Code of Governance 2020 supports the efficacy of the Board acting fairly and supporting the interests of customers and colleagues. Board members act in the best interests of each company they represent ensuring each entity operates within the articles of association.

## Statement of Compliance with the SORP

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in the 2018 Update of the SORP for Registered Social Housing Providers.

## Other Information

Where information is not shown within the Report of the Board in accordance with S414c (11) Companies Act 2006 it is instead included within the Strategic Report starting on page 6. This includes the Energy and Carbon report starting on page 48.

## Qualifying Third Party Indemnity Provisions

The Directors have third party indemnity insurance through the Group.

## Going Concern

The Group has long-term debt facilities in place which provide adequate resources to finance day to day operations, reinvestment in existing homes, together with meeting our targets for new development programmes. The Board approved business plan shows the Group has liquidity in place for at least the next 40 months before refinancing is required to replace expiring debt facilities.

The Group's forecast covenant performance shows compliance throughout the life of the business plan. This is after incorporating the costs of new building safety regulations, EPC-C spend to 2030 and enhanced spend required as a result of expected changes to the Decent Homes Standard. The business plan is regularly tested against shocks and stresses that may negatively affect operating performance and a mitigation strategy exists to deal with such stresses should they materialise to ensure ongoing covenant compliance. The stress testing framework includes low level single variant tests, multi-variant tests and 'catastrophic' scenarios. The assumptions used to compile our business plan have been independently reviewed and benchmarked by a third party advisor and the Board concludes that the assumptions are appropriate and reasonable. A monthly business plan outturn is produced with updated income and expenditure profiles and any changes in assumptions such as inflation. Our Golden Rule Framework has embedded within it a process of early warning signs detected and sets out points at which the Board are notified of any change to covenant forecasts, i.e. those which reduce headroom on covenants to a pre-determined level that is still some way off an actual covenant breach, defined as a 'trigger point'. Should the monthly business plan outturn lead to activation of a trigger point, the Board would be notified so that potential corrective action can be implemented on a timely basis.

Although there is uncertainty in the operating environment, the current forecasts and projections show that the Group remains financially viable. Should a situation arise that would require additional financing to be raised ahead of approved financial forecasts, the Group has sufficient unencumbered homes to raise such debt, made up of primarily of our historic new build programme.

The Group has a very strong liquidity position with £49.9m cash holding at 31 March 2024 and with undrawn revolving facilities of £200m, so the Board is of the opinion that the Group has more than sufficient resources to meet its liabilities as they fall due.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and Financial Statements are signed. For this reason, it continues to adopt the going concern basis in the Financial Statements.

## Board Statement on the Effectiveness of Internal Control

The Board holds responsibility for establishing and maintaining adequate and effective systems of internal control and for reviewing their effectiveness.

The systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable and not absolute assurance against material misstatement or loss.

In meeting its responsibilities, the Board has adopted a risk-based approach to establishing and maintaining internal controls which are embedded within the day-to-day management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing. This is reflected in every risk report considered by each Board, as well as being the subject of regular review by the Audit and Assurance Committee.

The Board is of the opinion that internal control arrangements are effective.

The arrangements adopted by the Board in reviewing the effectiveness of the systems of internal control, together with some of the key elements of the control framework, include:

## Identifying and Evaluating Key Risks

The Audit and Assurance Committee oversees the Risk Management Framework and the work of internal and external auditors, supported by the Risk Panel, made up of directors with responsibility for the key strategic risks. The Group's Risk Management Framework approved by the Board, sets out the Group's appetite for risk in the achievement of its objectives, and underpins risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation and control of key risks.

The Executive Team regularly considers reports on these risks and the Corporate Director of Governance, Compliance and Communications is

responsible for ensuring any significant change affecting key risks is reported to the Committee.

## Control environment and internal controls

The processes to identify and manage the key risks to which the Group is exposed are an integral part of the internal control environment. Such processes, which are reviewed annually and revised where necessary, include risk assessment, strategic planning, performance monitoring, control over major spend projects, the setting of standards and compliance with health and safety, data protection, fraud prevention and detection and environmental performance information and reporting systems.

Financial reporting procedures include setting detailed budgets for the year ahead and Business Plan forecasts for subsequent years. These are approved by the Board. Budgets are monitored throughout the year by the Board. In addition, regular reports cover performance in key areas such as rent collection, managing voids, major works and responsive repairs and new development.

Monitoring arrangements to check the effectiveness of internal controls and regular reporting to management, Boards and Committees are part of the control environment.

This is complemented by regular reviews by a firm of internal auditors who provide independent assurance to the Board, via the Audit and Assurance Committee. The arrangements include a rigorous procedure, monitored by the Committee, for ensuring that corrective action is taken in relation to any significant control issues.

The Audit and Assurance Committee and Board receive an annual report on internal controls from the Group Chief Executive on behalf of the Executive Team. In addition to reports on specific areas covered by their audit plan, the internal auditors provide an annual report covering the Group as a whole, summing up findings and improvements emerging during the year and proposing future priorities. External auditors provide reports on management and control issues identified during the course of their work. These too are subject to scrutiny by the Audit and Assurance Committee on behalf of the Board.

## Fraud Assurance

The work with our internal auditors provides assurance that controls are designed to reduce the risk of fraud and to respond to suspected instances of fraudulent activity. The policies on fraud prevention and whistleblowing address any specific issues arising. These policies are reviewed regularly. We maintain a register of fraud risk, reviewed annually by the Audit and Assurance Committee and undertake fraud awareness training with colleagues. Any material frauds are reported to the Regulator of Social Housing and Charity Commission as required.

During the year there were no material frauds. Suspect activity was identified, this was fully and independently investigated, appropriate action has been taken.

## Statement of Board Responsibilities

The Board is responsible for preparing the Report of the Board, the Strategic Report and the Financial Statements in accordance with applicable law and regulations.

The Companies Act 2006 and the Housing Act 1996 require the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity and company law and the Housing Act 1996, 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 Group and the Company and of the income and expenditure of the Group and the Company for that period. In preparing those Financial Statements, the directors are required to:

- + Select suitable accounting policies and then apply them consistently;
- + Make judgements and accounting estimates that are reasonable and prudent;
- + State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and

- + Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the company will continue in business.

The Board and the Executive Team are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

## Disclosure of Information to the Auditor

Each Member of the Board has taken all the steps required of them by the Board Members' duty to exercise due care, skill and diligence in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

## Auditor

Beever and Struthers acted as our external auditors for 2023/24 and are re-appointed for 2024/25.

This report was approved by the Board and authorised for issue on 1 August 2024 and signed on its behalf by:



**Gary Moreton**  
Chair of the Board  
1 August 2024

# Independent auditor's report to the members of Walsall Housing Group Limited

## Opinion

We have audited the financial statements of Walsall Housing Group Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2024 which comprise the Consolidated Statement of Total Comprehensive Income, Consolidated Statement of Changes in Reserves, Company Statement of Financial Position, Consolidated Statement of Cash Flows and the Notes to the Financial Statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- + give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's and Association's income and expenditure for the year then ended;
- + have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- + have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in

the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other information

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



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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- + the information given in the Strategic Report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- + the Strategic Report and the Report of the Board been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Board.

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- + a satisfactory system of control over transactions has not been maintained.

### Responsibilities of the Board

As explained more fully in the Statement of Responsibilities of the Board set out on pages 54 and 55, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Extent to which the Audit was Considered Capable of Detecting Irregularities, Including Fraud.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- + We obtained an understanding of laws and regulations that affect the Group and the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation and employment legislation.
- + We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- + We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- + The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group and the Association's activities and the regulated nature of the Group and the Association's activities.
- + We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

- + We enquired of the Board about actual and potential litigation and claims.
- + We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- + In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias

### Use of our report

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

This report is made solely to the Association's members, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.



**Lee Cartwright** (Senior Statutory Auditor)

**For and on behalf of Beever and Struthers**  
Statutory Auditor and Chartered Accountants  
The Colmore Building  
20 Colmore Circus Queensway  
Birmingham B4 6AT

Date: 23 September 2024

# Consolidated Statement of Total Comprehensive Income

for the year ended 31 March 2024

	Note	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Turnover</b>	3	135,770	121,121	135,493	120,532
Operating expenditure	3	(101,614)	(91,908)	(101,719)	(92,017)
Gain on disposal of property, plant and equipment	3,6	6,762	9,290	6,762	9,290
Movement in fair value of investment properties	3,15	600	326	600	326
Share in Surplus from Joint Venture	3,33	316	414	-	-
<b>Operating surplus</b>	<b>5</b>	<b>41,834</b>	<b>39,243</b>	<b>41,136</b>	<b>38,131</b>
Interest receivable and other income	7	6,080	3,608	6,427	4,127
Interest and financing costs	8	(15,406)	(20,287)	(15,406)	(20,287)
Exceptional item	36	-	(527)	-	(527)
Gift Aid		-	-	956	343
<b>Surplus for the year before tax</b>		<b>32,508</b>	<b>22,037</b>	<b>33,113</b>	<b>21,787</b>
Taxation	11	(114)	(7)	-	-
<b>Surplus for the year after tax</b>		<b>32,394</b>	<b>22,030</b>	<b>33,113</b>	<b>21,787</b>
<b>Other comprehensive income/(expenditure):</b>					
Remeasurements – Actuarial gain in respect of pension schemes	26	14,246	55,822	14,246	55,822
Derecognition of pension asset	26	(83,512)	-	(83,512)	-
<b>Total comprehensive income for the year</b>		<b>(36,872)</b>	<b>77,852</b>	<b>(36,153)</b>	<b>77,609</b>

The consolidated Financial Statements on pages 66 to 117 were approved by the Board on 1 August 2024.



**Gary Moreton**  
Chair



**Gary Fulford**  
Group Chief Executive

The consolidated results relate wholly to continuing activities. The accompanying Notes form part of these Financial Statements.

# Consolidated Statement of Changes in Reserves

for the year ended 31 March 2024

	Income and expenditure reserve £'000
Balance as at 1 April 2022	219,280
Surplus for the year	22,030
Other comprehensive income/(expenditure) for the year:	
Actuarial gain in respect of the pension scheme	55,822
<b>Balance at 31 March 2023</b>	<b>297,132</b>
Surplus for the year	32,394
Other comprehensive income/(expenditure) for the year:	
Actuarial gain/(loss) in respect of the pension scheme	14,246
Derecognition of pension asset	(83,512)
<b>Balance at 31 March 2024</b>	<b>260,260</b>

# Company Statement of Changes in Reserves

for the year ended 31 March 2024

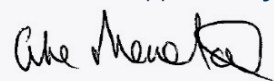
	Income and expenditure reserve £'000
Balance as at 1 April 2022	237,757
Surplus for the year	21,787
Other comprehensive income/(expenditure) for the year:	
Actuarial gain in respect of the pension scheme	55,822
<b>Balance at 31 March 2023</b>	<b>315,366</b>
Surplus for the year	33,113
Other comprehensive income/(expenditure) for the year:	
Actuarial gain/(loss) in respect of the pension scheme	14,246
Derecognition of pension asset	(83,512)
<b>Balance at 31 March 2024</b>	<b>279,213</b>

# Consolidated Statement of Financial Position

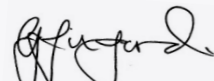
At 31 March 2024

	Note	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Fixed Assets</b>					
Intangible assets	12	935	1,935	935	1,935
Tangible fixed assets - Housing Properties	13	720,989	641,612	740,565	660,662
Tangible fixed assets - Other Fixed Assets	14	13,875	14,915	13,875	14,915
Investment properties	15	11,655	11,055	11,655	11,055
HomeBuy loans receivable	16	107	137	107	137
Investment in Subsidiaries	17	-	-	100	100
Investment in Joint Venture	33	1463	948	-	-
Other Investments		20	20	20	20
		<b>749,044</b>	<b>670,622</b>	<b>767,257</b>	<b>688,824</b>
<b>Current Assets</b>					
Properties held for sale	18	5,333	6,157	3,491	4,367
Trade and other debtors	19	10,649	8,748	12,764	9,886
Debtors due in more than one year	20	0	7,298	2,821	10,019
Investments	34	2,702	34,404	2,702	34,404
Cash and cash equivalents	34	47,245	55,378	44,771	53,383
		<b>65,929</b>	<b>111,985</b>	<b>66,549</b>	<b>112,059</b>
<b>Creditors: Amounts falling due within one year</b>	21	(35,208)	(40,118)	(35,079)	(40,146)
<b>Net current assets</b>		<b>30,721</b>	<b>71,867</b>	<b>31,470</b>	<b>71,913</b>
Pension Asset	26	-	68,396	-	68,396
<b>Total assets less current liabilities</b>		<b>779,765</b>	<b>810,885</b>	<b>798,727</b>	<b>829,133</b>
<b>Creditors: Amounts falling due after more than one year</b>	22	(518,379)	(512,248)	(518,388)	(512,262)
<b>Provisions for liabilities</b>					
Defined Benefit Pension provision	26	(269)	(270)	(269)	(270)
Other provision	27	(857)	(1,235)	(857)	(1,235)
<b>Total net assets</b>		<b>260,260</b>	<b>297,132</b>	<b>279,213</b>	<b>315,366</b>
<b>Reserves</b>					
Income and expenditure reserves		260,260	297,132	279,213	315,366
<b>Total Reserves</b>		<b>260,260</b>	<b>297,132</b>	<b>279,213</b>	<b>315,366</b>

The accompanying Notes form part of these Financial Statements. The Financial Statements on pages 66 to 117 were approved by the Board and authorised for issue on 1 August 2024 and are signed on its behalf by:



**Gary Moreton**  
Chair



**Gary Fulford**  
Group Chief Executive

# Consolidated Statement of Cash Flows

for the year end 31 March 2024

	Note	2024 £'000	2023 £'000
<b>Net cash generated from operating activities</b>	29	<b>62,739</b>	<b>65,766</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets - housing properties		(93,600)	(70,369)
Purchase of tangible fixed assets - other		(1,351)	(3,506)
Loan from/(to) non-group entity		4,973	5,000
Repayment of Homebuy Loan		30	-
Grants received		2,083	2,987
Interest received		2,887	3,446
		<b>(84,978)</b>	<b>(62,442)</b>
<b>Cash flow from financing activities</b>			
Interest paid		(17,596)	(23,247)
Repayment of loan		-	(68,367)
Withdrawal from deposits		31,702	(6,134)
		<b>14,106</b>	<b>(97,748)</b>
<b>Net change in cash and cash equivalents</b>		<b>(8,133)</b>	<b>(94,424)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>55,378</b>	<b>149,802</b>
<b>Cash and cash equivalents at end of the year</b>		<b>47,245</b>	<b>55,378</b>

The accompanying Notes form part of these Financial Statements. A reconciliation of net debt is shown in Note 29A.

# Notes to the Financial Statements

## 1. Legal Status

Walsall Housing Group Limited is a company limited by guarantee, registered under the Companies Act 2006 and is an English registered charity and social housing provider. Walsall Housing Group is a public benefit entity. The Company's registered office address and principal place of business is: 100 Hatherton Street, Walsall, WS1 1AB.

Walsall Housing Group's principal activities and the nature of the Company's operations can be found in the Group profile on page 4. Walsall Housing Group (the Group) comprises the following entities:

Name	Incorporation	Registration
Walsall Housing Group Limited*	Limited by Guarantee	Reg. No. 04015633
	Registered Provider	Reg. No. L4389
	Registered Charity	Reg. No. 1108779
whg Trading Company Limited	Limited by Shares	Reg. No. 09138070
Anthem Homes Limited	Limited by Shares	Reg. No. 07872595
Cricket Close LLP	Limited by Shares	Reg. No. 05407219
The Woodlands Management Company (Harrowby) Limited	Limited by Shares	Reg. No. 10591652
Cricket Close LLP	Limited Liability Partnership	Reg. No. OC417013
The Woodlands Management Company (Harrowby) Limited	Limited by Guarantee	Reg No. 097211558

\*Walsall Housing Group Limited also has 50% share (via the Anthem Homes subsidiary) in a joint venture Anthem Lovell LLP (Registration number OC425694). This is not a subsidiary of the Group.

## 2. Accounting policies

### Basis of Accounting

The consolidated Financial Statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): "Accounting by Registered Social Landlords" updated in 2018 and comply with the Accounting Direction for Private Registered providers of Social Housing 2022 (the Accounting Direction). They have been prepared under the historical cost convention, modified to include certain financial instruments and investment properties at fair value.

Monetary amounts in these Financial Statements are rounded to the nearest whole £1,000, except where otherwise indicated.

The Board is satisfied that the current accounting policies are the most appropriate for the Group.

### Basis of Consolidation

The consolidated Financial Statements incorporate those of the Company and all its subsidiaries (i.e. entities that the Group controls though its power to govern the financial and operating policies to obtain economic benefits). All Financial Statements are made up to 31 March 2024.

All intra-Group transactions and balances between Group companies are eliminated on consolidation. The wholly owned subsidiaries which are consolidated are listed at 1 above.

### Joint Ventures

An entity is treated as a joint venture where a member of the Group holds an interest and shares control under a contractual agreement with one or more parties external to the Group. In the Group accounts, joint ventures are accounted for using the equity method. Under this method, where the venture itself is not a parent, the fair value model is adopted, and an equity investment is initially recognised at the transaction price (including transaction costs). Changes in fair value are recognised where it is practicable to do so. Where it is impracticable to measure fair value reliably or without undue cost or effort, the cost model will be used in accordance with the provisions of FRS 102. Dividends and other distributions will be recognised in Anthem Homes Ltd accordingly. At group level this will reduce the carrying amount of the investment.

### Reduced Disclosures

The individual accounts of Walsall Housing Group Limited have adopted the following disclosure exemptions:

- + the requirement to present a statement of cash flows and related notes
- + financial instrument disclosures, including:
  - categories of financial instruments;
  - items of income, expenses, gains or losses relating to financial instruments; and
  - exposure to and management of financial risks.

### Going Concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The Group financial plan has been subjected to a wide range of stress tests. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

### Turnover and Revenue Recognition

Turnover represents rental income receivable in the year, grant income, service charges, first tranche Shared Ownership sales and other goods and services supplied in the year (excluding VAT) and the amortisation of Deferred Capital Grant.

Rental and service charge income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale is recognised at the legal completion of the sale.

### Other Income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Investment income is recognised on an accruals basis.

## Intangible Fixed Assets

Intangible fixed assets are stated at cost less accumulated amortisation.

Amortisation is provided evenly on the cost of intangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal period used for intangible assets is seven years.

## Tangible Fixed Assets – Housing Properties

Housing properties are properties for the provision of social housing and are principally properties available for rent and Shared Ownership.

Completed housing and Shared Ownership properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period. Only the direct overhead costs including interest associated with new developments or improvements are capitalised.

Housing properties are transferred at cost to completed properties when they are ready for letting.

Works to existing properties are capitalised when they either replace a component that has been treated separately for depreciation purposes, or are improvement works that enhance the economic benefits of the asset. Such enhancements can occur if improvements result in any of the following:

- + an increase in rental income;
- + a material reduction in future maintenance costs;
- + a significant extension to the life of the property.

Shared Ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset, and related sales proceeds are included in turnover and related costs charged to operating costs. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Disposals of the second and subsequent tranches are treated as fixed asset disposals in the normal manner and the resultant surplus is shown within “surplus/ (deficit) on disposal of property, plant and equipment”.

Under Shared Ownership arrangements, the Group disposes of a long lease of Shared Ownership housing units to persons who occupy them, at between 25% and 75% of value. The occupier has the right to purchase further proportions at the current valuation up to 100%, except where the lease specifically states that for certain homes restricted to over 55s they can only purchase up to 75%.

## Right to Buy and Right to Acquire Disposals

For homes sold through a Right to Buy or Right to Acquire, the disposal net proceeds are included in the surplus on disposal of housing properties in the Statement of Comprehensive Income and become part of the income and expenditure reserve and used towards investment in our core activities. The sales are included as part of our operating surplus.

## Voluntary Right to Buy Disposals

For homes sold under the scheme the proceeds will be retained by whg to fund replacement homes. The discount received by the tenant will be claimed back by whg from Homes England. We will claim back any transaction cost i.e. legal costs and debt associated with the property, and the net cash amount will be held as a designated reserve to fund replacement properties as disclosed in Note 35.

## Investment Properties

Investment properties consist of market rent housing properties. These properties are initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in the Statement of Comprehensive Income.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Board considers that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view. If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the surplus for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

## Government Grants

Government grants include grants receivable from Homes England, local authorities and other Government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Government grants relating to revenue are recognised in income over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets or liabilities. Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors. Previously amortised Social Housing Grant on disposed of properties is credited to the RCGF through a charge to the surplus on disposal.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income. Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the Statement of Comprehensive Income upon disposal of the associated property.

Government grants that impose specified future performance-related conditions on the Company are recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

## Other Grants

Grants received from other sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Company is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

## Depreciation of Housing Properties

Freehold land or assets under construction are not depreciated.

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

The Group depreciates the major components of its housing properties based on the following:

Building Components	Years
Structure / Roofing / Bin Chutes	100 or 125
Windows and Doors	27-30
Kitchens	18-20
Bathrooms	27-30
Central Heating	27-30
Boilers	10-15
Rewiring	22-25
External Wraps	35-40
Lifts	25
Door Entry Systems	20
Lift Maintenance	10

## Impairments of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the recoverable amount of the asset is estimated.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in Statement of Comprehensive Income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

## Other Tangible Fixed Assets

Tangible fixed assets are initially measured at cost, and subsequently net of depreciation. Expenditure under £500 is not capitalised and is treated as revenue expenditure. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Other Assets	Years
Office buildings	50
IT	4-15
Furniture & office equipment	10
Motor Fleet vehicles	10
Motor Other vehicles	2-4
Office improvements	4-8

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

## Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less.

## Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

Bond discount costs are accrued on an amortised cost basis to build up the total discount payable in proportion to the outstanding capital over the life of the bond.

Loan and bond issue costs are deducted from the capital owed and amortised using the amortised cost basis to charge them to income in proportion to the outstanding capital.

## Taxation

Walsall Housing Group Limited has charitable status and is registered with the Charity Commission and is therefore exempt from paying corporation tax on charitable activities.

whg Trading Company Limited, whg Developments Limited, whg Treasury PLC, Anthem Homes Limited and Cricket Close LLP are not registered as charities and therefore corporation tax would be provided on taxable surpluses should they arise.

## Deferred Taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

## Value Added Tax (VAT)

The Company and the Group are included in a Group VAT registration, which covers Walsall Housing Group Limited and whg Trading Company Limited.

whg Developments Limited and Cricket Close LLP each have separate registrations. whg Treasury PLC, Anthem Homes Limited and The Woodlands Management Company (Harrowby) Limited are not registered for VAT.

The group expenditure is subject to VAT in different ways: -

- + The majority of the Group expenditure is subject to VAT which cannot be reclaimed. Expenditure is therefore shown inclusive of VAT.
- + Although a large proportion of the Group's income is exempt from VAT, the Group charges VAT on some of its income and can recover VAT on directly attributable costs.
- + The Group is also able to recover part of the VAT it incurs on overhead expenditure in line with a partial exemption method agreed with HM Revenue and Customs (HMRC) and the recovered amounts are disclosed in turnover.

## Interest Payable

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

- + interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
- + a fair amount of interest on borrowings of the Group as a whole after deduction of social housing grant received in advance to the extent that they can be deemed to be financing the development programme.

## Leases

All leases are operating leases and the annual rentals are charged to income and expenditure on a straight-line basis over the lease term.

## Colleague Benefits

The costs of short-term colleague benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement at 31 March is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when whg is demonstrably committed to terminate the employment of the employee or to provide termination benefits.

## Retirement Benefits

### Defined benefit plans

The Group participates in two funded multi-employer defined benefit schemes, the Social Housing Pension Scheme (SHPS) which is administered independently by the Pensions Trust, and the West Midlands Metropolitan Authorities Pension Fund (WMMAPF), a multi-employer scheme with more than one participating employer and administered under the regulations governing the Local Government Pension Scheme (LGPS).

Liabilities relating to whg's share of the SHPS and LGPS scheme are included on the Statement of Financial Position. Assets are only included up to the extent to which an Asset Ceiling report demonstrated they are recoverable.

The cost of providing benefits is determined using the projected unit credit method and actuarial assumptions are applied to calculate the liabilities with the effect of any changes in assumptions taken through 'Other Comprehensive Income'.

The net defined benefit liability / asset represents the present value of the defined benefit obligation less the fair value of plan assets out of which obligations are to be settled.

Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The following are recognised in the Statement of Comprehensive Income:

- + The change in the net defined benefit liability arising from colleague service during the year is recognised as an employee cost.
- + The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- + Net interest on the defined benefit asset/liability is calculated by multiplying the fair value of the net plan asset / liability at the beginning of the period by the rate to discount the benefit obligations.

The difference between the interest income / cost calculated on the net plan liability / asset and the actual return on the plan assets is recognised in other comprehensive income.

## HomeBuy

The Group operates the HomeBuy scheme, lending a percentage of the cost to home purchasers, secured on the property. HomeBuy loans are treated within these Financial Statements as concessionary loans.

The loans are interest free and repayable only on the sale of the property. No HomeBuy grant has been received by the Company. On a sale, the fixed percentage of the proceeds is repaid. Therefore, no impairment exists at the reporting date.

## Financial Instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## Financial Assets

### Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure

## Financial Liabilities

### Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

### Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges. Commitments to receive a loan are measured at cost less impairment.

### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## Provisions

The Group recognises provisions where it has an obligation at the reporting date as a result of a past event, which it is probable, will result in the transfer of economic benefits and that obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Defined Benefit Obligation (DBO) – WMMAPF

whg's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 26).

During the year whg derecognised its pension assets, capping them to zero based on the Asset Ceiling report provided by the actuary.

#### Defined Benefit Obligation (DBO) – SHPS

whg's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate anticipation of future salary increases and the roll forward of actuarial information to 31 March 2024. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 26).

#### Fair value measurement

whg uses valuation techniques to determine the fair value of non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices.

Fair value measurements were applied to investment properties (Note 15).

#### Useful lives of depreciable assets

whg reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utilisation of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utilisation of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.



## Critical areas of judgement

### Impairment

On an annual basis we review for potential impairment. An impairment review was carried out which included the impact of failure of three contractors on our development schemes. The detailed assessment concluded that the schemes remain viable, and no impairment was necessary.

More generally, we estimated the recoverable amount of our housing properties as follows:

- + determined the level at which recoverable amount is to be assessed (i.e., the asset level or cash generating unit (CGU) level). The CGU level was determined to be an individual scheme.
- + estimated the recoverable amount of the cash-generating unit.
- + calculated the carrying amount of the cash-generating unit and
- + compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

Based on this assessment, we have concluded that there continues to be no impairment of our social housing properties.

### Capitalisation of property development costs

Distinguishing the point at which a project is more than likely not to continue, allowing capitalisation of associated development costs requires judgement.

### Fire Safety

whg undertakes regular fire risk assessments on all of its high-rise and low-rise blocks to ensure compliance with fire safety standards, taking into consideration the specific facts and circumstances of each block we have concluded that no financial provision is required.



## 3a. Particulars of turnover, cost of sales, operating costs and operating surplus

2024							
Group – continuing activities	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus on Disposal £'000	Revaluation of Investment Property £'000	Share in Surplus from Joint Venture £'000	Operating Surplus £'000
<b>Social housing lettings</b>	119,946	-	(88,637)	-	-	-	31,309
<b>Other social housing activities</b>							
First tranche low cost home ownership sales	11,980	(9,867)	-	-	-	-	2,113
Gain on disposal of property, plant and equipment	-	-	-	6,762	-	-	6,762
Charges for support services	-	-	-	-	-	-	-
Development costs	-	-	(1,007)	-	-	-	(1,007)
Other social housing grants	977	-	-	-	-	-	977
VAT recoverable	182	-	-	-	-	-	182
Other social housing	617	-	(269)	-	-	-	348
	<b>133,702</b>	<b>(9,867)</b>	<b>(89,913)</b>	<b>6,762</b>	<b>-</b>	<b>-</b>	<b>40,684</b>
<b>Activities other than Social Housing</b>							
Non social housing lettings	1,040	-	(604)	-	-	-	436
Non social housing grants	330	-	(828)	-	-	-	(498)
Outright property sale	-	-	-	-	-	-	-
Other non social housing	698	-	(402)	-	-	-	296
Share in Surplus from Joint Venture	-	-	-	-	-	316	316
Increase in valuation of Investment Properties	-	-	-	-	600	-	600
	<b>135,770</b>	<b>(9,867)</b>	<b>(91,747)</b>	<b>6,762</b>	<b>600</b>	<b>316</b>	<b>41,834</b>

2023							
Group – continuing activities	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus on Disposal £'000	Revaluation of Investment Property £'000	Share in Surplus from Joint Venture £'000	Operating Surplus £'000
Social housing lettings	109,613	-	(82,548)	-	-	-	27,065
<b>Other social housing activities</b>							
First tranche low cost home ownership sales	7,082	(5,790)	-	-	-	-	1,292
Gain on disposal of property, plant and equipment	-	-	-	9,290	-	-	9,290
Charges for support services	-	-	-	-	-	-	-
Development costs	-	-	(907)	-	-	-	(907)
Other social housing grants	436	-	-	-	-	-	436
VAT recoverable	100	-	-	-	-	-	100
Other social housing	632	-	(347)	-	-	-	285
	<b>117,863</b>	<b>(5,790)</b>	<b>(83,802)</b>	<b>9,290</b>	<b>-</b>	<b>-</b>	<b>37,561</b>
<b>Activities other than Social Housing</b>							
Non social housing lettings	976	-	(188)	-	-	-	788
Non social housing grants	627	-	(1,226)	-	-	-	(599)
Outright property sale	615	(599)	-	-	-	-	16
Other non social housing	1,040	-	(303)	-	-	-	737
Share in Surplus from Joint Venture	-	-	-	-	-	414	414
Increase in valuation of Investment Properties	-	-	-	-	326	-	326
	<b>121,121</b>	<b>(6,389)</b>	<b>(85,519)</b>	<b>9,290</b>	<b>326</b>	<b>414.00</b>	<b>39,243</b>

### 3b. Particulars of turnover, cost of sales, operating costs and operating surplus

2024						
Company – continuing activities	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of housing properties £'000	Revaluation of Investment Property £'000	Operating Surplus £'000
Social housing lettings	119,946	-	(88,805)	-	-	31,141
<b>Other social housing activities</b>						
First tranche low cost home ownership sales	11,980	(9,867)	-	-	-	2,113
Gain on disposal of property, plant and equipment	-	-	-	6,762	-	6,762
Charges for support services	-	-	-	-	-	-
Development costs	-	-	(998)	-	-	(998)
Other social housing grants	977	-	-	-	-	977
VAT recoverable	182	-	-	-	-	182
Other social housing	768	-	(270)	-	-	498
	<b>133,853</b>	<b>(9,867)</b>	<b>(90,073)</b>	<b>6,762</b>	<b>-</b>	<b>40,675</b>
<b>Activities other than Social Housing</b>						
Non social housing lettings	1,040	-	(605)	-	-	435
Non social housing grants	330	-	(828)	-	-	(498)
Outright property	-	-	-	-	-	-
Other non social housing	270	-	(346)	-	-	(76)
Increase in valuation of Investment Properties	-	-	-	-	600	600
	<b>135,493</b>	<b>(9,867)</b>	<b>(91,852)</b>	<b>6,762</b>	<b>600</b>	<b>41,136</b>

2023						
Company – continuing activities	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of housing properties £'000	Revaluation of Investment Property £'000	Operating Surplus £'000
<b>Social housing lettings</b>	109,613	-	(82,719)	-	-	26,894
<b>Other social housing activities</b>						
First tranche low cost home ownership sales	7,082	(5,790)	-	-	-	1,292
Gain on disposal of property, plant and equipment	-	-	-	9,290	-	9,290
Charges for support services	-	-	-	-	-	-
Development costs	-	-	(904)	-	-	(904)
Other social housing grants	436	-	-	-	-	436
VAT recoverable	100	-	-	-	-	100
Other social housing	751	-	(347)	-	-	404
	<b>117,982</b>	<b>(5,790)</b>	<b>(83,970)</b>	<b>9,290</b>	<b>-</b>	<b>37,512</b>
<b>Activities other than Social Housing</b>						
Non social housing lettings	976	-	(188)	-	-	788
Non social housing grants	627	-	(1,226)	-	-	(599)
Outright property	615	(599)	-	-	-	16
Other non social housing	332	-	(244)	-	-	88
Increase in valuation of Investment Properties	-	-	-	-	326	326
	<b>120,532</b>	<b>(6,389)</b>	<b>(85,628)</b>	<b>9,290</b>	<b>326</b>	<b>38,131</b>

Included within social housing lettings operating expenditure are non-cash amounts that relate to FRS 102 assumptions in respect of the pension funds for 'current service costs' and 'curtailments' of £2.3m (2023: £5.4m). This non-cash financial assumption is derived by the scheme actuaries.

### 3c. Particulars of income and expenditure from social housing lettings

Group				2024	2023
	General needs housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total £'000	Total £'000
Rent receivable net of identifiable service charges	108,363	1,717	2,290	112,370	103,260
Service charge income	5,119	340	657	6,116	5,038
Amortised government grants	1,292	-	-	1,292	1,135
Other Income	-	168	-	168	180
<b>Turnover from social housing lettings</b>	<b>114,774</b>	<b>2,225</b>	<b>2,947</b>	<b>119,946</b>	<b>109,613</b>
Management	(22,490)	(371)	(125)	(22,986)	(26,996)
Service charge costs	(6,334)	(465)	(473)	(7,272)	(7,624)
Routine maintenance	(13,165)	(216)	-	(13,381)	(12,534)
Planned maintenance	(20,019)	(328)	-	(20,347)	(18,323)
Major repairs expenditure	(9,449)	(155)	-	(9,604)	(4,307)
Bad debts	(466)	(7)	17	(456)	(662)
Depreciation of housing properties	(14,039)	(235)	(317)	(14,591)	(12,102)
<b>Operating expenditure on social housing lettings</b>	<b>(85,962)</b>	<b>(1,777)</b>	<b>(898)</b>	<b>(88,637)</b>	<b>(82,548)</b>
<b>Operating surplus on social housing lettings</b>	<b>28,812</b>	<b>448</b>	<b>2,049</b>	<b>31,309</b>	<b>27,065</b>
<b>Void losses</b>	<b>(1,363)</b>	<b>(1)</b>	<b>-</b>	<b>(1,364)</b>	<b>(726)</b>

### 3d. Particulars of Income and Expenditure from Social Housing Lettings

Company				2024	2023
	General needs housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total £'000	Total £'000
Rent receivable net of identifiable service charges	108,363	1,717	2,290	112,370	103,260
Service charge income	5,119	340	657	6,116	5,038
Amortised government grants	1,292	-	-	1,292	1,135
Other grants	-	168	-	168	180
<b>Turnover from social housing lettings</b>	<b>114,774</b>	<b>2,225</b>	<b>2,947</b>	<b>119,946</b>	<b>109,613</b>
Management	(22,496)	(371)	(125)	(22,992)	(27,003)
Service charge costs	(6,336)	(465)	(473)	(7,274)	(7,626)
Routine maintenance	(13,168)	(216)	-	(13,384)	(12,538)
Planned maintenance	(20,025)	(328)	-	(20,353)	(18,329)
Major repairs expenditure	(9,450)	(155)	-	(9,605)	(4,308)
Bad debts	(466)	(7)	17	(456)	(662)
Depreciation of housing properties	(14,186)	(238)	(317)	(14,741)	(12,253)
<b>Operating expenditure on social housing lettings</b>	<b>(86,127)</b>	<b>(1,780)</b>	<b>(898)</b>	<b>(88,805)</b>	<b>(82,719)</b>
<b>Operating surplus on social housing lettings</b>	<b>28,647</b>	<b>445</b>	<b>2,049</b>	<b>31,141</b>	<b>26,894</b>
<b>Void losses</b>	<b>(1,363)</b>	<b>(1)</b>	<b>-</b>	<b>(1,364)</b>	<b>(732)</b>

### 3e. Particulars of turnover from non-social housing lettings

	Group and Company	
	2024 £'000	2023 £'000
Market rented housing properties	694	636
Garage rents	346	340
	<b>1040</b>	<b>976</b>

### 4. Accommodation in management and development

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

Group and Company	2024 Number	2023 Number
<b>Social housing</b>		
General housing:		
- social rent	18,122	18,063
- affordable rent	2,476	2,287
Supported housing	345	286
Low cost home ownership	791	680
<b>Total owned</b>	<b>21,734</b>	<b>21,316</b>
Leasehold properties	666	659
<b>Total managed</b>	<b>22,400</b>	<b>21,975</b>
<b>Non-social housing</b>		
Market rented housing properties	101	101
<b>Total owned and managed</b>	<b>101</b>	<b>101</b>
<b>Accommodation in development at the year end</b>	<b>638</b>	<b>956</b>

The Group owns 30 commercial properties (2023:30).

### 5. Operating Surplus

The operating surplus is arrived at after charging/(crediting):

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amortisation of deferred capital grant	(1,302)	(1,145)	(1,302)	(1,145)
Non government grant	(168)	(180)	(168)	(180)
Amortisation of intangible fixed assets	459	462	459	462
Depreciation of housing properties	14,591	12,102	14,741	12,253
Depreciation of other tangible fixed assets	1,597	909	1,597	909
<b>Operating lease rentals:</b>				
- land and buildings	55	55	55	55
- vehicles and equipment	56	56	56	56
<b>Auditor's remuneration (including non recoverable VAT)</b>				
- Fees payable to the Company's auditor for the audit of the Financial Statements	104	104	82	82
- Fees payable to the Company's auditor for other services:	-	-	-	-
<b>Total audit services</b>	<b>104</b>	<b>104</b>	<b>82</b>	<b>82</b>

## 6. Surplus on disposal of property, plant and equipment

Included in the Operating Surplus (Note 3)	Group and Company	
	2024 £'000	2023 £'000
Disposal proceeds	9,258	13,115
Carrying value of fixed assets	(2,411)	(2,694)
Other costs of sale	(85)	(1,131)
<b>Surplus on disposal</b>	<b>6,762</b>	<b>9,290</b>

	Group and Company					
	2024			2023		
	£'000	£'000	£'000	£'000	£'000	£'000
	Proceeds	Cost of Sale	Surplus	Proceeds	Cost of Sale	Surplus
AHO/LCHO Staircasing	1,319	(892)	427	1,636	(1,149)	487
RTB Sales	2,385	(405)	1,980	3,802	(651)	3,151
RTA Sales	4,140	(818)	3,322	6,113	(987)	5,126
Other Housing Property Sales	647	(59)	588	19	-	19
Sale of Other Assets	767	(322)	445	1,545	(1,038)	507
<b>Total</b>	<b>9,258</b>	<b>(2,496)</b>	<b>6,762</b>	<b>13,115</b>	<b>(3,825)</b>	<b>9,290</b>

## 7. Interest receivable and similar income

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank interest receivable	2,846	2,996	2,790	2,978
Net interest receivable on the net defined benefit liability	3,193	421	3,193	421
Interest receivable from subsidiaries and joint ventures	41	191	444	728
	<b>6,080</b>	<b>3,608</b>	<b>6,427</b>	<b>4,127</b>

## 8. Interest and financing costs

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Net interest payable on the net defined benefit liability	12	5	12	5
Bond and loan interest	17,534	21,357	17,534	21,357
Premium/discount amortised	(843)	(683)	(843)	(683)
Amortisation of issue costs and commitment fees	358	533	358	533
	<b>17,061</b>	<b>21,212</b>	<b>17,061</b>	<b>21,212</b>
Interest payable capitalised on housing properties under construction	(1,655)	(925)	(1,655)	(925)
	<b>15,406</b>	<b>20,287</b>	<b>15,406</b>	<b>20,287</b>
Capitalisation rate used to determine the finance costs capitalised during the period	4.20%	4.20%	4.20%	4.20%

Amounts included within the above that relate to the public bond are owed to whg Treasury Plc from the Company.

## 9. Employees

Average monthly number of employees expressed as full-time equivalents (calculated based on a standard working week of 37 hours):

Group and Company	2024 No.	2023 No.
Administration	168	202
Development	27	25
Housing, support and care	534	521
<b>Average monthly FTE</b>	<b>729</b>	<b>748</b>

Group and Company	2023 No.	2023 No.
Administration	176	212
Development	28	27
Housing, support and care	552	539
<b>Average monthly headcount</b>	<b>756</b>	<b>778</b>

	2023 £'000	2023 £'000
Wages and salaries*	30,284	29,576
Social security costs	3,148	3,103
Other pension costs	4,340	7,318
<b>Total Employee Costs</b>	<b>37,772</b>	<b>39,997</b>

\*Includes redundancy costs of £472k (2023: £947k).

The Company's employees are members of the West Midlands Pension Fund (WMPF) or of the Social Housing Pension Scheme (SHPS). Further information on each scheme is given in Note 26.

The full-time equivalent number of colleagues who received remuneration (which includes basic, pension contributions and benefits in kind expenditure and the note includes the Directors) in excess of £59,999:

	2024 No.	2023 No.
£60,000 - £70,000	25	19
£70,001 - £80,000	15	6
£80,001 - £90,000	7	3
£90,001 - £100,000	1	7
£100,001 - £110,000	4	2
£110,001 - £120,000	1	2
£120,001 - £130,000	1	3
£130,001 - £140,000	1	1
£140,001 - £150,000	1	1
£150,001 - £160,000	0	1
£160,001 - £170,000	1	0
£170,001 - £180,000	0	0
£180,001 - £190,000	1	1
£200,001 - £210,000	0	1
£210,001 - £220,000	1	0
£240,001 - £250,000	0	1
£250,001 - £260,001	0	0
£260,001 - £270,000	1	1

## 10. Key management personnel

The Directors are defined for the purpose of this Note as the Members of the Board and Executive Directors of the Group, the latter having executive responsibility. This satisfies the definition included in the Accounting Direction for Private Registered providers of Social Housing 2022.

The aggregate remuneration for key management personnel charged in the year is:

Group and Company	2024 £'000	2023 £'000
Basic salary	1,129	1,077
Benefits in kind	90	91
National Insurance	157	160
Pension contributions	83	81
	<b>1,459</b>	<b>1,409</b>

The Group Chief Executive is an ordinary member of the West Midlands Pension Scheme. No enhanced or special terms apply. The Group does not make any further contribution to an individual pension arrangement for the Group Chief Executive.

The number of Directors to whom retirement benefits are accruing under defined benefit schemes was 7 (2023: 7).

During the year, the aggregate compensation for loss of office of key management personnel was £nil (2023: £nil).

The emoluments of the highest paid Director, the Group Chief Executive are shown below:

Highest Paid Director	2024 £'000	2023 £'000
Remuneration	265	248
National Insurance	35	34
Pension Contribution	20	19
	<b>320</b>	<b>301</b>

## Board members Attendance and Emoluments

Board members are paid as follows:

Committee	
Audit and Assurance	AAC
Customer Service Oversight Committee	CSOC
People and Governance	PGC
Development Committee	DC
Commercial Coterminous Board	CCB
Administrative Coterminous Board	ACB
Cricket Close LLP	CC LLP

For 2024, no members of the Board other than the Chief Executive participate in the Social Housing Pension Scheme or the Local Government Pension Scheme.

Non-Executive Board Members	Attendance		Remuneration	
	Board	Committee	2024 £'000	2023 £'000
Gary Fulford (Chair ACBs, Member CCBs)	7/8	ACBs 3/4 CCBs 5/5 CC LLP 4/4	-	-
Sangita Surridge (Chair CC LLP)		CC LLP 4/4	-	-
Gregory Warner-Harris (CCB Chair) to 31/3/2023			-	10.2
Paul O'Driscoll	7/8	DC 4/5	8.3	8.2
Parminder Kaur	7/7		6.8	-
Elisabeth Downes (Chair PGC)	7/8	PGC 5/5	-	-
Daren Fradgley	6/8	CSOC 3/4	8.2	8.2
Natalia Hill (CSOC Chair)	6/8	CSOC 4/4	9.2	9.2
Katie Kershaw (CCB Chair)	7/7	CCBs 5/5	7.8	-
Gary Moreton (Chair)	8/8	PGC 5/5	20.4	22.6
		CSOC 4/4		-
Akshay Parikh (DC Chair)	6/8	DC 4/5	9.2	9.2
		PGC 4/5		-
Guy Weston (AAC Chair)	7/8	AAC 5/5 DC 5/5	9.2	9.6
Deborah Walthorne	6/7	AAC 4/4	6.8	-
Ian Shapiro	6/8	PGC 4/5	8.2	7.3
<b>Total</b>			<b>94.1</b>	<b>84.5</b>
Board Expenses			2.6	3.5
Committee Members Remuneration			39.5	37.4
<b>Total</b>			<b>136.2</b>	<b>125.4</b>

## 11. Taxation

Walsall Housing Group Ltd is registered as charitable with HMRC and as such benefits from charitable tax exemptions. All other active Group companies including whg Trading Company Ltd, whg Developments Ltd, whg Treasury PLC, Anthem Homes Ltd, Cricket Close LLP and The Woodlands Management Company (Harrowby) Ltd are liable to Corporation Tax.

Group	2024 £'000	2023 £'000
<b>Current tax</b>		
UK corporation tax	(107)	-
<b>Total current tax</b>	(107)	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(7)	(7)
<b>Total deferred tax</b>	(7)	(7)
<b>Total tax on surplus on ordinary activities</b>	<b>(114)</b>	<b>(7)</b>

	2024 £'000	2023 £'000
<b>Surplus on ordinary activities before tax</b>	<b>32,508</b>	<b>22,037</b>
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 25% (2023: 19%)	8,127	4,187
-Exempt charitable activities	(8,048)	(4,187)
Adjustment for 2021/22	28	-
<b>Current tax charge for the year</b>	<b>(107)</b>	<b>-</b>
Capital allowances in excess of depreciation	(7)	(7)
Adjustment to closing deferred tax rate	-	-
<b>Deferred Tax</b>	<b>(7)</b>	<b>(7)</b>

Company	2024 £'000	2023 £'000
<b>Current tax</b>		
UK corporation tax	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Total deferred tax</b>	-	-
<b>Total tax on surplus on ordinary activities</b>	<b>-</b>	<b>-</b>

	2024 £'000	2023 £'000
<b>Surplus on ordinary activities before tax</b>	33,113	21,787
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 25% (2023: 19%)	8,278	4,140
Exempt charitable activities	(8,278)	(4,140)
Capital allowances in excess of depreciation	-	-
Adjustment to opening deferred tax rate	-	-
<b>Current tax charge for the year</b>	-	-

## 12. Intangible Fixed Assets

Group and Company	IT Software £'000	IT Software work in progress £'000	Total Intangible assets £'000
<b>Cost</b>			
At 1 April 2023	3,165	742	3,907
Additions	-	-	-
Transfer to Tangible	-	(318)	(318)
Projects completed	393	(393)	-
Disposals	(582)	-	(582)
<b>At 31 March 2024</b>	<b>2,976</b>	<b>31</b>	<b>3,007</b>
<b>Amortisation</b>			
At 1 April 2023	(1,972)	-	(1,972)
Charged in the year	(459)	-	(459)
Released on disposal	359	-	359
<b>At 31 March 2024</b>	<b>(2,072)</b>	<b>-</b>	<b>(2,072)</b>
<b>Net book value</b>			
<b>At 31st March 2024</b>	<b>904</b>	<b>31</b>	<b>935</b>
<b>At 31st March 2023</b>	<b>1,193</b>	<b>742</b>	<b>1,935</b>

Amortisation on these assets is apportioned by FTE across all expenditure elements within the Statement of Comprehensive Income.

## 13. Fixed Assets – housing properties

### Fixed Assets – housing properties

Group – housing properties	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed Shared Ownership housing properties £'000	Shared Ownership housing properties under construction £'000	Total housing properties £'000
<b>Cost</b>					
At 1 April 2023	675,210	51,088	55,270	5,033	786,601
Additions	-	61,142	-	11,392	72,534
Component additions	16,837	5,115	-	-	21,952
Interest capitalised	-	1,354	-	301	1,655
Schemes completed	65,758	(65,758)	13,290	(13,290)	-
Property disposals	(1,760)	-	(897)	-	(2,657)
Costs written off	(32)	(58)	-	-	(90)
Component disposals	(2,663)	-	-	-	(2,663)
<b>At 31 March 2024</b>	<b>753,350</b>	<b>52,883</b>	<b>67,663</b>	<b>3,436</b>	<b>877,332</b>
<b>Depreciation</b>					
At 1 April 2023	(143,970)	-	(1,019)	-	(144,989)
Depreciation charged in year	(14,272)	-	(319)	-	(14,591)
Released on disposal – properties	558	-	16	-	574
Released on disposal – components	2,663	-	-	-	2,663
<b>At 31 March 2024</b>	<b>(155,021)</b>	<b>-</b>	<b>(1,322)</b>	<b>-</b>	<b>(156,343)</b>
<b>Net book value</b>					
<b>At 31 March 2024</b>	<b>598,329</b>	<b>52,883</b>	<b>66,341</b>	<b>3,436</b>	<b>720,989</b>
<b>At 31 March 2023</b>	<b>531,240</b>	<b>51,088</b>	<b>54,251</b>	<b>5,033</b>	<b>641,612</b>

Included in the depreciation charge for the year is £414k of accelerated depreciation on components disposed before the end of their useful economic lives (2023: £351k).



Company – housing properties	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed Shared Ownership housing properties £'000	Shared Ownership housing properties under construction £'000	Total housing properties £'000
<b>Cost</b>					
At 1 April 2023	695,329	52,216	55,270	5,033	807,848
Additions	-	61,818	-	11,392	73,210
Works to existing properties	16,837	5,115	-	-	21,952
Interest capitalised	-	1,354	-	301	1,655
Schemes completed	65,834	(65,834)	13,290	(13,290)	-
Property disposals	(1,760)	-	(897)	-	(2,657)
Costs written off	(32)	(58)	-	-	(90)
Component disposals	(2,663)	-	-	-	(2,663)
<b>At 31 March 2024</b>	<b>773,545</b>	<b>54,611</b>	<b>67,663</b>	<b>3,436</b>	<b>899,255</b>
<b>Depreciation</b>					
At 1 April 2023	(146,167)	-	(1,019)	0	(147,186)
Depreciation charged in year	(14,422)	-	(319)	-	(14,741)
Released on disposal – properties	558	-	16	-	574
Released on disposal – components	2,663	-	-	-	2,663
<b>At 31 March 2024</b>	<b>(157,368)</b>	<b>0</b>	<b>(1,322)</b>	<b>0</b>	<b>(158,690)</b>
<b>Net book value</b>					
<b>At 31 March 2024</b>	<b>616,177</b>	<b>54,611</b>	<b>66,341</b>	<b>3,436</b>	<b>740,565</b>
<b>At 31 March 2023</b>	<b>549,162</b>	<b>52,216</b>	<b>54,251</b>	<b>5,033</b>	<b>660,662</b>

#### Housing properties book value net of depreciation comprises

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Freehold land and buildings	649,959	581,063	669,535	600,113
Leasehold buildings	1,253	1,265	1,253	1,265
Shared Ownership	69,777	59,284	69,777	59,284
	<b>720,989</b>	<b>641,612</b>	<b>740,565</b>	<b>660,662</b>

#### Expenditure on works to existing properties

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Components capitalised	21,952	15,401	21,952	15,401
Amounts charged to Statement of Comprehensive Income	9,604	4,307	9,605	4,308
	<b>31,556</b>	<b>19,708</b>	<b>31,557</b>	<b>19,709</b>

Assets held in the Company include uplift in the net book value of assets transferred from its subsidiaries arising from the Group restructure in January 2009. This has been eliminated on consolidation.

#### Social housing assistance

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Total accumulated social housing grant received or receivable at	113,818	110,416	115,762	112,360
<b>31 March:</b>				
Recognised in the Statement of Comprehensive Income	(10,812)	(9,603)	(12,756)	(11,547)
<b>Held as deferred income</b>	<b>103,006</b>	<b>100,813</b>	<b>103,006</b>	<b>100,813</b>

#### Finance costs

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Aggregate amount of finance costs included in the cost of housing properties	8,912	7,256	8,912	7,256

## 14. Tangible Fixed Assets – Other

Group and Company	Group and Company					
	Offices £'000	Furniture Fixtures and Fittings £'000	Computers & Office Equipment £'000	Computers & Office Equipment WIP £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>						
At 1 April 2023	14,559	2,450	3,278	689	2,272	23,248
Additions	-	71	-	789	491	1,351
Projects completed	-	-	1,471	(1,471)	-	-
Reclassification to HP	(1,104)	-	-	-	-	(1,104)
Disposals	-	-	(592)	-	-	(592)
<b>At 31 March 2024</b>	<b>13,455</b>	<b>2,521</b>	<b>4,157</b>	<b>7</b>	<b>2,763</b>	<b>22,903</b>
<b>Depreciation</b>						
At 1 April 2023	(4,110)	(2,048)	(2,112)	-	(63)	(8,333)
Charged in the year	(321)	(161)	(471)	-	(644)	(1,597)
Reclassification to HP	411	-	-	-	-	411
Released on disposal	-	-	491	-	-	491
<b>At 31 March 2024</b>	<b>(4,020)</b>	<b>(2,209)</b>	<b>(2,092)</b>	<b>-</b>	<b>(707)</b>	<b>(9,028)</b>
<b>Net book value</b>						
<b>At 31st March 2024</b>	<b>9,435</b>	<b>312</b>	<b>2,065</b>	<b>7</b>	<b>2,056</b>	<b>13,875</b>
<b>At 31 March 2023</b>	<b>10,449</b>	<b>402</b>	<b>1,166</b>	<b>689</b>	<b>2,209</b>	<b>14,915</b>

## 15. Investment properties

Non social housing properties held for letting	Group and Company	
	2024 £'000	2023 £'000
At 1 April	11,055	10,740
Additions adjustment	-	(11)
Revaluation	600	326
<b>At 31 March</b>	<b>11,655</b>	<b>11,055</b>

The Company owns a portfolio of market rented properties. These properties are accounted for at fair value. The Company used Bridgehouse Professional Valuation Services who undertook a desktop review to establish the current fair value of the properties. The current worth was then adjusted for movements in the property market using the median property price trends for the Walsall area. The methodology produced an estimated valuation of £11.6m at March 2024 (2023: £11m). The movements in fair value £600k (2023: £326k) have been recognised in the Statement of Total Comprehensive Income.

## 16. HomeBuy loans receivable

	Group and Company	
	2024 £'000	2023 £'000
At 1 April	137	137
Loan repayment	(30)	-
<b>At 31 March</b>	<b>107</b>	<b>137</b>

## 17. Investments in subsidiaries

Name & type of entity	Company No	Place of Registration	31 March 2023	Additions	At 31 March 2024
whg Treasury Plc	9138070	England & Wales	50,000	-	50,000
whg Developments Ltd	7872595	England & Wales	1	-	1
whg Trading Ltd	5407219	England & Wales	1	-	1
Anthem Homes Ltd	10591652	England & Wales	50,000	-	50,000
Cricket Close LLP	OC417013	England & Wales	-	-	-
The Woodlands Management Company (Harrowby) Ltd	9721558	England & Wales	-	-	-
			<b>100,002</b>	<b>-</b>	<b>100,002</b>

a) During the year whg had the following intra-Group transactions and year end balances with whg Treasury PLC.

### whg Treasury PLC to whg

Intra-Group transactions	Allocation basis	2024 £'000	2023 £'000
Interest payable	Bond interest charge payable	10,053	10,201
Custodian fees	Custodian fees payable	199	11
Management services	Fixed fee	20	20
Gift aid	Not applicable	(20)	(20)
		<b>10,252</b>	<b>10,212</b>

There is a £268.1m long term intra-group creditor owed to whg Treasury PLC at the year end (2023: £268.7m).

b) During the year the Company had the following intra-Group transactions and year end balances with whg Developments Limited.

#### whg to whg Developments Ltd

Intra-Group transactions	Allocation basis	2024 £'000	2023 £'000
Interest payable	Interest charge on loan	22	23
Management services	Percentage of development costs	238	192
		<b>260</b>	<b>215</b>

#### whg Developments Ltd to whg

Intra-Group transactions	Allocation basis	2024 £'000	2023 £'000
Recharge of cost of sales	Design & Build	24,271	19,575
Gift aid	Not applicable	(173)	(81)
		<b>24,098</b>	<b>19,494</b>

There is a £803k net intra-group creditor owed to whg Developments Ltd at the year end made up of £1.6m owed to whg Developments Ltd and £760k owed by whg Developments Limited. (2023: net creditor £2m). Included in the £760k debt owed by whg Developments Limited is a £500k loan made by Walsall Housing Group on 20 December 2012. Interest is charged at 4.5% (2023: 4.5%). Interest amounted to £22k for the year (2023: £23k).

c) During the year whg had the following intra-Group transactions and year end balances with whg Trading Company Limited:

#### whg to whg Trading Ltd

Intra-Group transactions	Allocation basis	2024 £'000	2023 £'000
Management services	Percentage of payroll costs	70	70

#### whg Trading Ltd to whg

Intra-Group transactions	Allocation basis	2024 £'000	2023 £'000
Gift aid	Not applicable	(764)	(242)

There is a £14k intra-group debtor owed by whg Trading Company Limited at the year end (2023: £11k).

d) During the year the Company had the following intra-Group transactions and year end balances with Anthem Homes Limited.

#### Anthem Homes Limited to whg

Intra-Group transactions	Allocation basis	2024 £'000	2023 £'000
Interest payable	Interest charge payable	421	706
Management services	Percentage of payroll costs	37	46
		<b>458</b>	<b>752</b>

There is a £3.9m intra-group debtor owed by Anthem Homes Limited at the year end made up of £6.7m owed by Anthem Homes Limited to whg and £2.8m owed to Anthem Homes Limited by Cricket Close LLP (2023: net debtor £8.1m). The £6.7m debt owed by Anthem Homes Limited includes a loan made by Walsall Housing Group which was at LIBOR (0.2% for the year) plus 3% up to 31 January 2022 and thereafter at a 5% market rate. The £2.8m debtor includes a loan made to Cricket Close LLP at a 5% market rate.

e) During the year the Company had the following intra-Group transactions and year end balances with The Woodlands Management Company (Harrowby) Limited.

#### whg to The Woodlands Management Company (Harrowby) Limited

Intra-Group transactions	Allocation basis	2024 £'000	2023 £'000
Management services	Percentage of payroll costs	6	6

There is a £nil intra-group debtor owed by The Woodlands Management Company (Harrowby) Limited at the year end (2023: £nil).

## 18. Properties held for sale

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Shared Ownership Properties</b>				
Completed properties	1,408	1,219	1,408	1,219
Work in progress	3,925	4,938	2,083	3,148
	<b>5,333</b>	<b>6,157</b>	<b>3,491</b>	<b>4,367</b>
<b>Properties developed for outright sale</b>	-	-	-	-
<b>Total</b>	<b>5,333</b>	<b>6,157</b>	<b>3,491</b>	<b>4,367</b>

## 19. Debtors

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Due within one year</b>				
Rent and service charges receivable	6,530	5,203	6,530	5,203
Less: provision for bad and doubtful debts	(3,421)	(3,392)	(3,421)	(3,392)
	<b>3,109</b>	<b>1,811</b>	<b>3,109</b>	<b>1,811</b>
Deferred tax asset	110	117	-	-
Other debtors	411	592	411	572
Prepayments and accrued income	4,694	6,228	4,582	6,098
Loan to Anthem Lovell LLP	2,325	-	-	-
Amounts owed by Group undertakings	-	-	4,662	1,405
	<b>10,649</b>	<b>8,748</b>	<b>12,764</b>	<b>9,886</b>

## 20. Debtors due in more than one year

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Due after one year</b>				
Loan to Anthem Lovell LLP	-	7,298	-	-
Loan to Anthem Homes Limited	-	-	2,321	9,519
Loan to whg Developments Limited	-	-	500	500
	<b>-</b>	<b>7,298</b>	<b>2,821</b>	<b>10,019</b>

## 21. Creditors: amounts falling due within one year

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank loans (Note 24)	-	-	-	-
Trade creditors	9,716	10,516	8,176	7,864
Rent and service charges received in advance	3,733	3,509	3,727	3,501
Social housing grant received in advance	1,590	6,775	1,590	6,775
Other grants received in advance	2,703	3,827	2,703	3,827
Amounts owed to Group undertakings	-	-	6,722	7,877
Deferred grant income (Note 23)	1,376	1,179	1,376	1,179
Corporation Tax	107	-	-	-
Other taxation and social security	807	746	806	740
Unpaid contributions for retirement benefits	329	64	329	64
Other creditors	1,236	1,257	1,236	1,257
Accruals and deferred income	13,611	12,245	8,414	7,063
	<b>35,208</b>	<b>40,118</b>	<b>35,079</b>	<b>40,147</b>

## 22. Creditors: amounts falling due after more than one year

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred Grant (Note 23)	101,484	94,387	101,484	94,387
Debt (Note 24)	395,040	395,040	395,040	395,040
Loan Premium and Amortisation Costs	21,031	21,814	21,031	21,814
Recycled Capital Grant (Note 25)	575	815	575	815
Amounts owing to Group Undertakings	-	-	38	38
Sinking Funds	249	192	220	168
	<b>518,379</b>	<b>512,248</b>	<b>518,388</b>	<b>512,262</b>

## 23. Deferred grant income

Deferred Grant includes £383k (2023: £393k) relating to office buildings and £1.1m (2023: £937k) component accounting grant.

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April 2023	95,566	83,274	95,566	83,274
Grant received in the year	8,737	13,832	8,737	13,832
Transfer to RCGF	(137)	(407)	(137)	(407)
Grants paid to partners	0	0	0	0
Grants recognised as income	(4)	12	(4)	12
Released to income in the year	(1,302)	(1,145)	(1,302)	(1,145)
<b>At 31 March 2024</b>	<b>102,860</b>	<b>95,566</b>	<b>102,860</b>	<b>95,566</b>
Amounts to be released within one year (Note 21)	1,376	1,179	1,376	1,179
Amounts to be released in more than one year (Note 22)	101,484	94,387	101,484	94,387
	<b>102,860</b>	<b>95,566</b>	<b>102,860</b>	<b>95,566</b>

## 24. Debt analysis

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Due within one year</b>				
Bank loans	-	-	-	-
<b>Total loans within one year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Due after more than one year</b>				
Bank loans	70,040	70,040	70,040	70,040
Bond	250,000	250,000	250,000	250,000
bLEND	75,000	75,000	75,000	75,000
<b>Total loans due after one year</b>	<b>395,040</b>	<b>395,040</b>	<b>395,040</b>	<b>395,040</b>
<b>Total loans</b>	<b>395,040</b>	<b>395,040</b>	<b>395,040</b>	<b>395,040</b>
Payable to external funders	395,040	395,040	132,098	131,525
Payable to Group undertakings	-	-	262,942	263,515
	<b>395,040</b>	<b>395,040</b>	<b>395,040</b>	<b>395,040</b>

## Bank loans and derivatives

During the year there have been no changes.

### Bond

The bond monies are lent from whg Treasury PLC on to the parent company Walsall Housing Group Limited under the same terms and so the bond in the company above is therefore owed to the subsidiary, whg Treasury PLC.

The market value of the bond as at 31 March 2024 was £285m (2023: £218m).

### Facilities and security

At 31 March 2024 the Group had £200m of agreed but undrawn borrowing facilities available in the form of revolving credit facilities.

The bank loans and the bond are secured by specific charges based on the net book value on the housing properties of the Group in favour of the lenders.

### Terms of repayment, interest rates and issue costs

Bank loan repayments are via a mixture of instalments and one-off bullet repayments. The current bond liability is payable in full in 2045.

The £70m of bank loans accrue interest at an average rate of approximately 5.5%. As above, the £250m bond has been issued at a coupon rate of 4.25%.

Gross issue costs for both the bank loans and the bond were £3.6m (2023: £4.1m) and were capitalised in the years in which they were incurred. Amortisation charged in the year was £358k (2023: £532k).

### bLEND plc

In October 2020, the Group secured £75m of new funding with an effective rate of 2.267% through the bLEND aggregator on a deferred drawdown arrangement. The price was based on a gilt of 0.787%, a spread of 1.48% and was subject to further annualised bLEND costs of 0.2%. The deal attracted a premium of £11.2m and when the funds were drawn in October 2021 the Group received net proceeds of £84m with the remaining amount held in the loan reserve fund for future interest payments. The upfront fees associated with this deal were £1m and these were capitalised in 2020. The market value of bLEND was £75m.

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

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Within one year or on demand	-	-	-	-
One year or more but less than two years	-	-	-	-
Two years or more but less than five years	-	-	-	-
Five years or more	395,040	395,040	395,040	395,040
	<b>395,040</b>	<b>395,040</b>	<b>395,040</b>	<b>395,040</b>

## Interest rate profile

The Group's debt has a weighted average interest rate of 4.2% (2023: 4.2%) and the weighted average for which it is fixed is the lifetime of the loan.

## 25. Recycled Capital Grant Fund

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Opening Balance as at 1 April	815	3,863	815	3,863
<b>Inputs to RCGF:</b>				
Grant recycled from property disposals	147	428	147	428
Interest accrued	31	64	31	64
Transfers from other PRPs	-	-	-	-
<b>Recycling of grant</b>				
New Build	(418)	(3,540)	(418)	(3,540)
<b>Closing Balance as at 31 March</b>	<b>575</b>	<b>815</b>	<b>575</b>	<b>815</b>

Amounts due for repayment	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Within one year	-	-	-	-
After more than one year	575	815	575	815
<b>At 31 March</b>	<b>575</b>	<b>815</b>	<b>575</b>	<b>815</b>

## 26. Pension obligations

The Group operates two pension schemes; West Midlands Pension Fund and Social Housing Pension Scheme. Both schemes are funded through payments to trustee-administered funds, determined by periodic actuarial valuations. Both schemes provide defined benefits based on members' final salary at retirement, death or leaving service.

### Pension Asset/(Liability) Summary Note

	2024 £'000	2023 £'000
WMPF	0	68,396
SHPS	(269)	(270)
<b>Total</b>	<b>(269)</b>	<b>68,126</b>

## West Midlands Pension Fund

The West Midlands Pension Fund (WMPF) is a multi-employer scheme with more than one participating employer and is administered 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 most recent formal actuarial valuation was completed as at 31 March 2022.

The fair value of the scheme assets at that date was £271.8m

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme by effectively giving them the better of the benefits from the old and new schemes.

The results in this note include an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension schemes, respectively.

### Key Results

The estimated position at 31 March 2024 shows an asset of £83.5m compared with a £68.4m last year. The key reason for this change is the change in funding position of the scheme in the main due to the underlying discount rates.

The employer's contributions to the WMPF by the Company and Group for the year ended 31 March 2024 were £1.5m (2023: £1.4m). whg received a rebate for the year of £2.4m due to an improved funding position which resulted in the actual rate being 8.2% for the year. The employer's contribution rate has been fixed as 21.4% of pensionable salaries until 31 March 2024 with a discount of 13.2%.

Early retirements over the year, have resulted in £nil past service cost in the year to 31 March 2024 (2023: £nil). There were £nil (2023: £nil) of other settlements, curtailments, discretionary practices, constructive obligations or other material events during the year.

### Calculation Method

The figures at 31 March 2024 are based on projecting forward the results of the last formal actuarial valuation of the Fund as at 31 March 2022.

### Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with 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 valuation of the scheme for funding purposes was carried out as at 30 September 2020. 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. At 31 March 2024 a total withdrawal from the defined benefit scheme would cost £590k, this would mitigate against all current and future liabilities.

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

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, the liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus at the accounting period start and end dates.

The estimated position at 31 March 2024 shows a current deficit of £269k (2023: £270k).

The number of scheme members employed by the Group at 31 March 2024 was nil (2023: nil). The charge to the Group for the year was £61k. (2023: £63k).

The Group also contributes to defined contribution schemes, also with the Social Housing Pension Scheme operated by the Pensions Trust.

### Calculation Method

The figures at 31 March 2024 are based on projecting forward the results of the last formal actuarial valuation of the Fund as at 30 September 2020.

### Key Assumptions

The key financial assumptions have been based on market assumptions as at 31 March 2024 and have been derived in a consistent manner to last year. This has resulted in the following assumptions:

	Group and Company			
	WMPF		SHPS	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Principal actuarial assumptions	% per annum	% per annum	% per annum	% per annum
Discount rate	4.85	4.75	4.90	4.88
Future salary increase rate	3.75	3.95	3.78	3.74
Future pension increase rate (CPI)	2.75	2.95	2.78	2.74
Inflation assumption	2.75	2.95	3.15	3.20

### Mortality assumptions

The post-retirement mortality assumptions adopted to value the benefit obligation at March 2024 are detailed below.

	WMPF		SHPS	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Retiring today:</b>				
Males	20.2	20.3	20.5	21.0
Females	23.5	23.7	23.0	23.4
<b>Retiring in 20 years:</b>				
Males	21.6	21.7	21.8	22.2
Females	25.2	25.4	24.4	24.9

### Amounts recognised in surplus or deficit

	Group and Company			
	WMPF		SHPS	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current service cost	3,906	6,877	-	-
Admin charges	-	-	2	2
<b>Amounts charged to operating costs</b>	<b>3,906</b>	<b>6,877</b>	<b>2</b>	<b>2</b>

	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Net interest (receivable)/payable	(3,193)	(421)	12	5
<b>Amounts within interest and financing costs</b>	<b>(3,193)</b>	<b>(421)</b>	<b>12</b>	<b>5</b>

### Amounts recognised in the Statement of Total Comprehensive Income

	WMPF		SHPS	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Re measurements	(69,266)	55,963	(51)	(141)
<b>Actuarial gain/(loss) in respect of pension scheme</b>	<b>(69,266)</b>	<b>55,963</b>	<b>(51)</b>	<b>(141)</b>

### Amounts recognised in Statement of Financial Position

	WMPF		SHPS	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Present value of funded obligations	-	(187,587)	(1,448)	(1,560)
Fair value of plan assets	-	255,983	1,179	1,290
<b>Net pension asset/(liability)</b>	<b>-</b>	<b>68,396</b>	<b>(269)</b>	<b>(270)</b>

In 2022/23 whg recognised a pension asset of £68.4m in the statement of financial position on the consideration that the asset was producing a future economic benefit from reduced annual pension contributions. In 2023/24 the asset value has increased to £83.5m. However whg took the opportunity to obtain an asset ceiling report, this views the asset on the basis of recoverability. This report recommends that it would be prudent to derecognise the asset. The effect of the derecognition is reflected in Other Comprehensive Income shown on page 59.

### Reconciliation of opening and closing balances of the present value of scheme liabilities

	Group and Company			
	WMPF		SHPS	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Opening scheme liabilities	187,587	239,618	1,560	2,049
Current service cost	3,906	6,877	2	2
Interest cost	8,890	6,872	73	58
Change in financial assumptions	(11,477)	(75,684)	(1)	(557)
Change in scheme experience	(1,130)	22,593	(31)	64
Change in demographic assumptions	5,348	(9,200)	(18)	(4)
Benefits paid	(6,135)	(4,753)	(137)	(52)
Member Contributions	1,341	1,264	-	-
<b>Closing scheme liabilities</b>	<b>188,330</b>	<b>187,587</b>	<b>1,448</b>	<b>1,560</b>

### Reconciliation of opening and closing balances of the fair value of plan assets

	Group and Company			
	WMPF		SHPS	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Opening fair value of plan assets	255,983	257,080	1,290	1,864
Interest income	12,083	7,293	61	53
Return on plan assets (excess of interest income)	7,038	(6,328)	(101)	(638)
Contributions by employer	1,532	1,427	66	63
Benefits paid	(6,135)	(4,753)	(137)	(52)
Member contributions	1,341	1,264	-	-
<b>Closing fair value of plan assets</b>	<b>271,842</b>	<b>255,983</b>	<b>1,179</b>	<b>1,290</b>

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

### Sensitivity analysis

Sensitivity analysis	Change in assumptions	Impact £000	Change in liabilities
Discount Rate	decrease of 0.1% pa	3,671	Increase by 2%
Rate of inflation	Increase of 0.1% pa	3,479	Increase by 2%
Rate of salary growth	Increase of 0.1% pa	256	Increase by 0%
Rate of Mortality	A 1 year increase in life expectancy	7,533	Increase by 4%

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate. The average duration of the defined benefit obligation at the period ended 31 March 2024 is 20 years.



## 27. Provisions for liabilities and charges

Group and Company	Insurance claims £'000	Restructuring costs £'000	Leave pay £'000	Total £'000
At 1 April 2023	563	389	283	1,235
Additions	410	46	14	470
Utilised	(459)	(389)	-	(848)
Reversals	-	-	-	-
<b>At 31 March 2024</b>	<b>514</b>	<b>46</b>	<b>297</b>	<b>857</b>

Provision is made for insurance claims awaiting final settlement that fall within the self-funding element of the Group's insurance policies. The settlement can take up to two years.

The restructuring costs provision relates to costs agreed but not yet paid during the year.

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which colleagues are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

## 28. Share Capital

Walsall Housing Group Limited is a company limited by guarantee. No shares have been issued.



## 29. Cash flow from operating activities

	2024 £'000	2023 £'000
Surplus for the year	32,394	22,037
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	16,188	13,011
Amortisation of intangible assets	459	462
Pension costs less contributions payable	2,310	5,452
Government grants amortised in the year	(1,306)	(1,133)
<b>Adjustments for investing of financing activities:</b>		
Movement in fair value of investment properties	(600)	(326)
Interest payable	15,406	20,287
Interest received	(6,080)	(3,608)
Taxation	114	-
<b>Operating cash flows before movements in working capital</b>	<b>58,885</b>	<b>56,182</b>
Increase in properties held for sale	824	(610)
Carrying amount of tangible fixed asset disposals	2,083	3,616
Decrease/(increase) in trade and other debtors	(73)	1,674
Increase/(decrease) in trade and other creditors	1,399	4,208
Increase/(decrease) in provisions	(379)	696
<b>Cash generated from operating activities</b>	<b>62,739</b>	<b>65,766</b>

## 29A. Analysis of changes in net debt

	At 1 April 2023 £'000	Cash flows £'000	Other non-cash movement £'000	At 31 March 2024 £'000
Cash and cash equivalents	55,378	(8,133)	-	47,245
Investments	34,404	(31,702)	-	2,702
Bonds due greater than one year	(348,337)	-	777	(347,560)
Bank loans due greater than one year	(68,516)	-	5	(68,511)
<b>Total</b>	<b>(327,071)</b>	<b>(39,835)</b>	<b>782</b>	<b>(366,124)</b>

### 30. Capital Commitments

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Expenditure contracted for but not provided for	54,612	103,161	54,612	103,161
Expenditure authorised by the Board, but not contracted	21,002	42,987	21,002	42,987
	<b>75,614</b>	<b>146,148</b>	<b>75,614</b>	<b>146,148</b>

The above commitments will be financed as shown in the following table:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loan financing	71,327	140,761	71,327	140,761
Affordable housing grant	3,607	3,245	3,607	3,245
Other government grant	680	2,142	680	2,142
	<b>75,614</b>	<b>146,148</b>	<b>75,614</b>	<b>146,148</b>

### 31. Contingent assets/liabilities

The Group and Company had no contingent assets at 31 March 2024 (2023: £nil).

The Group receives capital grant from Homes England, which is used to fund the acquisition and development of housing properties and their components. In certain circumstances upon disposal of grant funded properties, the Group is required to recycle this grant by crediting a Recycled Capital Grant Fund.

At 31 March 2024, the Group has disposed of components, which had received £4k of grant funding (2023: £nil). Although the disposal of these components has not given rise to a relevant event for the purposes of recycling grant (as the Group retains the property asset) it does have a future obligation to recycle this grant once the property is disposed of.

As the timing of any future disposal is uncertain, no provision has been recognised in these Financial Statements.

### 32. Leasing commitments

The total future minimum lease payments under non-cancellable operating leases are as set out below. Leases relate to land and buildings, arials, vehicles and office equipment.

	2024 £'000	2023 £'000
Within one year	79	111
Between two and five years	5	83
Over five years	-	-
	<b>84</b>	<b>194</b>

### 33. Related parties

Walsall Housing Group Limited is the parent company of the Group. It is registered with Companies House, the Charity Commission and the RSH and is a company limited by guarantee. Its wholly owned subsidiaries and joint venture are set out below.

#### Wholly Owned Subsidiaries

- + whg Treasury PLC is a non-charitable company registered with Companies House. Its principal activity is to act as an onward moneylender of bond monies to its immediate parent company Walsall Housing Group Limited. The Group owns all of the Company's 50,000 £1 shares which were issued at par on incorporation.
- + whg Developments Limited is a non-charitable company registered with Companies House whose principal activity is to provide a design and build service to Walsall Housing Group Limited. The Group owns the £1 share which was issued at par on incorporation.
- + whg Trading Company Limited is a non-charitable company registered with Companies House whose principal activity is providing housing related professional services. The company also receives feed in tariff from solar panels, renewable heat incentives and overage on the sale of land. The Group owns the £1 share which was issued at par on incorporation. The voting rights of one vote per share are with the parent company. On 3 May 2019 whg Trading Company Limited became a designated member of Cricket Close LLP owning 1% of the shareholding in the LLP. On 7 July 2020 whg Trading Company Limited acquired The Woodlands Management Company (Harrowby) Limited.
- + Anthem Homes Limited is a non-charitable company registered with Companies House. Its principal activity is to develop homes for outright sale. The Group owns all of the Company's 50,000 £1 shares which were issued at par on incorporation. Anthem Homes Limited has agreed a revolving loan facility secured by debenture with Anthem Lovell LLP which is limited to site specific Business Plans approved by Board. At present only one such facility has been agreed on the Lockside scheme which has an agreed interest rate of 5% on 30% of the drawn funds (effective annual rate of 1.875%). As at 31 March 2024 Anthem Lovell LLP has drawn down £2,325k of the facility (2023: £7,298k).
- + Cricket Close LLP is a Limited Liability Partnership and a non-charitable company registered with Companies House. It is a subsidiary of Anthem Homes which owns 99% of the LLP with a £2 member interest and the remaining 1% is owned by whg Trading Limited.
- + The Woodlands Management Company (Harrowby) Limited was acquired on 7 July 2020. The principle activity is residential property management. As part of that management service charges are collected from lessees to meet the cost managing and maintaining the property. The company is a wholly owned subsidiary of whg Trading Company Limited. The liability of whg trading Company Limited (being the only Member) is £1. The company is a Company Limited by Guarantee without share capital.

## Joint Venture

+ Anthem Lovell LLP is a Limited Liability Partnership and is a non-charitable company registered with Companies House (No. OC425694). Anthem Homes Limited is in partnership with Lovell Homes Limited each partner has a 50% share of the company. It was created on 18 January 2019 and the initial capital of £2.00 (two pounds) was contributed in cash by each Member in the sum of £1.00 (one pound) by way of its Capital Contribution and the LLP credited such amounts against the relevant Member's Capital Account. This is an associate company. It is accounted for by using the equity method of accounting. The Group's investment was £1,463k at the 31st March 2024 (£948k 2023). We recognise our share of the profit or loss through the Statement of Comprehensive Income. Walsall Housing Group Ltd has recognised £316k in 2023/24 (£414k 2023) in respect of its share of profit in relation to open market sales.

All entities are incorporated in England and Wales.

The intra-Group transactions which took place during the year between the parent undertaking and its subsidiaries are detailed within Note 17.

## 34. Financial assets and liabilities

The Board policy on financial instruments is explained in the Strategic Report, as are references to financial risks. The Group's principal financial instruments comprise bank loans and other borrowings and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and payables, which arise directly from its operations.

### Categories of financial assets and financial liabilities

#### FINANCIAL ASSETS

##### Financial assets measured at amortised cost

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Net Rent Debtor	3,109	1,811	3,109	1,811
Other Debtors	411	592	411	572
Accrued Income	1,856	3,047	1,856	3,047
Amounts owing by Group undertakings	-	-	5,645	10,019
Cash and cash equivalents	47,245	55,377	44,771	55,383
Current Investments	2,702	34,404	2,702	34,404
<b>Total Financial Assets</b>	<b>55,323</b>	<b>95,231</b>	<b>58,494</b>	<b>105,236</b>

## FINANCIAL LIABILITIES

### Financial liabilities measured at amortised cost

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank Loans and bond	416,070	416,854	416,070	416,854
Trade Creditors	9,716	10,516	8,176	7,864
Accruals	13,590	12,248	8,393	7,063
Amounts owing to Group undertakings	-	-	6,760	7,915
Other Creditors	1,236	1,257	1,236	1,257
Sinking Funds	249	192	220	168
<b>Total</b>	<b>440,861</b>	<b>441,067</b>	<b>440,855</b>	<b>441,121</b>

### Borrowing facilities

The Group has undrawn committed borrowing facilities. The facilities available at 31 March in respect of which all conditions precedent had been met were as follows:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Expiring between one and two years – revolving credit facility	-	-	-	-
Expiring in more than two years – revolving credit facility	200,000	200,000	200,000	200,000
	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>

## 35. Reserves

The Group took part in the Midlands pilot of a Voluntary Right to Buy scheme between 2019 and 2020, it created a designated reserve for the net proceeds plus discount reclaimed from Homes England less the amount of debt repaid. This designated reserve will be used to fund the one for one replacement of housing property. The reserve now stands at £3.5m.

	Group		Company	
	General Reserves £'000	Designated Reserves £'000	General Reserves £'000	Designated Reserves £'000
As at 31 March 2023	293,851	3,281	312,085	3,281
Total comprehensive income for the year	(36,872)	-	(36,153)	-
Transfer to designated reserve	(223)	223	(223)	223
<b>As at 31 March 2024</b>	<b>256,756</b>	<b>3,504</b>	<b>275,709</b>	<b>3,504</b>



If you have any questions about anything in this guide, please get in touch

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whg is the trading name of Walsall Housing Group comprising Walsall Housing Group Limited, company registration number 04015633, registered provider number L4389, registered charity number 1108779 and all its subsidiaries. The company and all its subsidiaries are registered in England and Wales at 100 Hatherton Street, Walsall, West Midlands WS1 1AB



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