Yorkshire Housing

Annual report and financial statements

For the year ended
31 March 2022

Co-operative and Community Benefit Societies Act 2014 (registered number 30443R)

Annual report and financial statements:

Inside this report:

Section:

Introduction to our report...

Chair's report:

Welcome to our annual report

I am delighted to be writing my first annual summary as the relatively new Board Chair following my appointment at the AGM in September 2021...

Ingrid Fife
Chair

Chair's report:

Welcome to our 2021-22 annual report

This year we have seen a number of Board retirements which has refreshed the membership with four new members joining this year.

Succession planning

We have reviewed succession planning in response to the NHF Code of Governance changes. These recommended shorter terms of office for Boards. Later this year we will be appointing further new members to our Board and Committees at the AGM.

I am delighted and proud to be working with such an excellent team and we are excited to be leading this great, regional organisation to deliver homes and places to be proud of across Yorkshire.

Post pandemic

It is hard to believe that when our previous Chair wrote his introduction to our accounts last year we were still in the grips of the pandemic. This meant we were restricted in how we could operate, with our focus being on keeping people safe above all else.

This year, emerging post pandemic it has allowed us to operate more freely. However it has taken time to return to normal levels of service and we appreciate our customers have experienced longer waits - both in their contact with us and in our response to completing repairs. This was compounded further by supply shortages.

Customer satisfaction

We have seen a reduction in customer satisfaction with our services. Whilst this may in part be due to temporary changes in response to COVID it is an area where we are working hard to understand the issues and make a series of improvements.

Our homes and customers

At the time of a housing crisis we've played our part in responding to this. We had an excellent year, delivering 700 new homes across Yorkshire and 497 further new homes were started on site and will be completed in the year ahead.

COVID accentuated an already challenging situation with empty, unoccupied properties. The team worked hard to ensure we made these available more quickly for customers and minimised any income loss. By the end of the year the number had halved and the trend is now very much in the right direction.

The way we work with our customers to involve them at the heart of our decisions has continued. This year we received our first new Scrutiny Panel report and improvement plan for our repairs service. We're now working to implement their recommendations.

Looking to the future

I am pleased to see the progress made in the delivery of key milestones in our agreed Business Strategy. This has enabled us to put in place the building blocks needed to strengthen the business and modernise our service offer.

We are now looking at our plans for the next few years and how we will take advantage of the opportunities that exist across Yorkshire, as well as ensuring we are well placed to deal with the odd challenge that may come our way too!

A key part of this is our new Business Strategy which is being worked on throughout the summer and autumn, before being launched at the start of 2023.

The business is in a really strong position as we move into a new phase of the Yorkshire Housing journey. We have secured funding until at least 2025 to ensure the delivery of our investment plans in both existing and new homes. We have also put in place the right team at Board and Leadership Team level to deliver our ambitious and exciting plans for the future.

> *We have secured funding until at least 2025 to ensure the delivery of our investment plans in both existing and new homes.*

Chief executive's report:

Welcome to our annual report

The last few years has provided the opportunity for us all to rethink some long held assumptions. This has provided the impetus for a number of widespread changes across Yorkshire Housing…

Nick Atkin
Chief executive

Chief executive's report:

Welcome to our 2021-22 annual report

One of the key things we've all experienced is the importance of our home to our wellbeing. This has led to a review of our investment plans.

Investing in our homes

Yorkshire Housing has a strong track record of maintaining high levels of investment in our existing homes (even during the four years of the rent reduction). Over the last year our focus has been on fine tuning our data and decision making processes to ensure we are targeting our investment to where it is needed and will have the most impact. This includes the wider 'place' – not just bricks and mortar.

Our focus over the last year has also been on successfully returning our core business performance to pre-pandemic levels – most notably in income collection and reletting homes.

We've also increased our presence in the areas where we operate. There are now more customer facing colleagues delivering the services that matter to our customers; most notably in tenancy support, environmental services, caretaking/ handyperson services and tenancy management.

Building new homes

At a time of a housing crisis we've also continued to make good progress against our 8,000 new homes target. This year has seen us smash the challenging targets we'd set for both newbuild starts and completions. We've also exceeded our very challenging sales targets. This has enabled us to invest even more in both new and existing homes.

Plans in place

The foundations have been put in place to secure our long term plans through the successful completion of our refinancing. This now provides us with the certainty needed to commit to larger scales plans across Yorkshire until at least 2025.

The last year has also seen us do the right thing not the easy thing in pausing, reviewing and then taking the difficult decision not to proceed with the rollout of Dynamics 365. The plans for our new service offer and the framework we need to support the delivery of this are already well advanced.

Post pandemic

Yorkshire Housing has been at the forefront of post pandemic workplace offer. Our rapid and sector leading response when the pandemic first hit has placed us in a really strong position which has enabled us to recruit and retain the very best people to provide an enhanced service offer. Our new working offer has been directly linked to extending our customer service offer and the first impacts of this are now starting to feed through for our customers. The year ahead will see this accelerate at pace.

We know times have been tough for many people and this hasn't got any easier as we have emerged from the pandemic into a cost of living crisis. Yorkshire Housing has responded by increasing the support available for customers as well as reshaping our investment plans to focus on reducing the cost to live in a Yorkshire Housing home.

Devolution

As devolution has continued to develop across the region Yorkshire Housing has been well placed to respond to the opportunities this has created. We have supported the development of the housing offer (the Prospectus) in both West and South Yorkshire devolved regions. We are also currently developing a similar approach in North Yorkshire as the new arrangements here are starting to take shape.

Looking to the future

The year ahead will see the development of our new Business Strategy. This is likely to include an even stronger customer focus, significant investment in existing homes and places as well as setting out our roadmap for how we will revolutionise the customer service offer.

The latter will take time to deliver but we are already making good progress on Phase One as we start to implement a new operating system and ways of working. This builds on a period of sustained investment in technology, data and customer insight.

Yorkshire Housing is well placed to respond to the opportunities (as well as the occasional challenge!) that the rapidly changing world is providing. Our focus is on ensuring our customers remain at the heart of our thinking and decision making processes.

Section:

Strategic report...

Strategic report:

Our business at a glance

Yorkshire Housing (YH) is one of the largest developing housing associations in Yorkshire...

1

We own, manage and build homes across Yorkshire and work to support sustainable communities. We provide a range of enhanced tenancy services, designed to help people live independently, developing their own skills and resilience. This includes money and tenancy coaching, community independence activities and safeguarding.

2

We have a broad-reaching portfolio across 20 local authorities throughout Yorkshire and own and manage over 18,000 homes (and counting) across Yorkshire. We make it possible for current and future customers to have a place they're proud to call home. We also support over 1,000 older customers to maintain their independence in their own homes.

3

Our primary activities are charitable, with further activities provided by a non-charitable subsidiary which rents and sells properties on the open market. All of the profits we make from this activity are reinvested so that we can do even more for our customers.

Take a look at our objectives and performance next...

Strategic report:

Objectives and performance

Great customer experience

We will listen to customers, design services to meet their expectations and provide targeted support where needed. We will use data and insight to help us take a proactive approach to delivering services.

Look back at 2021-2022...

Service delivery

We started this year as we ended the previous, in the middle of a global pandemic, with the challenge of delivering key services to our customers while keeping both customers and colleagues safe by adopting safe working practices.

Services primarily affected by the pandemic included our lettings and repairs services and we saw this translating through into challenging operational circumstances. Restrictions placed on lettings throughout most of 2021, including local lockdowns, meant that the number of empty homes rose to a peak of 489, compared to pre-pandemic levels of 150.

Our focus this year has been to return to pre-pandemic levels of performance, to get our teams back out and about, and to tackle the backlogs which arose during lockdown. Operational performance highlights include a year-end figure on empty homes of 216 (2.21%), an arrears figure of 2.06%, which is broadly similar to last year, full compliance on gas servicing and a return to expected levels of compliance on electric fixed wire testing.

We continued to work with our independent living scheme customers throughout the pandemic restrictions and have now been able to fully re-open all of our communal areas and lounges.

We saw increased levels of antisocial behaviour, particularly over the summer of 2021, and with court restrictions in place, it became more challenging to meet customer expectations. Despite this we were able to resolve a number of serious issues by working closely with our customers and partners.

> *“We recruited eleven customers to CVRC”*

Customer Voice

A particular highlight has been to see the Customer Voice and Review Committee (CVRC) go from strength to strength during the year. By September 2021 we had recruited eleven customers to CVRC, from all geographies and all customer demographics. CVRC is a cornerstone in our approach to co-regulation and resident engagement and is already making an impact.

Highlights of 2021-22 include:

- Reviewing our reasonable adjustments policy to make sure we are putting the right support in place.
- Membership of the Social Housing Tenants’ Climate Change Jury which has come up with recommendations to make sure that retrofit programmes are designed with the customer in mind.
- Completion of the first scrutiny report – scrutiny of our repairs service with recommendations which will feed into our plans to grow our in-house repairs team.
- Reviewed our service charge policy to make sure it is written in an accessible way.
- Consultation on the proposed rent increase for 2022-23.

Independent living

We want to provide a good quality environment for our older customers in our independent living schemes. In 2021 we completed our work to look at the options for all our schemes and have started work on a refurbishment programme at four of our existing schemes.

We want to develop a new offer for older people as part of our ambitious development programme, in 2021 we worked with customers to develop our Retirement Living Offer.

Improving our digital offer

A key part of our approach to an improved customer experience is to enhance our digital offer to customers and provide an effective Customer Relationship Management (CRM) solution to our colleagues to provide them with a single view of the customer. We have taken the decision to review our roll-out of the Microsoft Dynamics platform as it was not providing the expected benefits. Options have been considered and we are now looking to procure a new housing management platform which will be rolled out as part of our overall Change Portfolio.

A new repairs service

In January 2022 YH Board approved the business case to in-source the day-to-day and empty homes repairs service. The ambition is to complete 80% of all repairs using our own Yorkshire Housing teams by 2024. Work is now underway to plan for the growth and expansion of these teams. Customers will continue to be involved in co-designing the new service offer.

Strategic report:

Objectives and performance

Look forward: Our main focus for the year ahead will be to continue to work on the re-design of our customer service offer.

In particular, we have identified a number of projects which we are calling Fix It First, which can be implemented without key dependencies on IT systems. All of this will allow us to be well placed for in-sourcing of repairs contracts.

Other key pieces of work will be to continue to embed our co-regulatory approach through CVRC, upcoming co-design include a new Repairs Policy and lettable standard for our empty homes.

Success measure:

- Customer satisfaction target of 85% (2022 actual – 76%).

Our key measures:

- Top quartile performance in core operational services – repairs, lettings, arrears, compliance by 2024.
- Improved customer retentions and lower turnover – target <7% on factors able to influence by 2024.
- High satisfaction with complaint outcomes >75% by 2023.

Great customer experience

Strategic report:
Objectives and performance

Homes and places to be proud of...

We will provide high quality, safe, affordable homes that meet customer expectations and needs. We will reduce our reliance on fossil fuels and be one of the first UK housing associations to stop using gas heating and hot water systems.

Look back at 2021-2022...

Independent living

Having completed our look at options for our Independent Living Schemes, we completed our first scheme refurbishment, involving customers in the choice of furniture, materials and colour schemes. We have also designed our new Retirement Living Offer and we are now working to identify suitable sites as part of our development programme.

Place Plans

In 2021-2022 we have developed our first three Place Plans at Flockton Court in Sheffield, Ridge Close, Huddersfield and Concorde Mews, Doncaster. Place Plans have been developed with our customers and include environmental and external improvements as well as enhanced facilities including CCTV and laundry facilities. We have also worked with customers to tackle issues around nuisance and anti-social behaviour and developed local lettings plans.

Community centres

During lockdown our community centres had to remain closed. Many centres provide a valuable community resource running initiatives such as Scoff's Café, Neville's Kitchen and free fridges. We are working to re-open all centres and re-establish our programme of activities. Greatwood and Horse Close centre is currently having a complete kitchen refurbishment so Scoff's café can provide even more meals to the local community.

Customer safety

Despite COVID 19 we have maintained full compliance on gas servicing and fire safety and returned to expected levels of compliance on electrical testing.

Assets & sustainability

This is a new part of the business established in 2021 to ensure we have the right focus on our existing homes and places and move away from property maintenance to more active asset management.

We now have a specialist Director of Assets & Sustainability who will lead on our journey to achieving Energy Performance Certificate (EPC) C or better across our sustainable homes and develop a roadmap to decarbonisation and reduce energy costs. To enable this to happen we need to ensure all our baseline information and data is correct and up to date. We have commissioned additional stock condition surveys, commissioned external advice, undertaken a series of detailed stock reports, reset the terms of reference within our assets team, and developed a series of Active Asset Management principles.

In parallel we are also undertaking a series of pilot projects to improve the energy efficiency in our existing homes having secured funding through the Warm Homes Fund and the Social Housing Decarbonisation Fund. This will establish our approach and costs of decarbonisation across all our sustainable homes. We have also installed smart home sensors and used drones to undertake inspections at height.

Market rent & leasehold

This year we have also established a specialist Market Rent & Leasehold Team with a specialist Head of Service. The leasehold portfolio has grown as we continue to develop our new shared ownership homes.

Progress has been made during the year in reducing voids, reducing arrears, and maximising the income on market rent.

> *We are also undertaking a series of pilot projects to improve the energy efficiency in our existing homes.*

Strategic report:

Objectives and performance

Look forward: Our main focus for the year ahead will be to roll out the work we have started on Place Plans and Community Centres.

We are currently reviewing our approach to provision of place-based services so that we can strengthen our offer to customers and provide attractive and safe neighbourhoods.

Assets & Sustainability

Our focus for the coming year will be to further validate the information and data relating to our existing homes. We will finalise our approach to achieving EPC C and publish our active asset management strategy. This will be backed by a robust and sustainable investment plan. We will also continue to identify those assets which are considered obsolete or unpopular and develop plans to improve, remodel, replace or dispose.

Market Rent & Leasehold

We will continue to populate this new team and maximise the potential of this portfolio. We will actively plan to exit properties leased from others where they do not add value. There will be a focus on improving customer satisfaction, and customer satisfaction with repairs.

Success measures:

- All our homes meet the decent homes standard and the Yorkshire Housing Standard.
- All our homes and places will be safe and secure.
- Reduce our reliance of fossil fuels and phase out gas fired boilers.

Our key measures:

- First choice for customers who want to rent or buy a home.
- Use of new and emerging technologies to improve the customer experience.

Strategic report:

Objectives and performance

Growth...

We will deliver 8,000 new homes by 2030. We will provide smarter homes that are more energy efficient, sustainable and affordable to live in. We will renew our focus on social and affordable rented option.

Look back at 2021-2022...

Development activity

Despite the impact of Brexit and then the COVID pandemic we have continued to play our part in helping to solve the housing crisis by continuing to deliver a supply of affordable, high quality, energy efficient and sustainable homes and places where people want to live.

We are now building new homes across the majority of Yorkshire providing homes for rent and sale in urban, suburban and rural locations. Many of these developments have been possible due to our status as a strategic partner with Homes England.

We have continued to improve the design and specification of our new homes and have produced a roadmap to ensure we develop new homes which are low and zero carbon in the future. In addition, we have submitted planning for our first 'off gas' scheme and also completed our first modular homes in partnership with Legal & General Modular Homes.

Forge New Homes our SME house builder which was established in partnership with four other housing providers to increase the supply of new homes in South Yorkshire has now secured three sites for development, one of which is under construction.

Sales activity

As part of our development activity, we offer homes for shared ownership and market sale. This activity plays a key role in providing a range of options and entry into home ownership as well as providing mixed and tenure blind developments. Profits from market sale are used as cross subsidy into less viable developments or to further increase our supply of new homes.

We continue to sell our homes through our separate but complimentary Space Homes brand and this year we have updated and refreshed the website to be more interactive and provide a better customer experience.

Strategic report:

Objectives and performance

Look forward: Our focus for the year ahead will be to secure new sites to meet our future development ambitions.

We look forward to receiving planning consent on our first off gas scheme and developing further our off-site construction offer.

Sales activity

The Space Homes sales team will focus on achieving the required sales during this year. Although challenging we have a well-established and professional team who demonstrate great customer service.

Success measures:

- 8,000 new homes by 2030 (3,752 under contract up to 31st March 2022).
- Provide a range of rented, low-cost ownership and ownership options.
- 700 new mixed tenure homes completed.
- 497 new homes started on site.
- 321 new homes sold for shared ownership or market sale.

Our key measures:

- Meeting a range of needs and demands of our existing and future customers.
- Our new homes will be delivered on time, on budget and to the highest possible quality.
- Investment in the high-quality design of low and zero carbon homes.
- High levels of customer satisfaction.

Objectives and performance

Employer of choice...

We will develop a reputation as an inclusive, innovative and market leading employer. We'll create an inspirational working culture, invest in our systems and recruit for values and behaviours. Our people will have choices in where, when and how they work, supported by a flexible and personalised employee offer.

Look back at 2021-2022...

Investing

We've continued to invest in our people, our people systems, our employment offer and our ways of working to make sure we attract and retain the best people to work with Yorkshire Housing. This sets out just some of the areas we've made significant progress.

Flexible working - hub, home and roam

During 2021/22 we rolled out our 'hub, home and roam' flexible working approach.

Our people now work more efficiently and effectively for their customers, by removing the traditional barriers of 9-5 working in an office and giving people the freedom and choice to work where, when and how they need to.

We removed fixed working patterns for many of our roles and introduced new contracts of employment. This has created a stronger culture of trust and responsibility and given our people a better work/life balance – which means we can give better and more flexible service.

A more flexible approach to where and how we work means we can recruit and retain talented people from a wider geography. This has helped us overcome the very competitive employment market post-COVID and reach a more diverse audience, who can balance work with their location and family commitments.

Our new central hub, The Place, was designed and built during 2021/22 to support colleagues from all over Yorkshire, and beyond, to come together to collaborate, meet, learn and connect in person. The Place will open in June 2022.

Recruitment and talent attraction

We've seen very positive outcomes from direct marketing our unique brand and employment offer through creative recruitment processes. We now market almost 100% of our roles directly, recruiting over 200 people in 2021/22. Our success is not just attracting new candidates, we also promoted 61 of our existing colleagues into new roles.

Investment in skills and learning

We've built further on our commitment to invest in early careers, with 17 apprenticeships running during 2021/22 and a further 19 planned to begin in 2022. We're delighted with the success of our programmes, which span roles across our trades teams, customer services and skills such as communications and cyber security.

70% of our former apprentices have secured permanent roles in the organisation, and others have gone into further education or other employment.

96% of our current group say 'they are proud to work for Yorkshire Housing' and we've recently been shortlisted for 3 awards at the West Yorkshire Apprenticeship Awards including 'Best Large Employer'.

We're committed to ongoing development for all of our people, building the capabilities and skills we need now and for the future. Our L&D offer is growing, aided by a new Learning Management System in 2021.

> *"We're committed to ongoing development"*

All colleagues can access a range of professional (compliance) and personal development courses. We have also introduced a new performance and development system which encourages regular conversations between managers and colleagues about performance feedback, personal growth and wellbeing. To support this, our managers attended a series of modules to build their skills in areas such as coaching, feedback and supporting personal development.

Wellbeing

The changing expectations of work, health and wellbeing was brought into sharp focus during the pandemic, and we've responded with a comprehensive programme of support for our people – including fully trained in-house wellbeing first aiders, access to a wide range of wellbeing tools, and targeted interventions such as men's mental health talks. We believe that our colleague's health and wellbeing is critical to our success and breaking down stigmas helps people to get the support they need, when they need it.

Strategic report:

Objectives and performance

Diversity and inclusion

Part of our aim to be an Employer of Choice is recognising the role and responsibility we play in creating an inclusive and welcoming culture for our colleagues and our customers and championing the value of diversity across our organisation.

We were pleased to report that in 2021/22 we had virtually no gender pay gap, and we voluntarily also reported our small ethnicity pay gap. However, we are open that we still have a lot to do to be truly inclusive. We've been working with a number of specialist external partners to educate and challenge ourselves, including a 3rd party audit of our approach, training for our senior team and the development of a new strategy and operational plans.

During 2021 we surveyed all of our colleagues to find out what people really think about how we're doing, and we're committed to working hard to address areas we need to do more. Our passionate equality, diversity and inclusion colleague group have created awareness events and driven a positive change agenda in this area.

Leadership strength and stability

During 2021 we restructured our leadership team to build capacity and capability and align our organisation to our strategic plan. A number of senior leaders were promoted from within and other skills were recruited from outside to lead us forward in key areas. We now have strength and stability in senior roles across our business and the skills to take our plans forward.

> *We were pleased to report that in 2021/22 we had virtually no gender pay gap*

Strategic report:
Objectives and performance

Look forward: A new People and Culture Strategy has been developed and will be launched during 2022.

This aims to build on the foundations we've laid over the past few years, and further develop our customer focused, forward thinking culture. Centre to our strategy will be evolving our 'people deal' – a holistic colleague offer that balances 'what makes work great' with 'what enables great service delivery'.

Success measures:

- The right people, in the right roles with the right behaviours.
- High levels of engagement measured through a range of colleague experience and culture surveys (73.4% colleague engagement in 2022).
- A workforce stability index of between 75%-80% (79% 2022).
- Above benchmark performance across other people performance indicators (incl. sickness absence and voluntary turnover).

Our key measures:

- A suite of people performance indicators that will enable us to measure, understand and benchmark the impact of our people management activities.
- Colleague experience and culture pulse check surveys.
- Delivery of strategic success measures.
- Customer feedback improvements.

Strategic report:

Objectives and performance

Strong, resilient & innovative...

We will invest in the three business foundation pillars of Finance, ICT and People.
We will influence policy and be a leading-edge organisation that others want to work with.
We will be Yorkshire in name and nature, with a sustained focus on value for money.

Look back at 2021-2022...

Governance

We were upgraded from G2/V2 to G1/V2 by the Regulator of Social Housing (RSH) in April 2021, having successfully addressed the issues highlighted in the previous IDA in 2020. Having completed our action plan to regain our G1 status, we have continued to look at how we strengthen our Governance, this includes:

- In early 2022 we engaged Altair to review our Governance and recommend any improvements we could make.
- We've welcomed a number of new Board members and agreed a succession plan to provide continuity in our Board going forward.
- We have reviewed our Risk Management framework and improved how we monitor and report on risk as well as developing our approach in a number of areas.

Refinancing

A major exercise to refinance YH was undertaken during 21/22. The objectives of this were to:

- Provide improved liquidity to enable us to meet our strategic plans, especially development, for the next few years, and at the end of 21/22 FY we had sufficient funding in place to last us for the next 3 years.
- Reduce the interest charge through lower facility rates and reduced cash holdings.
- Free up additional security that could be used against new facilities.
- Better align our covenants and reduce complexity in reporting against these.

In order to achieve this we've paid back some loans, renegotiated others and arranged new facilities. Where we have been paying higher than market rates of interest and it made economic sense to do so, we have exited fixed rate agreements taking a one-off hit of £35.8m in the year.

Technology roadmap

We have agreed a new Technology Roadmap which initially focuses on building strong, secure and future proofed foundations which will allow us to springboard our innovations in later stages of the roadmap. At the core of this roadmap is robust data architecture enabling a culture of data driven decisions and actionable insights using clean and reliable data.

As a consequence of our decision to go with a different approach to our underlying systems we are accelerating the depreciation on some of our existing system assets and taking a one-off charge to the accounts of £5.3m in the current year.

Investment in our people

We have continued to invest in building the skills and capabilities of our people, and improve our colleague offer to attract and retain great people to work with us. Some highlights during the 2021/22 year include:

- Contract changes to enable fully flexible working as part of our hub, home and roam approach to work.
- Line managers attended a series of soft-skills training sessions to support the process.
- Significant investment in mental health and wellbeing support.
- Roll-out of our performance and development management system, Connect. The Connect process encourages regular conversations between colleagues and their line manager about their performance, personal development, learning and wellbeing.
- Investment in a new Learning Management System (POD) to include both professional (compliance) learning and accessible personal development modules.
- Leadership development at team and individual level.
- Colleague engagement measured at 73.4%.

Financial capacity

We retained our A3 Stable credit rating with Moodys which is an important measure of our credibility with existing and potential investors. We exceeded our underlying targets in respect of operating margin, surplus and interest cover, excluding any one-off impacts relating to our refinancing and new Technology roadmap.

Customer arrears (% of rent)	
2021/22:	2.07%
Target:	<2%
2020/21:	1.85%
Number of empty homes	
2021/22:	221
Target:	<200
2020/21:	485
Liquidity (per Treasury Policy)	
2021/22:	34 mths
Target:	Min 18 mths
2020/21:	23 mths

Strategic report:

Objectives and performance

Look forward: Our main focus looking towards 2023 and beyond is to ensure we retain our G1 status, improve our financial capacity and progress the development of our people and the systems that support them.

Success measures:

- Investment in the pillars of finance, ICT and people.
- Be well governed.
- Lead not follow.

Our key measures:

- Ensuring financial performance meets internal targets.
- Maintaining liquidity levels compliant with Treasury Policy.
- Maintaining and improving our A3 stable Moody's credit rating.
- Maintaining a minimum of V2 financial viability rating with the Regulator of Social Housing.
- Maintaining a G1 governance rating with the Regulator of Social Housing.
- Delivery of our key strategic priorities.

Strategic report:

Environment, trends & future outlook

The coronavirus pandemic dominated the first part of the financial year but as restrictions were lifted during the summer of 2021 and onwards, our services were gradually able to return to normal.

COVID-19

During the lockdown periods our teams were only able to carry out essential repairs to properties to protect both our customers and colleagues. However, as restrictions have eased there have been concerted efforts to catch up with these repairs and the team continue to work to resolve outstanding repairs. Despite this, we are still working through a backlog of repairs and expect this to continue during 2022.

We experienced a significant growth in empty homes during the pandemic and at the start of the financial year we had 485 homes that were not being lived in. This is not only a missed opportunity to provide homes to people who need them, but also represents a loss in potential income to YH. During the year we've made great progress in letting out more of these properties and at the end of the year we had reduced the number of empty homes to 216.

The pandemic has also had an impact on the public finances. There has been a significant increase in government borrowing to support the economy during the pandemic and there is a risk that this will reduce the appetite and/or ability of government to contribute funds to the social housing sector.

The economy

As pandemic restrictions were eased in 2021 we saw a number of key themes:

- A shortage in the labour market caused by a reduction in the number of people making themselves available for work.
- The release of pent-up demand for many goods and services and, in particular, an increase in the number of people looking to buy homes.
- Rising inflation generated from both increasing demand but also supply shortages of certain goods and services.

Despite the difficulties in the labour market, we have managed to maintain a reasonable level of colleague turnover, consistent with our strategy to be an employer of choice. Whilst we have experienced difficulties in recruiting people with certain skill sets and experience, these have not so far had a major impact on our ability to operate effectively.

Macroeconomic conditions have wide implications for Yorkshire Housing. Yorkshire Housing is exposed to housing market fluctuations with approximately 12% of the new homes completed in 21/22 being open market sales through the commercial subsidiary, YH Residential. In addition, Shared Ownership made up approximately 38% of completions in 21/22 and therefore YH's income is also sensitive to first tranche sales.

House prices in Yorkshire continued to rise during 2021 and the early part of 2022. With the stamp duty holiday ending in autumn 2021, demand was expected to slow down but there has not been a great deal of evidence of such a slowdown. House prices have continued to rise this year with housing prices showing a 9% increase in the year to March 2022.

Inflation is increasingly becoming an issue and we have seen major price increases from some suppliers, especially those involved in construction and maintenance. At the end of September 2021, CPI stood at 3.1% and this was used as a basis for increases in our rents from April 2022. Since then inflation has continued to rise and hit 7% in March 2022. Inflation is expected to continue to rise, reaching over 10% in autumn 2022 before reducing again and this will be a significant challenge.

As inflation has been increasing, we have also seen increases in interest rates, both SONIA, which is linked to our borrowing costs, and the Bank of England base rate, that impacts on our shared ownership customers with mortgages. Both measures are expected to reach 2% by the end of 2022.

Inflation and rising interest rates not only impact on our costs but also on costs borne by our customers. So far we have seen only a modest increase in customer rent arrears from 1.85% at the start of the year to 2.07% by the end of the year. We have tried to mitigate the impact of increasing costs on customers by providing additional tenancy coaching and support.

Our business plan scenario testing shows that YH can remain resilient despite these potential economic pressures and risks.

Environment, trends & future outlook

The importance of the health and safety of our customers and colleagues means we aim to not just follow regulations but look for continuous improvements to safety and wellbeing.

Customer and colleague safety

Throughout the pandemic we continued to carry out essential works to ensure a safe home environment, whilst protecting customers and colleagues. As lockdown restrictions were eased, improvement work and catch up to non-essential repairs were carried out. We remain fully compliant with Gas, Electrical, Asbestos, Legionella and Lifts legislation.

A Building Safety Strategy for YH has been developed, taking into account the forthcoming Building and Fire Safety Acts and requirements placed on landlords and building owners.

Throughout the pandemic we carried out detailed risk assessments and provided personal protective equipment in line with Public Health England guidance. Where colleagues could work from home they have done and access to our office spaces remained closed except for essential use during the first part of last year.

We continue to be sensitive to customer and colleagues concerns in relation to COVID, and adapt our services accordingly.

We have also begun the roll-out of lone worker devices to all of our colleagues who need them. These devices ensure that if colleagues feel they are in an unsafe situation, they are able to access help quickly and discreetly wherever they may be working. The devices also offer an incapacity 'alarm' and response if a colleague is taken ill, suffers an accident or is non-contactable.

Our role in society

The sector has a huge role to play in providing much needed affordable homes. We are committed to building affordable homes across Yorkshire, which also creates jobs and helps our communities to thrive.

We recognise that reducing emissions of CO_2 is an important objective of government and wider society. We are looking at how we can continue to reduce the carbon footprint of our new homes and all our new homes are at least EPC B rated from an energy efficiency perspective and include charging points for electric cars.

Our social impact team are active in working within the communities where we operate and look at investing in these communities to improve wellbeing, educational and employment prospects. We work with customers and community groups to provide money and tenancy coaching, support community projects and provide community centres.

Future outlook

Our current strategy was written more than 2 years ago and we are looking at refreshing that strategy during this year. The revised strategy will take into account changes in the environment we operate in and the progression of activities in our own business.

The war in Ukraine has increased the level of economic uncertainty as well as having a profound impact on many people's lives. We will continue to monitor the situation closely, try to understand what we can do in terms of providing support to displaced families and plan how we mitigate further economic shocks arising from it.

We continue to drive an ambitious development programme. In doing so we are focused on building new homes that are fit for the future. We're responding to the government's Future Homes Standard, which means installing only renewable heating systems from 2025, looking at the use of zero carbon heating systems and using modern methods of construction. We will continue to reduce our impact on the environment and recognise the important role we have to play in a low carbon future. Future developments on new build sites include a move away from gas boilers.

"We're responding to the government's Future Homes Standard, which means installing only renewable heating systems from 2025."

Strategic report:

Financial performance

Underlying financial performance was positive this year with the overall surplus £2.4m ahead of budget prior to one-off items.

Our financial performance

This was largely thanks to better than budgeted sales performance (operating and non-operating) off-set by void loss and higher repairs and investment costs.

The total comprehensive loss for the year of £25.8m (2021: £8.7m surplus) was largely a result of two significant one-off items. The first is the refinancing exercise, which has seen Yorkshire Housing break a number of historic fixed rate loans and replace these with cheaper bond debt and more flexible revolving credit facilities. This led to a total of £35.8m breakage and other refinancing costs in the year. This has a positive net impact on reserves over the term of the original debt and improves interest cover immediately. There was a £1.0m saving in interest in the year as a result.

The second is the write off of a software intangible asset, which results from a reset of the IT roadmap. YH took a difficult decision stop the original roll-out of D365 and write-off some of the existing assets as a result. The new plan will provide significant net savings in future years compared to the previous plan.

Sales of properties, both open market sales (OMS) and shared ownership first tranche, increased by £3.6m to £52.0m improving turnover compared to last year. This was driven by an increase in shared ownership units (up 61 units to 235) offset by a small decrease in OMS (down 6 units to 86).

The average sale price of OMS also decreased, this decrease is due to a change in scheme locations to lower value sites, rather than a reduction in market prices. Gross margin across all sales sites reduced to 17% from 20% in the previous year, reflecting the particularly high value of the schemes sold in 2021.

Income from rents increased £3.2m to £91.3m due to increases in unit numbers and inflationary increases to rents. Some of our properties remained empty for longer than usual during the year with an estimated £1.0m impact on turnover. This was largely a hangover from COVID restrictions, however this position has improved significantly in the last quarter of the year and we have returned to a more usual pre-pandemic level. Inflation was also experienced across the cost base diluting the positive impact on turnover to £0.9m at a surplus level.

Repairs and investments (excluding capitalised investments) increased by £1.36m in the year as services resumed to more normal levels after the COVID restrictions that impacted the year to March 2021 were gradually relaxed.

Depreciation was £0.9m higher this year on an increased asset base and bad debt increased by £0.4m after an unusually low expense in the year to March 2021. There were also some significant non-operating movements, YH generated £3.7m from the sales of fixed assets (including strategic housing asset sales, right to buy and acquire, and shared ownership staircasing), which was £1.5m more than in 2021.

£22.5m

Operating surplus

(2021: £34.8m)

£25.8m

Comprehensive loss for year

(2021: £8.7m surplus)

£52.7m

Property sales

(2021: £49.4m)

Strategic report:

Financial performance

Our financial performance

More than offsetting that was a loss on revaluation of market rent properties this financial year compared to a significant gain in 2021, an adverse movement of £3.6m year-on-year (from a £3.1m gain in 2021 to a £0.5m loss this year). The fair value of these properties is based on discounted future cash flows rather than open market value subject with vacant possession.

YH Residential (YHR), the group's commercial arm, continues to generate a surplus across all of its business streams of £4.3m (2021: £10.8m). This surplus is paid to YHL in gift aid and provides important support to our new affordable homes development programme. The decrease is due to the decrease in OMS in the year and the impact of the movement in revaluation of investment properties.

There was a £3.8m actuarial gain in respect of the SHPS pension scheme taken through other comprehensive income in the year.

The group's balance sheet remains strong with net assets of £217m (2021: £243m), the decrease reflecting the one-off refinancing costs incurred in the year. A short term decrease that will add long term value to the organisation.

Ongoing investment in properties has continued in line with our ambitious growth program as shown in the increase in net book value of housing properties of £49m.

The group's statement of financial position also includes the group's investment in Forge New Homes LLP joint venture. Forge New Homes is a joint venture with four other housing associations for the development of homes in the Sheffield City Region. At 31st March 2022 the investment in Forge New Homes was £0.8m.

£4.3m

YHR surplus

(2021: £10.8m)

£217m

Group's net assets

(2021: £243m)

Group turnover and operating surplus by activity

	Turnover		Operating surplus	
Activity (£m)	**2022**	**2021**	**2022**	**2021**
General needs	77	77	9	17
Housing for older people	6	5	-	-
Supported housing and care homes	3	2	-	-
Shared ownership	3	2	2	1
Total from lettings	**89**	**86**	**11**	**18**
Non Letting – other social housing activity	24	15	2	2
Non-social housing activity	36	41	6	10
Valuation changes	-	-	-1	3
Sale of fixed assets	-	-	4	2
Total	**149**	**142**	**22**	**35**

Strategic report:
Financial performance

Cashflow and financing
Cash inflows and outflows are set out in the consolidated cash flow statement. The major cash outflow remains the acquisition and construction of new housing properties of £67m in line with our growth ambition. This was funded by £28m of grants, £4m generated from operating activities, property asset sales of £8m and the remainder from borrowing.

The group monitors short and long-term cash flow projections which demonstrate that both current liquidity and long-term viability are assured. Funding facilities are in place to cover cash requirements over the next three years. This continues to be closely monitored by the Board.

At the end of the year, total borrowings were £566m. This is less than the £571m at 31 March 2021 despite the investment and refinancing costs. This is because the refinancing exercise has allowed YH to add additional Revolving Credit Facility (RCF) agreements and reduce the amount of cash carried at any point in time. The refinancing also increased the publicly listed bond to £255m (2021: £200m). All of the borrowings remain in sterling.

The group is obliged by its funders to meet a series of loan covenants relating to asset values (asset cover), surpluses (interest cover) and total amount of debt (gearing). All loan covenants were met during the year and at the year end, and are continuously reviewed. In respect of bank loans, the group manages interest rate risk through the use of interest rate swaps. In a change to last year YH does now have stand-alone swaps.

These are categorised as non-basic financial instruments and have been measured at fair value at 31st March 2022. The gain or loss on valuation is taken to other comprehensive income in the year. The rest of the debt portfolio are classified as "basic" financial instruments under FRS102.

Credit rating
The association has a credit rating of A3 from Moody's based on a number of credit strengths including a stable income stream and consistent profitability, moderate and stable debt and a simple corporate structure. Risks come from the increased development programme as well as the proportion of properties sold in the open market or on a shared ownership basis.

The social housing sector relies on potential government support in the case of any financial difficulty which is reflected on all credit ratings issued to housing associations.

Five year performance
The group's five year performance shows the asset base increasing as we continue to develop homes and grow the business. The income and expenditure account has been impacted by the one-off refinancing and intangible asset write off despite another strong year of sales. The reported surplus over the five year period is also impacted by some significant actuarial gains and losses in respect of pensions.

£67m

On construction of new homes
(2021: £68m)

£566m

Total borrowings
(2021: £571m)

£255m

Borrowings are in publicly listed bonds
(2021: £200m)

A3

Credit rating from Moody's
(2021: A3)

Strategic report:

Financial performance

The group's five year financial and operational performance

	2022	2021	2020	2019	2018
Income and expenditure account (£m)					
Total turnover	149	142	116	113	101
Operating surplus	22	35	27	35	33
Surplus for the year transferred to reserves	(26)	9	17	11	16
Statement of financial position (£m)					
Fixed assets	1,069	1,025	962	884	849
Net current (liabilities)/assets	60	106	139	69	91
Total assets less current liabilities	**1,129**	**1,131**	**1,101**	**953**	**940**
Long term loans	555	563	559	448	451
Social housing grant	325	301	290	279	282
Other creditors	34	23	18	9	1
Revaluation reserve	28	29	29	29	29
Revenue reserve	187	215	205	188	177
Group funds	**1,129**	**1,131**	**1,101**	**953**	**940**
Cash flow (£m)					
Net cash inflow from operating activities	4	39	22	25	28
Returns on investment and servicing of finance	(21)	(22)	(20)	(18)	(18)
Capital expenditure					
New homes (net of grant)	(38)	(52)	(62)	(40)	(26)
Existing homes improvements	(2)	(2)	(13)	(11)	(14)
Sales of homes	7	6	6	8	9
Other fixed assets	0	(9)	(6)	(1)	(1)
	(50)	(40)	(73)	(37)	(22)
New loans (net of repayments)	9	2	133	(1)	102
Increase/(decrease) in cash and deposits	**(41)**	**(38)**	**60**	**(38)**	**80**

Strategic report:

Value for money

In line with our strategic objectives we've continued to invest in new and existing homes. During the year we reinvested 7% of housing asset value back into new and existing homes reflecting that commitment.

Value for money (VfM)

It also reflects the return to being able to work on our properties as planned after the COVID restrictions, although capitalised investment works remained below pre-pandemic levels hence this figure being behind target.

We built 700 homes this year with 605 of them being social properties (a mix of rental and shared ownership) and 95 for open market sales with all of the proceeds reinvested in further developments. Through this YH continues to outperform industry benchmarks for new supply.

Gearing has remained relatively flat despite this investment. The additional net borrowing being offset by the higher asset base. We intend to continue to borrow to build more houses and to invest in the homes we currently have so we can provide services to more people who need a quality home they can afford.

EBITDA MRI interest cover is well below target this year because of the one off costs of refinancing. Without the refinancing costs the figure is 130%, much closer to the target for this year. The refinancing has significantly reduced the cost of debt and meant that the funding portfolio is much more security efficient. Covenants have also been streamlined meaning we're in a much better position to service debt and continue to grow the business in the future.

The most significant impact other than the refinancing was the write off of the D365 intangible asset. This follows a reset of the IT roadmap for the business. Accounting rules mean the full value of the asset needed to be written off despite a lot of the process development work being transferrable to other technology solutions.

The decision will still allow us to deliver the service efficiencies planned as part of the transformation, although these have been delayed, and will be cheaper to deliver overall. Operating margins for the group and social housing operations would have been 17% and 18% respectively was it not for the write off. This also impacted the ROCE figure, which would have been 2.5% without the write-off.

700

Total homes built this year

605

Of them are social homes

7%

Of housing asset value reinvested

Growth and homes and places to be proud of:

Metric set by the regulator?	VFM metric	YH 2022 Target	YH 2022 Actual	YH 2021 Actual	Benchmark 2021 Median
Yes	New supply of social housing delivered	3.54%	3.44%	2.44%	1.31%
Yes	New supply of non-social housing delivered	0.81%	0.53%	0.46%	0.00%
Yes	Gearing	50%	52%	51%	44%
Yes	Reinvestment in new and existing homes	9.7%	7.0%	7.2%	5.8%
Yes	EBITDA MRI interest cover	136%	49%	185%	183%

Strategic report:
Value for money

Investment in our customers, communities and the future of our business:

Metric set by the regulator?	VFM metric	YH 2022 Target	YH 2022 Actual	YH 2021 Actual	Benchmark 2021 Median
Yes	Customer satisfaction	90%	76%	85%	N/A
Yes	Operating margin (overall)	17.4%	13.0%	20.7%	23.9%
Yes	Operating margin (social housing)	19.7%	12.1%	20.7%	26%
Yes	Headline social housing cost per unit	3,801	3,513	3,111	3,731
Yes	ROCE	2.2%	2.0%	2.8%	3.3%

Value for money (VfM)

Costs are continuing to rise and we have been impacted like many other businesses. This has been felt particularly in the areas of repairs and maintenance. The cost of materials has risen as have the cost of third party contractors who provide a significant portion of our repairs service. To address this we've made the decision to bring more of our services in house. We believe with the VAT savings generated from a move to in house repairs, and the operating efficiencies we can deliver through the investment in technology, we can deliver better service to our customers for less money. This transition is expected to take us two years to complete.

Inflation has impacted both the operating cost per home and operating margins. Operating cost per home would have been higher still, however, capitalised investments didn't return to full pre-pandemic levels this year with the start of the year in particular impacted by lockdown restrictions.

We, like many others in the sector, have been faced with repairs backlogs in the year, another legacy of the COVID pandemic. We believe this has been a significant factor in reduced customer satisfaction this year. It's a key focus area for this year to clear the remainder of that backlog and ensure all of our customers can have a home to be proud of.

The other significant impacts on margins were the reduction in margins on sales products due to scheme mix and the impacts voids had on rents. Both are detailed in the financial performance section above.

Sales performance is still in line with expectations and continues to provide a good return on investment. The voids performance has been below what we expect but we have targeted void repairs and lettings activity to bring this back down to a pre-pandemic level. Voids numbered 216 at 31st March 2022 down from a peak of 489 earlier in the year.

Although inflationary pressures have been evident in procurement this year we are always on the lookout for opportunities to achieve efficiencies for the Yorkshire Housing pound. We also recognise that our customers are being significantly impacted by rising prices, particularly in terms of energy prices.

Two example successes are that, in collaboration with Craven Council, we've successfully accessed the European Regional Development Fund to install solar panels and air source heat pumps in the Skipton area.

We've also been successful in obtaining funding from the Social Housing Decarbonisation Fund to retrofit heating and insulation improvements to properties in Scarborough. Although these have been relatively small scale, we'll continue to look for these types of opportunities in order to maximise the value we can offer our customers.

> *Sales performance is still in line with expectations and continues to provide a good return.*

Strategic report:
Risk management

The delivery of our strategic priorities and the sustainable growth of our business is dependent on effective risk management and strong governance. This helps us to deliver our operations in a socially responsible and resilient manner.

Our approach to risk management

Our risk management framework is an established methodology designed to support the timely identification, evaluation, management and reporting of significant external and internal risks facing the business. We can understand, communicate and respond to the impact of risks and opportunities in relation to our purpose, strategic objectives, finances, operations, customers, colleagues, partners, regulatory, legal and reputation. This is underpinned by a three lines of defence model for risk management and assurance.

The Board has overall responsibility for ensuring the group has appropriate systems for managing risk, agreeing the principal risks facing our business and ensuring these are managed in line with the Board agreed risk appetite (i.e., the amount of risk we are willing to take in pursuit of achieving our strategic priorities). The Board receives regular reporting on risk and assurance activity at each meeting and considers external, sector specific and horizon risks.

Board risk appetite statements are reviewed annually or more frequently if needed and set out our attitude towards risk and reward.

Yorkshire Housing maintains:

1. **A balanced approach** towards financial risk; operating within our board approved financial framework "golden rules", ensuring we do not take risks that threaten our financial viability.
2. **A cautious position**, taking very safe options regarding legal and regulatory compliance, and is adverse in relation to health and safety risks.
3. **An open appetite in pursuit of innovation**, new ways of working and using technology as a key enabler where this supports our customers, homes, assets and growth plan objectives.

The Group Business Assurance Committee is responsible for oversight of our risk management framework and provides assurance to the Board on the adequacy and effectiveness of the systems of internal control, risk management and governance. This includes monitoring of strategic and significant operational risks, review of internal control frameworks, specific projects and mitigation activity and receiving deep dives and reports on risks and assurance.

> *"The Board receives regular reporting on risk and assurance activity at each meeting and considers external, sector specific and horizon risks."*

Strategic report:

Risk management

During the period the Group Business Risk Committee considered the following matters:

- Review of the Risk Management Framework, Policy, Strategic Risks and Risk Appetite as part of continuous improvement.
- External Audit tender exercise for new External Auditors. This resulted in the appointment of Beever and Struthers.
- Data Strategy - undertook in depth reviews of rent setting processes.
- Internal Audit tender exercise for new Internal Auditors. This resulted in the appointment of KPMG.
- Cyber Security deep dive, engagement of specialist technical resources and agreed recommendations for ongoing resilience.
- Reviewed and determined on a range of internal and external assurances.

Other Standing matters included:

- Review of the annual Financial Statements.
- Annual Review of Compliance against the Regulator's Economic Standards.
- Approval of annual internal and external audit plans and performance.
- Review of Internal Audit reports and monitoring of progress of recommendations.
- Annual review of Asset & Liability Register.
- Annual review of the Internal Controls Assurance Report for recommendation to the YHL Board.
- Biannual review of Fraud and Whistleblowing.
- Biannual review of Data Protection Compliance.
- Annual insurance review.
- Annual committee effectiveness review.

The Executive Team has overall responsibility for the delivery of strategy, operational performance and managing risk. Risk management is considered in our corporate activity, through implementation of our business plan, financial planning, stress testing, major programmes and projects, operational delivery and third-party management.

We enable our business and policy focussed teams to consider risks within everything we do, and they are responsible for risk responses, embedding, operating controls and checking effectiveness of operation. We champion an open and transparent culture of risk awareness and escalation; supported by group wide risk, compliance, policy and health and safety training.

Internal Audit provide independent, objective assurance to management and the board over the effectiveness of first and second lines. Additional assurance is provided from external sources, such as external audit, technical specialists, and regulatory body reviews.

Our principal risks and uncertainties

Yorkshire Housing key strategic risks as of 31 March 2022 are outlined in the tables on the next page.

> *We enable our business and policy focussed teams to consider risks within everything we do.*

Strategic report:

Risk management

Economic climate

Risk context	Mitigations	Changes in year
Major external events e.g., further COVID disruption, Ukraine war, China/ US tensions negatively impact on YH customers, colleagues, business plan, funding and key partnerships and suppliers.	- Treasury Strategy & thresholds. - Prudent sales assumptions. - Enhanced Tenancy Services. - Board agreed stress tests, sensitivity analysis and early warning triggers. - Risk based appraisals. - Supplier framework agreements. - Assurance and technical advisory. - Markets indicators analysis.	Maintaining close monitoring of the changing conditions we took the opportunity to further de risk and strengthen through refinancing actions improving security efficiency, liquidity, additional funding and reserves.

Customer experience

Risk context	Mitigations	Changes in year
Failure to deliver appropriate, timely, tailored and value add services to existing and future customers.	- Great Customer Experience and Homes and Places Strategy. - Comprehensive policy framework. - Customer experience embedded in teams' performance framework. - Dedicated insight function. - Monthly customer surveys. - Enhanced tenancy services. - Performance and feedback clinics. - Board and committee oversight.	Our Customer Voice and Review Committee undertook scrutiny of key projects and with an emphasis on co-creation, such as new developments and our repairs service. We embedded the new complaints code and policies and proactively made ready for the new Tenancy Satisfaction Measures and consumer regulations regime.

Cyber security

Risk context	Mitigations	Changes in year
Systems and data are inadequately protected against theft, loss and corruption arising from cyber security breach.	- ICT Strategy and full policy suite. - Use of encryption and cloud services. - Mobile Device monitoring. - Multi-Factor Authentication. - Security testing. - IT DR, BCP plan & test cycle. - Training & awareness programmes. - 3rd party management. - Specialist technical security resources and 3rd party assurance.	Continued investment in resilience measures and validating our approaches and performance with use of specialist technical reviews and benchmarking. We heightened our response footing reflecting the ever-increasing external threat environment.

Strategic report:

Risk management

Data governance

Risk context	Mitigations	Changes in year
Unreliable, inaccessible or inaccurate data may cause sub optimal decision making, and if misused may cause non-compliance with regulatory requirements.	- Data reconciliation, validation and reporting across key asset, customer finance and compliance systems. - Data Quality & Compliance functions. - Monthly performance scrutiny clinics. - Data Strategy and policies. - Safety and stock condition surveys. - Data strategy, security, GDPR policies and procedures. - Report QAs and independent assurance.	We continued to delivery on our data strategy and compliance requirements, with expansion of central controls, data performance teams, and concluded remediation on historic data quality issues. Board and GBAC oversight of data projects and a series of independent reviews on broader aspects of data.

Health and safety

Risk context	Mitigations	Changes in year
Failure to comply with health and safety laws and regulations (including Health and Safety at Work Act 1974) or legal and regulatory changes, particularly those relating to our landlord duties, causing death or injury to customer or colleagues.	- Approved policies & procedures in line with changes to leg/reg. - Qualified and skilled resources. - Mandatory training across all elements. - Data validation checking systems. - On site and thematic reviews. - Technical, third-party advisory and assurance programme.	Our priority is customer and colleague safety. We experienced no material incidents during the year and maintained high levels of assurance. Planned actions on personal safety devices were implemented, alongside a new fire risk assessment system.

Regulatory compliance

Risk context	Mitigations	Changes in year
Failure to comply with regulatory standards and expectations.	- Customer standard QUAC checks. - Regulatory standards assessment by Board, committees and customers. - NHF Code of Governance 2020. - NHF Model Rules approved 2021. - Comprehensive independent compliance assurance reviews. - Embedded governance framework.	Governance and Board effectiveness review undertaken. Established more roles to support increased regulatory and legislative requirements on safety, standards and customer regimes.

Strategic report:

Risk management

Growth plan delivery

Risk context	Mitigations	Changes in year
Inability to deliver the planned levels of new homes due to competition for land, shortages of key construction roles and/or materials.	- Dedicated development, land and strategic asset management teams. - Multi variant scenarios inform plan and pace programme delivery. - Fixed priced contracts, robust partnerships, NHBC guarantees. - YH Board approved strategy, plans, assumptions/hurdles. - Growth & Investment Committee oversight of new and existing homes. - YHR Board oversight of development and sales related risks.	Whilst we have been faced with stiff competition for land and increasing build prices, we have continued to develop our relationships with builders and local authorities to deliver our planned levels of new development. We have also updated our hurdles and assumptions to reflect the benefits from refinancing but also the inflationary pressures we face.

People

Risk context	Mitigations	Changes in year
Failure to recruit / retain / resource and enable colleagues with the right behaviours, values, skills and capabilities to deliver strategy and purpose	- Flexible 'Hub, Home, Roam' working. - Behaviours and values led recruitment. - Job Essential Learning and role mandatory training in place. - Colleague surveys and feedback. - Detailed colleague insight and KPIs. monitoring and action management. - Market benchmarking of salary and benefits. - Diversity and inclusion policies in place. - Succession and talent management planning.	Our flexible working offer attracted more new joiners in year. Staff satisfaction remains high. We maintained focus on colleague wellbeing and implemented core HR systems. Our new People and Culture Strategy approved by YH Board recognises the change in our ways of working, colleague and customer expectations and future capability needs to fulfil our plans.

Change portfolio delivery

Risk context	Mitigations	Changes in year
Strategic portfolio is not delivered on time, to desired quality or does not achieve planned benefits and outcomes.	- Overall governance, portfolio plans, and projects supported by PMO processes to manage / record portfolio risks, decisions, controls, financials and change control. - Specialist portfolio delivery team support business SMEs on delivery. - Board involvement in commissioning, approving business cases and progress oversight. - External assurance is obtained at key stages.	During the year we took the decision to pause and then stop our development of D365 and have adopted a different approach to deliver improvements in our underlying systems. This is supported by a strengthened portfolio delivery team and a clear plan for future developments supported by a detailed view of costs and business benefits.

Internal control, environment and assurance

The Board has overall responsibility for establishing and maintaining the system of internal control and for reviewing its effectiveness.

There is a continual process in place for identifying, evaluating, and managing the significant operational and strategic risks faced by Yorkshire Housing. These are internal or external environment risks that may threaten our business model, future performance, solvency and liquidity, delivery of services or regulatory and legislative compliance.

The Group Business Risk Committee monitors and reviews the effectiveness of the internal control system; conducts an annual effectiveness review and reports the findings to our Board.

The system of internal control is designed to manage rather than eliminate risk, to prevent and/or detect fraud and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has reviewed the effectiveness of the system of internal control, including the risk management, for the year to 31 March 2022, and up to the date of signing these financial statements. It has not identified any weaknesses sufficient to cause material misstatement or loss, which require disclosure in the financial statements.

Key elements of the internal control framework include:

- A strong culture of integrity led from the board and senior leadership team through the organisation, supported by our code of conduct, formal recruitment, retention, training and development and performance management policies and ongoing colleague engagement and feedback processes.
- A robust overarching governance framework underpinned by adherence to chosen code, up to date rules, service level agreements, scheme of delegations and regular performance reporting and monitoring across all entities.
- Detailed financial regulations which cover authorisation levels, reconciliations, and segregation of duties.
- Embedded Board policies and processes on succession, skills and capabilities, appraisals, remuneration, committee terms of references and annual reviews on governance and effectiveness.
- Clear organisational and management structures with roles and responsibility for risk management and control built into appropriate staff role profiles and specialist functions.
- An organisational wide policy and procedures framework covering all material areas, operational activity and regulatory and legislative requirements, subject to regular review and monitoring at Board and committees.
- An annual programme of third-party independent assessment on the robustness and effectiveness of the internal controls across the organisation from internal and external auditors, technical advisors and strategic partners.
- A risk management framework, reviewed annually that considers strategic and operational risks, sets out the board risk appetite, limits and tolerances for ongoing monitoring and reporting across the relevant Boards, Committees and business management meetings.
- A comprehensive performance monitoring process across all facets of the business; including financial, business planning and stress testing supported by a detailed suite of performance indictors linked to strategy and plans, customer outcomes, service delivery, health and safety and asset compliance, loan, covenant compliance and liquidity.

Section:

Governance and compliance...

Governance and compliance:

Board Members

The Yorkshire Housing board works with the committees, subsidiary boards and executive directors' team to ensure that business is dealt with effectively, decisions are taken at the most appropriate level and the results of those decisions enhance our performance.

Ingrid Fife

Chair of the Board

Ingrid has a wealth of experience as a Board member and a Chair. She has a commercial background and as a non-executive has worked with Boards in both the housing and health sectors. She has a strong understanding of social housing, serving on the boards of Riverside (Group Board and Chair of Care and Support), One Housing Ltd and previously as Chair for Halton Housing and Vice Chair for Regenda. Ingrid is a member of the Governance and People Committee.

Alison Hadden

Vice Chair of the Board

Alison has worked for a range of housing providers in which culminated as CEO of Paradigm for 8 years. However, she got bored and as she didn't want to do the networking circuit she became an interim executive who specialised in turning failing organisations round. Due to her experience she was appointed as a Board Member on a couple of Housing Associations one of which was Yorkshire Housing. She now has a range of such roles in the private and social housing sectors having had to give up full time work due to her elderly mother needing support. Alison is also Chair of the Governance and People Committee.

Isabel Hunt

Member

Isabel has 21 years' executive level experience in service design, digital transformation and customer roles in both the public and private sectors. She is currently the Executive Director for innovation and insight at the National Heritage Lottery Fund and is a Board Trustee of the Royal National Institute of Blind People (RNIB). Isabel is a member of the YHR Board and the Homes and Places Committee.

Matthew Blake

Member

Matt is a Chartered Management Accountant and has circa 20 years experience working in a variety of Treasury, Accounting and Analytical Roles within the UK Non-bank mortgage market. He was previously Director of Treasury for Together Financial Services Limited and is currently the Treasurer at Pepper Money UK Limited. Matt is a member of the Group Business Assurance Committee and the YH Finance Plc Board.

Governance and compliance:

Board Members

Leann Hearne

Member

Leann has a background in growing, developing and leading businesses, and after beginning her career in engineering, she became managing director of an international manufacturing business in 2000. Non-Executive roles in housing led her to move to the sector in 2008 and she is currently CEO of Livv Housing Group.

People matter to her and supporting ambition, nurturing aspirations and creating opportunities are central to the work she does with businesses and communities. She is a trustee for the Shakespeare North Playhouse and a Board Member at Northern Housing Consortium, where she is Chair of the Commercial Committee. Leann is Chair of the Homes and Places Committee.

Jacqueline Esimaje-Heath

Member

Jacqui is an architecturally trained, experienced real estate director, with a background of working within both the public and private sectors. She is currently Regional Development Director for London North at L&Q and has over 26 years proven experience. In her previous roles, she has held responsibility for the areas of residential property development, housing and management consultancy, regeneration, private sector renewal and residential sales & marketing. Jacqui is also an experienced non-executive director, with over 20 years' experience in providing strategic leadership in the not-for-profit sector. She has also acted as a mentor to individuals at both non-executive and operational levels. Jacqui is Chair of YH Residential Board and a member of the Growth and Investment Committee.

Eleanor Stead

Member

Ellie has over 30 years of experience in financial services, cards and payments. She has previously worked for Global Payments, GE Capital and Yorkshire Bank and has served as a consultant across numerous organisations. More recently, she has been responsible for running Yorkshire Air Museum, a registered charity and key heritage attraction in Yorkshire. In April 2022 she became CEO for St. Nicks, a York-based environmental charity known as the "Green Heart of York", which includes a nature reserve built on a previous landfill site providing environmental, sustainability and unique ecotherapy programmes as well as maintaining "green corridors" throughout York. Ellie is also a member of the Leeds University Business School Divisional Advisory Board. Ellie is a member of the Governance and People Committee and the Group Business Assurance Committee

Russell Galley

Member

Russell is the Group Director at Halifax Bank. Russell plays an active role in the Banking Industry 'Access to Cash' initiatives sponsoring innovation whilst ensuring the vulnerable have ongoing access at the right level. Russell is Chair of the Group Business Assurance Committee.

Governance and compliance:

Board Members

Ian Costigan

Member

Ian is currently the Group Asset Management Director and Transformation Director for a significant investment programme at Manchester Airport and was the interim Managing Director at Manchester Airports Group (MAG) over the summer period. Prior to this he spent 16 years with United Utilities, with substantial leadership experience in assets management and IT transformation programmes.

Ian is a member of the Homes and Places Committee and the Growth and Investment Committee.

Lisa Bradley

Member

Lisa is an associate of the Chartered Institute of Management Accountants with 30 years' experience in senior finance roles in the commercial and not-for-profit sectors, including holding the position of Chief Financial Officer at Look Ahead Care and Support.

Lisa is also the Chair of the Audit and Risk Assurance Committee at Arches Housing and Treasurer of Inspire North, a Yorkshire based supported housing provider.

Richard Flanagan

Member

Richard is a chartered surveyor with over 26 years' experience in commercial development, valuations and development consultancy. He currently runs his own property consultancy and is a chair of RICS APC assessment panels, determining whether candidates are competent to practise.

Richard is the chair of the Growth and Investment Committee.

That's our Board covered, time to meet our executive team...

Governance and compliance:

Executive team

Nick Atkin Chief Executive

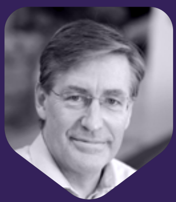
Nick has a track record of leading organisations through transformational change, driving performance improvement, with a focus on maximising the untapped potential from businesses and people. Born and brought up in Doncaster he joined Yorkshire Housing in 2019. Since this time, he's delivered transformational change throughout the business to meet the future opportunities and challenges. Nick has previously introduced a fully flexible/ remote working approach. He also led the move to 90% of customer led transactions to be delivered through online self-service channels. He is a keen advocate of innovation and uses digital as an enabler to drive fundamental change in how businesses operate. He is also a disruptor in the 'future of work' debate and has been paperless for 19 years. He writes regularly for Inside Housing as one of their columnists and tweets on a regular basis (@nickatkin_yh).

Cath Owston Executive Director Customer Experience

Cath leads our customer delivery teams and has over thirty years experience of working in the housing sector in a variety of roles. She joined Yorkshire Housing in 2018 and prior to this she held Customer Service Director roles at Rochdale Boroughwide Housing and New Charter Housing Group, where she led the development of a new service offer for customers. Since joining Yorkshire Housing she has been responsible for leading service transformations in our customer contact and place based services and is currently leading the transformation and growth of our repairs service. Cath has held a number of non-executive roles, including at Bolton at Home where she chaired a social enterprise and the Development Committee. She has been a member of Incommunities Board since May 2022. Cath is committed to ensuring that there is meaningful customer involvement in the development of service delivery, recognising the importance of being transparent and accountable in how services are delivered.

Andy Gamble Executive Director Growth and Assets

Andy joined Yorkshire Housing in June 2017 with responsibility for the development of new homes and the sale of shared ownership and market sale homes. He has recently taken on strategic asset management which will ensure our homes meet the Yorkshire Housing standard. Andy will also lead on our climate change response by reducing our reliance on fossil fuel and tackling fuel inequality in our existing homes. Andy has a BSc in Building Surveying and is a Member of the Chartered Institute of Housing and Royal Institution of Chartered Surveyors. Andy has over 35 years' experience in the affordable sector working for and with public and private sector organisations. He began his career as an assistant mining surveyor with British Waterways Board, now the Canal & Rivers Trust. Andy has been a Board member of an ALMO and also a governor of Leeds College of Building and is currently the Chair of Harrogate Housing Association, a community based housing provider.



Andy Oldale Executive Director Finance and Governance

Andy is a finance professional with a wealth of experience in both housing and commercial sectors. Before moving to Yorkshire Housing, Andy was Corporate Services Director and Deputy CEO at Equity Housing Group where he steered Equity towards a merger with Great Places Housing Group in early 2020. Before moving into the social housing sector, Andy had a variety of senior financial roles at The Co-operative Group in internal audit, Food and Funerals before moving into social housing in 2017. He was previously Treasurer of the Co-operative Family Credit Union for 18 years and has been an independent member of the Joseph Rowntree Audit & Risk Committee since early 2020. Andy is committed to robust financial and risk management, recognising the importance of good governance in successful organisations. He's committed to enabling the organisation to provide the best possible service to its customers.

Governance and compliance:

Legal and governance structure

Yorkshire Housing Limited

Incorporated under Co-operative & Community Benefit Societies No.30443R.

Charitable status (exempt charity). Registered provider of Social Housing - L4521.

Yorkshire Community Property Services Ltd

Incorporated under Companies Act 2006 No.04131362.

Dormant.

Company undertaking commercial activities for the benefit of YHL.

£1.4m ordinary shares.

Yorkshire Housing Finance plc

Incorporated under Companies Act 2006 No.09227343.

Finance vehicle for funding YHL.

£50k ordinary shares.

Yorkshire Transformations Holding Ltd

Incorporated under Companies Act 2006 No.05047771.

PFI Concessionaire for Yorkshire Transformations Project.

£33k ordinary shares. 33% Share.

YH Residential Ltd

Incorporated under Companies Act 2006 No.04604866.

Company undertaking non-charitable activities (market sales and rent units) for the benefit of YHL.

£50m redeemable reference shares.

Forge New Homes

Incorporated under LLP Act 2000 No.OC428954.

Joint Venture responsible for building new homes.

Up to £1m equity and £2m interest bearing loans. 20% Share.

Yorkshire Transformations Ltd

Incorporated under Companies Act 2006 No.4768921.

Company delivering PFI projects in Swarcliffe.

Share capital £1k ordinary shares. 100% owned by YTHL.

Committees

- Group Business Assurance Committee
- Growth and Investment Committee
- Homes and Places Committee
  - Customer Voice and Review Committee
- Governance and People Committee

Group Board | Subsidiary of Group Board (100% owned) | Group Share in holding company | Subsidiary of subsidiary / Holding Company | Board Committee

Governance and compliance:

Report of the Board

Governance

The Board of Yorkshire Housing Limited, as parent, has ultimate responsibility for the governance and performance of the Yorkshire Housing Group which includes its wholly owned subsidiary companies (YH Residential Limited, Yorkshire Community Property Services and Yorkshire Housing Finance plc) and its shared interest in several other legal entities.

The Board's central role is to determine strategic direction and policies, to establish and oversee control and risk management frameworks that will ensure Yorkshire Housing achieves its aims and objectives.

Board composition

During the year, the Board comprised ten members elected by the Shareholders and one who will be formally elected at the 2022 Annual General Meeting.

Membership of the Board comprises of 60% women and 10% members from the black and minority ethnic communities. There were no members who declared themselves disabled.

Delegation

The Board delegates its responsibility for the day-to-day management and leadership to the Chief Executive, supported by the Executive Directors team. The Board has also established four committees to oversee specific areas of the Group's work and sets the scope and responsibilities for each in approved terms of reference.

Delegation from the Board may allow for decisions to be made or request that a Committee consider and provide assurance to support the Board on decision making.

NHF Code of Governance

The National Housing Federation ("NHF") 2020 Code of Governance has been adopted by the Board as a formal framework to underpin its governance arrangements. This particular code of governance was selected as it is bespoke to the housing sector and it is a widely recognised example of best practice.

Compliance with this code ensures Yorkshire Housing will:

- Adhere to all relevant laws.
- Ensure that its constitutional documents are, and remain, fit for purpose. Be accountable to residents and relevant stakeholders.
- Safeguard taxpayers' interests and the reputation of the housing sector.
- Have an effective risk management and internal controls assurance framework.

The new Code of Governance was published in November 2020 and adopted by the YHL Board in January 2021. Yorkshire Housing was fully compliant with the 2020 NHF Code of Governance for the 2021-22 financial year.

Board and Committee effectiveness

The Board carried out an annual appraisal of its performance and an annual appraisal of individual Board and Committee Members. Each Board and Committee Member (excluding co-optees) is appointed for a fixed term of office of up to three years. Reappointment is possible for up to a maximum of two additional terms.

In accordance with our Code of Governance, the Board commissioned an external independent formal review of our board and committee effectiveness. That review made recommendations about constitutional, meetings, customer voice and housekeeping matters to improve our governance effectiveness.

An Action Plan has been put in place and is on schedule for completion. This includes new Terms of Reference for our Boards and Committees, revised Scheme of Delegation, and updates to key governance documents such as Standing Orders and Code of Conduct.

Compliance with the Governance and Financial Viability Standard

In preparing this report, the Board has followed the principles set out in Section 4 of the Housing SORP 2018 'Statement of Recommended Practice for Social Housing Providers' and 'The Accounting Direction for Private Registered Providers of Social Housing 2022 published by the Regulator of Social Housing (RSH).

The Board has undertaken an assessment of its compliance with the RSH's Governance & Financial Viability Standard and is satisfied that YH fully complies.

In the financial year ended 31st March 2022 Yorkshire Housing has maintained its G1 V2 rating.

Our people

Employees are at the heart of the group's ability to provide high quality services to its customers. We aim to be an Employer of Choice, and our working culture is based on our values: Create Trust, Be Curious, Make it Happen, Achieve Impact and Have Fun.

The organisation has revolutionised how we work, and our Hub, Home and Roam flexible working model helps our people to make the right choices for their customers as well as offering flexibility for colleagues. We've invested significantly in the wellbeing of our people because happy and healthy employees create better productivity and service for our customers.

Governance and compliance:
Report of the Board

Our People

We care about our people having a great experience at work and we listen to feedback in a number of ways. Our senior leaders meet regularly with a colleague forum to discuss relevant topics, hear colleagues views and address issues of concern. The organisation has conducted an annual colleague survey every year since 2009 and uses regular pulse surveys and focus groups to hear colleagues feedback about their experience at work. This helps us to focus on the right actions to make improvements. The Board review the outcomes and key themes of the survey feedback.

Health and safety

The group takes the health and safety of its customers, employees and other people seriously. The board has approved a Health & Safety Policy that sets out how the group provides and maintains appropriate working conditions, equipment and systems of work for all employees. It recognises the group's responsibilities and those of employees to co-operate by always working safely and adhering to the procedures set down.

The upcoming major changes to the building and fire safety regulatory system and on-going requirement to maintain stock to the Decent Homes standard, means that there is a greater focus on safety and improvement now and in the future. We are consciously catching up with the improvement programme which was postponed during lockdown.

Key risk areas have been identified and have action plans in place to ensure compliance and best practice. A new Health, Safety and Compliance service area has now been established and brought under the leadership of the Finance and Governance directorate, recognizing the importance and business imperative for health, safety and compliance.

Key health and safety activities carried out in the year include:

- Follow up big six audit from original audit done in 2020 which covered, Asbestos, Legionella, Fire, Lifts, Electrical and Gas compliance which provided assurance around YH compliance
- Continued significant involvement in the response to Coronavirus through a comprehensive suite of risk assessments and ensuring colleagues and customers were kept safe. Including coordinating and distributing PPE for colleagues.
- In response to new working arrangements for colleagues we have overseen and put in place a homeworking DSE equipment offer to ensure colleagues wellbeing at home.
- As part of our Legionella monitoring YH have introduced a remote monitoring system for hot water temperature which enhances our ability to keep customers and colleagues safe.
- Risk Assessments and surveys are in place for all communal areas for fire, asbestos and legionella with robust arrangement for delivering any required actions.
- 2020 saw the introduction of an enhanced on line reporting system of accidents and near misses to ensure YH can learn any lessons.
- A significant project on lone working and the use of lone working devices for colleagues was started at the end of the financial year.

Managers are responsible for the health and safety of their teams and for providing a safe environment for customers and the public.

There is a strong focus on training our colleagues, including health and safety plans for all roles and mandatory e-learning modules for all staff to complete. This has become a much greater focus in the last year following the impact of the pandemic on our daily lives and ways of working.

The joint health and safety consultation group provides a forum where staff can review and approve policies and challenge any health or safety matters.

In response to the COVID-19 pandemic several procedures were changed to safeguard our customers and colleagues. This included reducing face-to-face interactions, not entering customers' homes where they were isolating, putting social distancing measures in place and also providing PPE where it was appropriate to do so. We have implemented further measures to ensure the safety of our customers which includes welfare calls to all customers, risk assessments being carried out for additional activities where required, and clear communications with customers for protocol where emergency repairs and compliance safety checks are required and have been deemed safe to be carried out.

During the year, safety measures remained in place to ensure we were compliant with the government's roadmap out of the pandemic. These will continue until a point where they are no longer needed.

Modern Slavery Act 2015

Yorkshire Housing has produced a Slavery and Human Trafficking Statement which can be accessed via Yorkshire Housing's website.

Gender Pay Gap Act 2010

Yorkshire Housing has produced a Gender Pay Gap Report which can be accessed via Yorkshire Housing's website.

Governance and compliance:
Report of the Board

Equality, diversity and inclusion

Yorkshire Housing is committed to being an organisation where everyone can thrive and difference is valued. We aim to create an environment for our colleagues and our customers that is fully inclusive and free from discrimination and harassment. Our recruitment processes aim to attract diverse talent who share our core values but bring different perspectives. In turn, this will provide better services and outcomes for our customers.

Our Diversity and Inclusion Strategy has six core objectives:

1. Yorkshire Housing is a thriving and inclusive employer where everyone can be themselves and feel that they belong.

2. We attract, retain and develop diverse talent at every level (with particular focus on improving diversity within our Board, Executive and wider leadership team).

3. We develop knowledge and awareness throughout our organisation, making sure that everyone at Yorkshire Housing is clear about their personal responsibility to support a culture of inclusion and respect.

4. Our ways of working, policies and practices consider a wide range of needs and positively contribute to our inclusive culture.

5. Colleagues and people considering a career at YH have confidence that discrimination in any form is not tolerated here. This means developing trust with our people and having the right skills, training, policies and processes to prevent discrimination and tackle issues quickly.

6. We develop our approach to providing inclusive services which meet the diverse needs of our customers.

Our aim is for Yorkshire Housing to be known as a diverse and inclusive organisation by our customers, colleagues and partners. We work with external partners including the Housing Diversity Network, Inclusive Employers and ADK. We're a Disability Confident employer, we support the Armed Forces covenant and we use apprenticeships and other training opportunities to encourage applications from under-represented groups.

We have an active employee Equality, Diversity and Inclusion forum who hold our senior leaders to account for their progression of our Strategy. We've already made some really positive steps towards building a more open and inclusive environment, improving our gender pay gap, raising awareness and learning and creating space for colleagues to have open conversations and challenge.

In March 2022 we reported a mean gender pay gap of 1.62%, maintaining our positive result from the previous year. Our median gender pay gap reduced from 0.94% to 0%. At the same time we voluntarily published our Ethnicity Pay Gap reporting a median ethnicity pay gap of 0% and a mean ethnicity pay gap of 3.9%. Sharing this data sets a benchmark against which we can hold ourselves to account and track our progress towards being a truly inclusive employer.

Yorkshire Housing's gender make up (at 1st April 2021) was 46% female, and females made up 58% of our Leadership Team and 60% of our Board respectively. 20% of Board Members are ethnically diverse.

Under the Equality Act 2010 we have a responsibility as a social housing provider to promote equality of opportunity. The Act makes discrimination unlawful in relation to the nine protected characteristics.

To help achieve a diverse workforce we monitor recruitment and progression against protected characteristics.

> *"Equality and diversity is included in training for all colleagues"*

Equality and diversity is included in training for all colleagues and Board members and specific training is provided appropriate to roles.

However, we know we have more to do. We will improve our data so we can make sure YH better reflects the communities we serve. We aim to improve the diversity of our leadership team and find new ways to develop and promote our diverse talent. Creating sustainable change is not a quick fix. We will deliver the aims of our Strategy over the next 5 years, and regularly review and adjust our plans and activities.

The Diversity and Inclusion Strategy and policy is approved by the Board, who together with the Chief Executive, have overall responsibility for policy and compliance with equality legislation and regulation. The Executive Team is responsible for implementation and monitoring of performance. The Colleague Forum is consulted on policy and practice

Governance and compliance: Report of the Board

Statement of the responsibilities of the Board for the report and financial statements

The board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the board to prepare financial statements for each financial year. Under that law the board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under the Co-operative and Community Benefit Society legislation the board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the association and group for that period.

In preparing these financial statements, the board are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing (2022).

It is also responsible for safeguarding the assets of the association 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 association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of compliance

A key element of the (Regulator for Social Housing) Governance and Financial Viability Standard is the requirement to comply with all relevant laws. Consequently the board has taken reasonable steps to seek necessary assurance and confirms that the group has complied with all relevant laws.

The board confirms that the group complies with the requirements of the Regulator for Social Housing Governance and Financial Viability Standard.

£9,301

Charitable Donations made

(2021: £4,366)

Donations

During the year, the group made charitable donations amounting to £9,301 (2021: £4,336).

Statement of disclosure to auditors

So far as each member of the board is aware, there is no relevant audit information of which the group's auditors are unaware and each member has taken all the steps that he/she ought to have taken as a member in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

Andrew Oldale
Company Secretary
14th September 2022

Yorkshire Housing Limited
Co-operative and Community Benefit Societies Act 2014
(registered number 30443R)

Section:

Independent auditor's report...

Independent auditor's report to the:

Members of Yorkshire Housing Limited

Opinion

We have audited the financial statements of Yorkshire Housing Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2022 which comprise the Group and Association Statement of Comprehensive Income, the Group and Association Statement of Changes in Reserves, the Group and Association Statement of Financial Position, the Group Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies in note 1. 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 2022 and of the Group's income and expenditure and the 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 Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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 Group's or the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Strategic Report, 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Independent auditor's report to the:
Members of Yorkshire Housing Limited

Responsibilities of the Board

As explained more fully in the Statement of the Responsibilities of the Board for the Report and Financial Statements set out on page 44, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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 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 Co-operative and Community Benefit Societies Act 2014, 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 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 regulated nature of the Group'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.

Independent auditor's report to the:

Members of Yorkshire Housing Limited

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

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.

Use of our report

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it 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 for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

23rd September 2022

"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 2022 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended."

Section:

Financial statements...

Financial statements 2021-22:

Consolidated financial statements

Group statement of comprehensive income

	Note	2022 £'000	2021 £'000
Turnover	3	148,693	141,699
Cost of sales	3	(43,327)	(38,756)
Operating costs	3	(85,948)	(73,539)
Other income	3	(668)	3,131
Gain on disposal of fixed assets	6	3,722	2,232
Operating surplus		**22,472**	**34,767**
Interest receivable and dividends	7	280	235
Interest and financing costs	8	(17,407)	(18,438)
Other financing costs - refinancing & break costs	8	(35,834)	-
(Deficit) / surplus before taxation (on ordinary activities)		**(30,489)**	**16,564**
Taxation on surplus	11	-	-
Deferred tax	11	(123)	(608)
(Deficit) / surplus for the financial year after taxation		**(30,612)**	**15,956**
Other comprehensive income:			
Actuarial gain / (loss) on defined benefit pension scheme	31	3,813	(7,275)
Movement in fair value of hedged financial instruments	36	989	-
Total comprehensive income for the year		**(25,810)**	**8,681**

The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements. The financial statements were authorised and approved by the Board on 14th September 2022.

Ingrid Fife
Board Member

Russell Galley
Board Member

Andrew Oldale
Company Secretary

Date of approval: 14th September 2022

Yorkshire Housing Limited - Co-operative and Community Benefit Societies Act 2014 (registered number 30443R)

Financial statements 2021-22:

Consolidated financial statements

Association statement of comprehensive income

	Note	2022 £'000	2021 £'000
Turnover	3	118,803	106,445
Cost of sales	3	(20,336)	(12,028)
Operating costs	3	(84,298)	(72,305)
Other income	3	7,569	2,503
Gain on disposal of fixed assets	6	3,722	2,232
Operating surplus		**25,460**	**26,847**
Interest receivable and dividends	7	277	235
Interest and financing costs	8	(17,144)	(18,109)
Other financing costs - refinancing & break costs	8	(35,833)	-
(Deficit) / surplus before taxation (on ordinary activities)		**(27,240)**	**8,973**
Deferred tax	11	-	-
(Deficit) / surplus for the financial year after taxation		**(27,240)**	**8,973**
Other comprehensive income:			
Actuarial gain / (loss) on defined benefit pension scheme	31	3,813	(7,275)
Movement in fair value of hedged financial instruments	36	989	-
Total comprehensive income for the year		**(22,438)**	**1,698**

The association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.
The financial statements were authorised and approved by the Board on 14th September 2022.

Ingrid Fife
Board Member

Russell Galley
Board Member

Andrew Oldale
Company Secretary

Date of approval: 14th September 2022

Yorkshire Housing Limited - Co-operative and Community Benefit Societies Act 2014 (registered number 30443R)

Financial statements 2021-22:

Consolidated financial statements

Group statement of changes in reserves

	Income and expenditure reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Cashflow Hedge reserve £'000	Total Reserve £'000
Balance at 1 April 2020	205,498	16	28,476	-	233,990
Surplus for the year	15,956	-	-	-	15,956
Actuarial losses on defined benefit pensions scheme	(7,275)	-	-	-	(7,275)
Other comprehensive income	-	-	-	-	-
Transfer on asset sale	-	-	-	-	-
Balance at 31 March 2021	**214,179**	**16**	**28,476**	**-**	**242,671**
Deficit for the year	(30,612)	-	-	-	(30,612)
Other comprehensive income	-	-	-	-	-
Actuarial gains on defined benefit pensions scheme	3,813	-	-	-	3,813
Transfer on asset sale	-	-	-	-	-
Restricted expenditure from restricted reserve	-	-	-	-	-
Movement in fair value of hedged financial instruments	-	-	-	989	989
Balance at 31 March 2022	**187,380**	**16**	**28,476**	**989**	**216,861**

The accompanying notes form part of these financial statements.

Association statement of changes in reserves

	Income and expenditure reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Cashflow Hedge reserve £'000	Total Reserve £'000
Balance at 1 April 2020	197,171	16	28,476	-	225,663
Surplus for the year	8,973	-	-	-	8,973
Actuarial losses on defined benefit pensions scheme	(7,275)	-	-	-	(7,275)
Other Comprehensive Income	-	-	-	-	-
Transfer on asset sale	-	-	-	-	-
Balance at 31 March 2021	**198,869**	**16**	**28,476**	**-**	**227,361**
Deficit for the year	(27,240)	-	-	-	(27,240)
Other Comprehensive Income	-	-	-	-	-
Actuarial gains on defined benefit pensions scheme	3,813			-	3,813
Transfer on asset sale	-	-	-	-	-
Restricted expenditure from restricted reserve	-	-	-	-	-
Movement in fair value of hedged financial instruments	-	-	-	989	989
Balance at 31 March 2022	**175,442**	**16**	**28,476**	**989**	**204,923**

The accompanying notes form part of these financial statements.

Consolidated financial statements

Group and association statements of financial position at 31 March 2022

		Group		Association	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed Assets					
Intangible fixed assets	12	5,117	11,826	5,117	11,826
Tangible fixed assets - housing properties	13	1,018,646	970,121	1,018,979	970,454
Other tangible fixed assets	14	6,220	6,407	6,217	6,404
Investment properties	15	35,918	35,281	4,154	3,864
Homebuy loans receivable	19	1,116	1,244	1,116	1,244
Investments	18	841	500	51,453	51,453
Derivative financial asset	36	989	-	989	-
		1,068,847	1,025,379	1,088,025	1,045,245
Current assets					
Properties held for sale	16	57,925	58,190	24,619	20,615
Trade and other debtors	17	16,636	12,478	16,840	15,766
Cash and cash equivalents	18	33,689	74,963	29,993	66,484
		108,250	145,631	71,452	102,865
Creditors: amounts falling due within one year	20	(48,089)	(40,129)	(44,448)	(36,303)
Net current assets / (liabilities)		60,161	105,502	27,004	66,562
Total assets less current liabilities		**1,129,008**	**1,130,881**	**1,115,029**	**1,111,807**
Creditors: amounts falling due after more than one year	21	(904,627)	(876,000)	(903,717)	(873,244)
Provisions for liabilities and charges					
Deferred tax provision	27	(1,131)	(1,008)	-	-
Pension liability	31	(6,389)	(11,202)	(6,389)	(11,202)
Total net assets		**216,861**	**242,671**	**204,923**	**227,361**
Capital and reserves					
Income and expenditure reserve		187,380	214,179	175,442	198,869
Revaluation reserve		28,476	28,476	28,476	28,476
Restricted reserve		16	16	16	16
Non-equity share capital		-	-	-	-
Cashflow hedge reserve	36	989	-	989	-
Total reserves		**216,861**	**242,671**	**204,923**	**227,361**

The accompanying notes form part of these financial statements.
The financial statements were approved by the Board on 14th September 2022

Ingrid Fife
Board Member

Russell Galley
Board Member

Andrew Oldale
Company Secretary

Date of approval: 14th September 2022
Yorkshire Housing Limited - Co-operative and Community Benefit Societies Act 2014 (registered number 30443R)

Consolidated financial statements

Group cash flow statement

	2022 £'000	2021 £'000
Net cash generated from operating activities (note 26)	**3,635**	**38,948**
Cash flow from investing activities		
Purchase of fixed assets - intangibles	(197)	(7,736)
Purchase of housing properties	(67,233)	(68,197)
Purchase of other fixed assets	(840)	(350)
Purchase of investment properties	(1,126)	(1,403)
Proceeds from sale of fixed assets and investment properties	8,099	6,054
Grants received	28,256	15,790
Interest received	73	173
Interest and dividends from joint venture	206	62
	(32,762)	(55,607)
Cash flow from financing activities		
Interest paid	(20,609)	(22,133)
Bank loan drawn down	300,837	20,790
New secured loans	-	-
Borrowing costs	-	-
Repayments of borrowings	(292,375)	(18,191)
	(12,147)	(19,534)
Net change in cash and cash equivalents	**(41,274)**	**(36,193)**
Cash and cash equivalents at beginning of the year	74,963	111,156
Cash and cash equivalents at end of the year	**33,689**	**74,963**
Cash and cash equivalents		
Cash deposits	24,271	61,295
Cash at bank	9,418	13,668
Cash and cash equivalents as at 31 March	**33,689**	**74,963**

The accompanying notes form part of these financial statements.

Financial statements 2021-22:

Notes to the financial statements

1. Legal status

Yorkshire Housing Limited was incorporated on 1 April 2008 and is registered in England and Wales under the Co operative and Community Benefit Societies Act 2014 (registered number 30443R). The Company is a registered social housing provider (Homes England registration L4521). The registered office is The Place, 2 Central Place, Leeds LS10 1FB.

The companies, Yorkshire Housing Limited and its subsidiaries, are referred to as 'the group'. Within the group there are three limited companies, a public limited company and two joint ventures. None of the subsidiaries are registered social housing providers. The principal activity of the group is the provision of social housing and housing management.

YH Residential Limited is a company limited by shares, registered with Companies House under the Companies Act 2006 (registered number 04604866). The principal activity of the company is the provision of market rented properties and property management. The registered address is the same as parent company.

Yorkshire Community Property Services Limited is registered with Companies House under the Companies Act 2006 (registered number 04131362). The Company is a non-trading company. The registered address is the same as parent company.

Yorkshire Housing Finance plc is registered with Companies House under the Companies Act 2006 (registered number 09227343) and has listed debt on the London Stock Exchange. The principal activity of the company is to provide long term funding to the group. The registered address is the same as parent company.

Yorkshire Housing Limited owns a 33% share of Yorkshire Transformations Holdings Limited ("YTHL"). YTHL owns 100% of its subsidiary Yorkshire Transformations Limited ("YTL") which manages the maintenance and refurbishment of homes on the Swarcliffe estate for Leeds City Council under a private finance initiative ("PFI").

YH Residential Limited owns a 20% share of Forge New Homes LLP ("FNH LLP") which provides housing in the Sheffield city region.

Principal accounting policies

Basis of accounting

The consolidated financial statements of the Group and Association are prepared in accordance and are fully compliant with UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 (FRS102) and the Housing Statement of Recommended Practice 2018 (SORP 2018) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The Public Benefit Entity sections of FRS102 have been applied. The financial statements are presented in sterling (£), which is also the functional currency.

The association has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by the FRS 102:

- The requirements of Section 7 to present a statement of cash flows and related notes.
- The requirement to present financial instrument disclosures.

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements of the group and all constituent subsidiaries.

Going concern

The business plan has been prepared and presented to the YH Group Board. It reflects the ambitions of the Group but also includes multi variant stress testing to ensure the Group could continue to trade and remain compliant with covenants through potential downturns in the economy or other crisis. The period to 31 March 2024 of the business plan forms the basis of our going concern assessment.

Extensive multi variant stress testing has been carried out to model the impact of any economic downturn including the impact of another financial crisis or a significant worsening of the pandemic. Whilst any such downturn would limit the growth included within strategy it highlights the Groups ability to continue trading through severe adverse conditions.

Impacts mapped out in the stress testing include a delay to sales activity, inflationary pressures, increases in bad debts and a potential cap on rental income increases. Mitigations would require reductions in spending on developments and other investments however, whilst limiting the growth of YHL, it would allow the Group to continue trading.

YH is in a position where it has identified key risks to the business and has mitigations which can be utilised and put in place if required. The business plan proposed shows a viable plan for the Group and YHR to continue to meet the YH Strategic goals for the next 30 years. The proposed plan and stress testing shows that the Group can mitigate all multi variant tests modelled and would be able to continue trading through adverse condition and meet all funders covenants.

Notes to the financial statements

Going concern

Implementation of mitigations would limit YHL's ability to meet all strategic goals within set time scales, however it would not present a Going Concern risk for the Group or YHR. In more extreme scenarios the level of mitigations required could necessitate significant structural changes to how the group operates. The Board have agreed clear prioritisation of mitigation measures.

The Group has sufficient liquidity, through cash reserves and unused credit facilities, to meet all liabilities for a period of 36 months after the Balance Sheet date. The Group has successfully completed a refinancing exercise during this financial year, which will provide additional liquidity and headroom on both interest and gearing covenants. The Group is in a strong position to continue to meet its debt servicing requirements and adhere to the loan covenants set out.

On this basis the Board has reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. Therefore, management believes it is appropriate to adopt the going concern basis for presenting the financial statements for the year ended 31 March 2022.

Basis of consolidation

The group consolidated financial statements include the results of Yorkshire Housing Limited's subsidiary companies Y H Residential Limited, Yorkshire Community Property Services Limited and Yorkshire Housing Finance plc, plus a 33% share of Yorkshire Transformations Holdings Limited and a 20% share of Forge New Homes LLP both of which are joint ventures.

Details of the subsidiary undertakings are included in note 18 to the financial statements. All intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the relevant company's financial statements.

Accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts where required or appropriate and other factors.

Significant management judgements

The following are management judgements in applying the accounting policies of the group that have the most significant effect on the amounts recognised in the financial statements:

a) Classification and identification of investment properties

The group has reviewed the classification of properties owned and where properties do not meet the criteria for social benefit these have been identified, classed as investment properties, and valued at fair value. The group has determined that properties are for social benefit unless they are market rented, market sale, or commercial properties including garages, which are investment properties.

The group has classified all properties as either held for social benefit or for investment purposes. Where properties do not meet the required criteria these are classed as investment properties and are held at fair value; social benefit properties are held at amortised cost. Valued properties totalled £35.9m at 31 March 2022.

b) Judgements involved in making an assessment of impairment

As part of the group's continuous review of the sustainability of its properties, homes or schemes are assessed for impairment indicators. Long term voids, stock disposals, non-housing properties, properties held for sale including shared ownership properties and work in progress are all reviewed for signs of impairment. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to the recoverable amount and any impairment losses are charged to the statement of comprehensive income.

For the impairment review the following considerations have been made:

- Considered the extent to which a change in the current rent has materially impacted on the net income.
- Where there is a change in demand for properties that is considered to be irreversible i.e. increase in voids, exceeding budgeted levels which is not anticipated to change unless additional expenditure.
- Where there has been a material reduction in the value of properties where assets are intended or expected to be sold.
- If there is obsolescence of properties or part of a property – i.e. regeneration of properties where they demolish and rebuild.
- Impact of COVID-19 on property valuations.

Other assets are also reviewed for impairment if there is an indication that impairment may have occurred.

Notes to the financial statements

We have impaired one of the D365 assets resulting from a reset of the IT roadmap. This reflects our decision to go with a different approach to our underlying systems and taking a one-off charge to the accounts of £5.3m in the year (2021: nil).

Assessment of Joint Venture for consolidation

Management have considered the requirements under FRS 102 for the accounting treatment of joint ventures. Where joint ventures are making losses and these losses are in excess of the investment value the entity must stop recognising the investment once it has been reduced to zero. YTL's losses are in excess of the investment value after accounting for its cashflow hedge. The cashflow hedge is used to manage the interest rate risk of the company and is therefore linked to the operations of the Company. Over time it is expected the hedge will unwind and the joint venture will move into surplus. For loans to joint ventures the Group has reviewed future projections for joint ventures to assess the likely recoverability of loans at the balance sheet date, this has required managements judgement regarding the recoverability of these loans.

In respect of Forge New Homes, YH Residential Limited invested a further £500k in 2021/22 taking the nominal investment to £1m. The book value of the investment at 31st March 2022 is £0.8m after recognising YH's share of the accumulated losses of £159k. FNH is only in the second year of operations and was expected to make a loss to this point. Its business plan shows a positive outlook to deliver positive returns to YH and other investors.

Classification of loans

The group has a number of bank loans and a bond, all of which have been classified as basic financial instruments under the definition given in section 11 of FRS 102 (except as noted below). The assessment of certain loans and interest rate fixes as basic financial instruments requires judgement. Certain loans have two way break clauses which are applicable where the loan is repaid early and could result in a break cost or a break gain. Management have considered the terms of its loan agreements and concluded that they do meet the definition of a basic financial instrument and therefore are held at amortised cost.

The exception is the loan linked ISDA entered into in conjunction with the refinancing exercise Yorkshire Housing Ltd undertook in the year. We purchased three swaps with the aggregate notional value of £40m to hedge floating rate exposure. The swaps are not documented with a Credit Support Annex (CSA), which avoids the need to post any form of collateral in the future. The swaps are classified as non-basic financial instruments and measured at fair value with any changes in valuation taken through other comprehensive income and the cash flow hedge reserve.

Estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates 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 addressed below.

a) Useful lives of depreciable assets

Useful economic lives are reviewed by Management at each reporting date based on the expected lives of the assets. Accumulated depreciation totalled £204.8m at 31 March 2022. The carrying amount of housing properties was £1,018.6m at the year ended 31 March 2022.

b) Capitalisation of development costs

The group capitalises development expenditure (allocating development costs to individual components upon completion) in accordance with the new build housing property accounting policy, this requires judgement on the period of time that interest can be capitalised against the build, deciding the point at which the build is complete with any future costs being written off and the value of staff time and overheads to be capitalised as part of the development. Development costs of £1,420k and interest of £3,990k were capitalised in the year ended 31 March 2022.

c) Intangible assets

The group also capitalises software assets created. The Group capitalises software assets created whether purchased or internally generated where the costs are directly attributable and necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. There is some judgement involved in this and in particular how people costs are allocated for individuals involved in more than one aspect of projects. People costs are allocated based on the nature of the role performed. Where there are capitalisable and non-capitalisable elements, a time sheet system has been used to allocate costs. The amount capitalised in the year was £197k (2021: £11,286k). Amortisation is charged in the first month following the implementation of any software.

d) Fair value measurement

Management uses valuation techniques to determine the fair value of assets which include commercial properties, investment properties and fixed asset investments. This involves developing estimates and assumptions consistent with how market participants would price the asset. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the latest information available.

Notes to the financial statements

d) Fair value measurement (continued)

The annual valuation for investment properties is carried out by independent professional advisors, qualified by the Royal Institution of Chartered Surveyors to undertake valuations, using a market value short term tenancy basis of valuation. The decrease in fair value in the year was £0.489m (2021: £3.174m).

e) Pension costs

Estimates of the defined benefit obligation is determined using a number of actuarial valuations using underlying assumptions. These include discount rates, rates of inflation, future salaries and mortality rates. Variations in these assumptions may significantly impact the liability and the annual defined benefit expenses. An obligation of £6.4m was recognised at 31 March 2022 (2021: £11.2m). Key areas of estimation uncertainty are the discount rate applied in the calculations, the inflation rate used, and the average life expectancy.

Segmental reporting

Due to the Group having listed debt on the London Stock Exchange, it must apply International Reporting Standard 8 – Operating Segments (IFRS 8). Segmental reporting is reporting in the Group and Association's financial statements in respect of the Group's business segments, which are the primary basis of segmental reporting.

The business segmental reporting reflects the Group's management and internal reporting structure. Segmental results include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

Segmental reporting is presented in note 2 to the financial statements. As the Group has no activities outside of the UK, segmental reporting is not required by geographical region. The chief operating decision makers (CODM) have been identified as the Executive Management Team and the Board. The CODM review the Group's internal reporting to assess performance and allocate resources.

Management has determined the operating segments as housing services, development sales, asset sales and other. Housing services represents housing for social purposes and non-social housing lettings. Development sales includes 1st tranche, open market sales and sales & marketing costs.

Other includes all other central costs incurred for example ICT, finance and corporate services. The Group do not provide a measure of total assets and liabilities to the chief operating decision maker, therefore have not been disclosed as part of the operating segment analysis.

Turnover and revenue recognition

The main source of revenue is rental and service charge income from lettings. Revenue is also generated from the sale of properties on the open market or through shared ownership. Other services included in turnover are contractual fees received in respect of private finance initiatives (PFIs), income from other support services, help to buy initiatives, home improvement agency fees, amortised government grants, sale of properties built or acquired for disposal, and other non-lettings income.

Revenue is recorded in respect of actual activity undertaken within each category. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. Where activity has been delivered but the income has not been received in the financial year that income is included in turnover.

Rental income is recognised from the point when properties under development reach practical completion and are tenanted. Income from first tranche sales and sales of properties built for sale is recognised at the point when contracts are completed. Rental and service charge income is recognised on a straight line basis, in accordance with the terms of the tenancy agreement, on an accrual basis. Revenue grants are recognised when the conditions for receipt of agreed grant funding have been met. Revenue arising from the sale of property is recognised on legal completion. Revenue from contracts for support services is recognised in line with the contractual terms when the services are rendered. Revenue from shared ownership sales is recognised on the legal completion of the first tranche disposal.

If there is no requirement to recycle or repay the Government grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as turnover in the statement of comprehensive income. Third party contract revenue is recognised when the joint works are complete in line with the contract stipulations. The rechargeable repairs, lifecycle works and related income from the PFI is treated on the basis YH is a principal in the transaction.

Supported housing

Income and expenditure on housing accommodation is allocated on the basis of the number of units for each type of accommodation, except for staffing and running costs for which the level of expenditure is directly attributable.

Notes to the financial statements

Fixed assets and depreciation

a) New build

Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when ready for letting or sale. The group's policy is to capitalise the costs associated with acquiring land and building, indirect costs directly attributable to the new build, interest costs and development expenditure including direct development staff cost.

b) Housing properties

Housing properties are stated at cost less accumulated depreciation. Properties acquired through merger, where they were previously stated at existing use value – Social Housing are stated at deemed cost on transfer to Yorkshire Housing Limited. The valuation at the merger date has been adopted as the deemed cost of acquisition of the properties. No depreciation is charged on land or for properties in the course of construction.

Where a housing property comprises two or more major components with substantially different useful economic lives ("UEL"s), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Existing schemes at the time of adoption had component values allocated based on a matrix produced by Savills. This was created to be used nationally by all housing associations. New schemes built by Yorkshire Housing since adoption have costs allocated using a local matrix produced by a third party which is reviewed and revised every five years based on construction costs.

Depreciation is charged by component from the date of acquisition until the date of disposal on a straight line basis over the UEL of the component. Useful economic lives for identified components are as follows:

Housing properties	Years
Heating	13
Kitchen	20
Solar panels	25
Bathroom	25
Windows	25
Roof	50
Structure	75
Freehold land is not depreciated	

c) Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged by component from the date of acquisition until the date of disposal on a straight line basis over the UEL of the component. No depreciation is charged on land. Leased office premises are depreciated over the term of the lease.

Useful economic lives for other fixed assets are as follows:

Other fixed assets	Years
Motor vehicles – residual value £2k	5
Computer equipment	5
Computer data room	10
Fixtures and fittings	10
Freehold office and shops	60

d) Impairment

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised in the statement of comprehensive income under operating cost (note 3). Where an asset is currently deemed not be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and is included in surplus or deficit in the statement of comprehensive income.

e) Capitalisation of interest

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 it represents.

Notes to the financial statements

f) Capitalisation of development costs

Costs directly attributable to bringing the asset to its working condition up to the date of completion are capitalised. Development labour and travel costs are allocated on the basis of property additions in the financial year including properties held in stock and work in progress but excluding capitalised major repairs. Development costs not capitalised are shown as other expenditure in note 3.

g) Capitalisation of maintenance costs

Any expenditure on an existing property that meets one of the following circumstances is capitalised into one of the housing property components:

- Replacement or restoration of a component of the property that has been previously treated separately for depreciation purposes and has been depreciated over its individual useful economic life.
- The economic benefits of the property have been enhanced in excess of the previously assessed standard of performance.

Any expenditure on an existing property that does not replace a component or result in an enhancement of the economic benefits of that property is charged to the Statement of Comprehensive Income.

Intangible assets

Intangible fixed assets are stated at cost less accumulated amortisation. The Group capitalises software assets created whether purchased or internally generated where the costs are directly attributable and necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the criteria as follows is met: it is technically feasible to complete the software so that it will be available for use;

- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and the expenditure attributable to the software during its development can be reliably measured.
- Amortisation is charged over the useful economic life of the software, which is assumed to be no greater than 5 years.
- Amortisation is commenced in the first month following the implementation of any software.

Government grants

Government grants include grants receivable from the Homes England (previously the Homes and Communities Agency), local authorities, and other government organisations.

Government grants received for housing properties are recognised in income over the UEL of the housing property structure and where applicable its individual components (excluding land) under the accruals model, in the case of new build this will be when the properties are completed.

Grants relating to revenue are recognised in income and expenditure 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 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.

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 turnover in the statement of comprehensive income.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end. Properties let at a commercial rent are carried at fair value. The valuation is carried out by an independent professional advisor qualified by the Royal Institution of Chartered Surveyors to undertake valuations. The basis of valuation is market value subject to tenancy. The properties are held as investment properties and are not subject to depreciation but re-valued annually. Any gains or losses are recognised in the statement of comprehensive income.

Notes to the financial statements

Properties held for sale
Shared ownership first tranche sales, and property under construction and completed properties for outright sale are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour, direct development overheads and borrowing costs. Net realisable value is based on estimated sales prices after allowing for all further costs of completion and disposal. All properties are held within current assets, under properties held for sale and stock.

Sale of tangible fixed assets
The surplus or deficit recognised on disposal of property assets that are deemed to be in the normal course of business will be included in operating activities and shown within operating surplus. These will include planned individual property sales, right to buy, right to acquire and stock rationalisation.

Where disposals are non-routine and outside the remit of normal business these will be treated as non-operating and any surplus/deficit will be disclosed below the operating surplus line.

Investments
Investments in group companies are held at cost adjusted to reflect YH's share of profits or losses, less impairment.

Current assets investments
Current asset investments are available at short notice. They include monies held on deposit which are readily available or withdrawn without penalty.

Debtors and creditors
Short term debtors and creditors are measured at transaction values. Debtors are shown less any impairment. Where deferral of payment terms has been agreed below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Homebuy
Homebuy loans are treated as concessionary loans and are recognised at the amount paid to the purchaser.

No interest is accrued and any impairment loss is recognised in the statement of comprehensive income. The associated Homebuy grant is recognised as deferred loan until the loan is redeemed.

Leasing
When entering into a lease which requires taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded on the statement of financial position as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors.

Rentals payable are apportioned between the finance element, which is charged to the statement of comprehensive income, and the capital element which reduces the outstanding obligation for future instalments. All other leases are classified as operating leases.

The rentals paid under an operating lease which is defined as any lease which is not a finance lease, are charged to the statement of comprehensive income on a straight line basis over the term of the lease. There are no finance leases as at 31st March 2022.

Operating lease income is recognised in turnover on a receivable basis over the lease term. This includes rental income from the Group/Association's portfolio of social and non-social housing properties and income from the sublet of office properties, including investment properties.

Joint ventures
The Group's interest in joint ventures are jointly controlled entities and the investment is accounted for using the equity method under FRS 102. The joint ventures are carried within the Group's financial statements at the Group's share of its net assets/liabilities and the Group recognises its share of the profits for the period. Both joint ventures have different accounting periods to the Group and this is considered at the reporting date as to the results that are incorporated.

Management deem that unless the difference is material then the year end results and position for the joint venture, at 31 December and 30 September respectively for the joint ventures, are used in the consolidation and/or investment value.

FRS 102 states that where a joint venture is making losses that are in excess of the investment value, the entity must stop recognising the investment once it has been reduced to zero. Management have taken this position to include other comprehensive income. The joint venture is currently in a net liability and generating losses including other comprehensive income as a result of a cashflow hedge held within the joint venture to receive fixed interest rates against a variable rate loan.

Financial statements 2021-22:

Notes to the financial statements

Restricted reserve
Yorkshire Housing Limited maintains a restricted reserve for specific amounts donated to a hardship fund.

Revaluation reserve
The difference on transition between the organisation assets that have been revalued and the historical cost carrying value is credited or debited to the revaluation reserve. The reserve is only applicable to housing assets held at deemed cost.

Agency managed schemes
In addition to its own directly managed schemes, Yorkshire Housing Limited owns a number of schemes that are run by outside agencies.

Where Yorkshire Housing Limited carries the financial risk, all of the scheme's income and expenditure is included in the Statement of Comprehensive Income. Where the agency carries the financial risk, only the turnover and costs which relate solely to Yorkshire Housing Limited is included. Other turnover and costs of schemes in this category are excluded from the statement of comprehensive income.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date.

A deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable surpluses against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax relating to investment property that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset, except for investment property that has a limited useful life and is held in a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on an undiscounted basis.

Current taxation
The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from net surplus as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current liability is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Value Added Tax
The group charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the group and not recovered from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Financial instruments
Financial instruments other than the interest rate swap hedge meet the criteria of a basic financial instrument as defined in section 11 FRS102. Financial instruments are held in the statement of financial position at gross proceeds less the cost of raising the funds which are amortised over the life of the loan and are accounted for in accordance with FRS102.

The financial instruments are initially recorded at amortised cost, adjusted for transaction costs. Subsequent measurement is as follows:

Financial liabilities
- Bonds and loans are classified as "financial liabilities" under FRS102 and are held at amortised cost using the effective interest rate method to allocate costs of issue, including the discount on issue.
- Accrued interest payable on the Bond is also classified as "other financial liabilities" and held at amortised cost.

Financial assets
- Financial assets such as cash, current asset investments and receivables are classified as "loans and receivables" under FRS 102 and are held at amortised cost using the effective interest rate method to allocate cost of issue, including the discount on issue.
- Accrued interest receivable on loans advanced to Yorkshire Housing Limited is classified as "loans receivables" and held at amortised cost as debtors due within one year.

Loan finance issue costs are written off evenly over the expected minimum life of the associated loan. Loans are stated in the statement of financial position at the gross amount less the unamortised portion of the associated issue costs.

Notes to the financial statements

Financial assets (continued)

Non-basic financial instruments are recognised at fair value using a third party valuation with any gains or losses being reporting in the income statements. At each year end, the instruments are revalued to fair value, with the movements posted to other comprehensive income (unless hedge accounting is applied). Further information is provided in Note 36.

Service charge sinking funds and service costs

Unutilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the statement of financial position.

The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund. Where there has been an under-recovery of leaseholders' or tenants' variable service charges and recovery of the outstanding balance is virtually certain, the balance is recognised in the statement of financial position as a trade receivable. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

Pension costs

The company has applied defined benefit accounting from 2018 onwards. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. As at 31 March 2022, the net defined benefit pension liability was £6.39m. Refer to Note 31 for more details.

Investment in Preference Shares

The investment in preference shares comprises of the preference shares issued by YH Residential Limited, a wholly owned subsidiary of Yorkshire Housing Limited. The investment is held as a fixed asset in the parent accounts and is a basic financial instrument and is measured at cost less impairment. It is held as a creditor due in less than one year in YH Residential Limited.

£6.39M

Net defined benefit pension liability

(2021: £11.2m)

Gift Aid Policy

Yorkshire Housing Limited receives gift aid from its subsidiary undertaking, YH Residential Limited. This gift aid is received in the year following the year end in which it relates to and therefore Yorkshire Housing only recognise this income once YH Residential has created an obligation to pay it. This obligation is created at the point of payment.

Financial statements 2021-22:

Notes to the financial statements

2. Group segmental reporting 2022

	2022				
	Housing services £'000	Development sales £'000	Asset sales £'000	Other £'000	Total £'000
Income from housing lettings	91,320	-	-	-	91,320
Development sales	-	51,971	-	-	51,971
Third party contracts	-	-	-	4,440	4,440
Home Improvement Agencies	-	-	-	716	716
Other income	-	-	-	246	246
Turnover	**91,320**	**51,971**	**-**	**5,402**	**148,693**
Other income	**-**	**-**	**8,432**	**-**	**8,432**
Service charge costs	(6,296)	-	-	-	(6,296)
Bad debts	(464)	-	-	-	(464)
Management	(23,407)	(2,354)	-	-	(25,762)
Routine maintenance	(15,231)	-	-	-	(15,231)
Planned maintenance	(7,126)	-	-	-	(7,126)
Major repairs expenditure	(11,397)	-	-	-	(11,397)
Major repairs expenditure (capitalised)	7,466	-	-	-	7,466
Depreciation of housing properties	(17,673)	-	-	-	(17,673)
Accelerated depreciation	-	-	-	-	-
Impairment of housing properties	-	-	-	-	-
Impairment of intangible assets	(5,238)	-	-	-	(5,238)
Revaluation of investment properties / joint venture	-	-	-	(668)	(668)
Property leasing costs and agency fees	(46)	-	-	-	(46)
Third party contracts operating expenditure	-	-	-	(3,357)	(3,357)
Home improvement agencies operating expenditure	-	-	-	(825)	(825)
Costs of development sales	-	(43,326)	-	-	(43,326)
Cost of housing fixed asset sales	-	-	(4,711)	-	(4,711)
Operating costs	**(79,412)**	**(45,680)**	**(4,711)**	**(4,850)**	**(134,653)**
Operating surplus	**11,908**	**6,291**	**3,721**	**552**	**22,472**
Interest payable	-	-	-	(17,407)	(17,407)
Other financing costs - refinancing & break costs	-	-	-	(35,834)	(35,834)
Interest receivable	-	-	-	280	280
Total operating deficit (per SOCI)	**11,908**	**6,291**	**3,721**	**(52,409)**	**(30,489)**

Notes to the financial statements

2. Group segmental reporting 2021

	2021				
	Housing services £'000	Development sales £'000	Asset sales £'000	Other £'000	Total £'000
Income from housing lettings	88,091	-	-	-	88,091
Development sales	-	48,344	-	-	48,344
Third party contracts	-	-	-	3,874	3,874
Home Improvement Agencies	-	-	-	1,102	1,102
Other income	-	-	-	288	288
Turnover	**88,091**	**48,344**		**5,264**	**141,699**
Other income	**-**	**-**	**6,178**	**3,131**	**9,309**
Service charge costs	(6,415)	-	-	-	(6,415)
Bad debts	(21)	-	-	-	(21)
Management	(18,965)	(1,802)	-	-	(20,767)
Routine maintenance	(14,685)	-	-	-	(14,685)
Planned maintenance	(6,582)	-	-	-	(6,582)
Major repairs expenditure	(6,020)	-	-	-	(6.020)
Major repairs expenditure (capitalised)	2,359	-	-	-	2,359
Depreciation of housing properties	(16,978)	-	-	-	(16,978)
Accelerated depreciation	(123)	-	-	-	(123)
Impairment of housing properties	-	-	-	-	-
Property leasing costs and agency fees	(125)	-	-	-	(125)
Third party contracts operating expenditure	-	-	-	(2,957)	(2,957)
Home improvement agencies operating expenditure	-	-	-	(1,222)	(1,222)
Costs of development sales	-	(38,759)	-	-	(38,759)
Cost of housing fixed asset sales	-	-	(3,946)	-	(3,946)
Operating costs	**(67,555)**	**(40,561)**	**(3,946)**	**(4,179)**	**(116,241)**
Operating surplus	**20,536**	**7,783**	**2,232**	**4,216**	**34,767**
Interest payable	-	-	-	(18,438)	(18,438)
Interest receivable	-	-	-	235	235
Total operating deficit (per SOCI)	**20,536**	**7,783**	**2,232**	**(13,987)**	**16,564**

Notes to the financial statements

3. Particulars of turnover, operating costs and operating surplus

	2022			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Group turnover and costs				
Social housing lettings	**88,711**	**-**	**(77,946)**	**10,765**
Other social housing activities				
First tranche shared ownership sales	23,357	(19,955)	-	3,402
Other activities	246	-	(1,939)	(1,693)
	23,603	(19,955)	(1,939)	1,709
Non social housing activities				
Non social lettings	2,609	-	(1,012)	1,597
Open market sales	28,614	(23,371)	(868)	4,375
Help to Buy initiatives	-	-	-	-
Third party contracts	4,440	-	(3,357)	1,083
Home improvement agencies	716	-	(826)	(110)
	36,379	(23,371)	(6,063)	6,944
Total	**148,693**	**(43,326)**	**(85,948)**	**19,419**

3. Particulars of turnover, operating costs and operating surplus

	2021			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Group turnover and costs				
Social housing lettings	**85,989**	**-**	**(66,376)**	**19,613**
Other social housing activities				
First tranche shared ownership sales	14,218	(11,752)	-	2,466
Other activities	288	-	(1,753)	(1,465)
	14,506	**(11,752)**	**(1,753)**	**1,001**
Non social housing activities				
Non social lettings	2,102	-	(703)	1,399
Open market sales	34,125	(27,004)	(525)	6,596
Help to Buy initiatives	1	-	(3)	(2)
Third party contracts	3,874	-	(2,957)	917
Home improvement agencies	1,102	-	(1,222)	(120)
	41,204	(27,004)	(5,410)	8,790
Total	**141,699**	**(38,756)**	**(73,539)**	**29,404**

Notes to the financial statements

3. Particulars of turnover, operating costs and operating surplus (continued)

Association turnover and costs	2022			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus £'000
Group turnover and costs				
Social housing lettings	**88,711**	**-**	**(77,946)**	**10,765**
Other social housing activities				
First tranche shared ownership sales	23,357	(20,336)	-	3,021
Other activities	1,242	-	(1,932)	(690)
	24,599	(20,336)	(1,932)	2,331
Non social housing activities				
Non social lettings	244	-	(214)	30
Open market sales	93	-	(23)	70
Help to Buy initiatives	-	-	-	-
Third party contracts	4,440	-	(3,357)	1,083
Home improvement agencies	716	-	(826)	(110)
Other non- social activities	-	-	-	-
	5,493	-	(4,420)	1,073
Total	**118,803**	**(20,336)**	**(84,298)**	**14,169**

Association turnover and costs	2021			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus £'000
Social housing lettings	85,989	-	(66,376)	19,613
Other social housing activities				
First tranche shared ownership sales	14,218	(12,028)	-	2,190
Other	1,236	-	(1,750)	(514)
	15,454	(12,028)	(1,750)	1,676
Non social housing activities				
Non social lettings	26	-	-	26
Third party contracts	3,874	-	(2,957)	917
Home improvement agencies	1,102	-	(1,222)	(120)
Total	**106,445**	**(12,028)**	**(72,305)**	**22,112**

Notes to the financial statements

3. Particulars of turnover, operating costs and operating surplus (continued)

Group operating activities	2022					2021
Turnover and costs from social housing lettings	General needs £'000	Housing for older people £'000	Supported housing and care homes £'000	Shared ownership £'000	Total £'000	Total £'000
Turnover from lettings						
Rent receivable net of identifiable service charges	70,390	3,567	1,581	2,767	78,305	75,534
Supporting people income	222	450	717	2	1,391	1,347
Service charge income	2,315	1,300	410	693	4,718	4,827
Amortised government grants	3,860	314	107	16	4,297	4,281
Government Grants taken to income	-	-	-	-	-	-
Other grants	-	-	-	-	-	-
Other income (SHL)	-	-	-	-	-	-
Turnover from lettings	**76,787**	**5,631**	**2,815**	**3,478**	**88,711**	**85,989**
Cost of lettings						
Management	(20,559)	(1,113)	(1,152)	(27)	(22,851)	(18,435)
Service charge costs	(3,111)	(1,388)	(497)	(393)	(5,389)	(5,769)
Routine maintenance	(13,745)	(905)	(445)	(135)	(15,230)	(14,685)
Planned maintenance	(5,129)	(1,757)	(202)	(37)	(7,125)	(6,581)
Major repairs expenditure	(3,881)	114	(141)	(23)	(3,931)	(3,661)
Bad debts	(431)	(23)	(10)	-	(464)	(20)
Property leasing costs and agency fees	(41)	-	-	(4)	(45)	(125)
Depreciation of housing properties	(15,988)	(848)	(274)	(563)	(17,673)	(16,978)
Impairment of intangible assets	(4,897)	(128)	(213)	-	(5,238)	-
Impairment of housing properties	-	-	-	-	-	(123)
Other expenses	-	-	-	-	-	-
Operating cost of lettings	**(67,782)**	**(6,048)**	**(2,934)**	**(1,182)**	**(77,946)**	**(66,376)**
Operating surplus on lettings	**9,005**	**(417)**	**(119)**	**2,296**	**10,765**	**19,613**
Rent losses from voids	**2,805**	**148**	**66**	**-**	**3,019**	**1,936**

Financial statements 2021-22:

Notes to the financial statements

3. Particulars of turnover, operating costs and operating surplus (continued)

Association operating activities	2022					2021
Turnover and costs from social housing lettings	General needs £'000	Housing for older people £'000	Supported housing and care homes £'000	Shared ownership £'000	Total £'000	Total £'000
Turnover from lettings						
Rent receivable net of identifiable service charges	70,390	3,567	1,581	2,767	78,305	75,534
Supporting people income	222	450	717	2	1,391	1,347
Service charge income	2,315	1,300	410	693	4,718	4,827
Amortised government grants	3,860	314	107	16	4,297	4,281
Government grants taken to income	-	-	-	-	-	-
Other grants	-	-	-	-	-	-
Other Income (SHL)	-	-	-	-	-	-
Turnover from lettings	**76,787**	**5,631**	**2,815**	**3,478**	**88,711**	**85,989**
Cost of lettings						
Management	(20,559)	(1,113)	(1,152)	(27)	(22,851)	(18,435)
Service charge costs	(3,111)	(1,388)	(497)	(393)	(5,389)	(5,769)
Routine maintenance	(13,745)	(905)	(445)	(135)	(15,230)	(14,685)
Planned maintenance	(5,129)	(1,757)	(202)	(37)	(7,125)	(6,581)
Major repairs expenditure	(3,881)	114	(141)	(23)	(3,931)	(3,661)
Bad debts	(431)	(23)	(10)	-	(464)	(20)
Property leasing costs and agency fees	(41)	-	-	(4)	(45)	(125)
Depreciation of housing properties	(15,988)	(848)	(274)	(563)	(17,673)	(16,978)
Impairment of intangible assets	(4,897)	(128)	(213)	-	(5,238)	-
Accelerated depreciation	-	-	-	-	-	(123)
Other expenses	-	-	-	-	-	-
Operating cost of lettings	**(67,782)**	**(6,048)**	**(2,934)**	**(1,182)**	**(77,946)**	**(66,376)**
Operating surplus on lettings	**9,005**	**(417)**	**(119)**	**2,296**	**10,765**	**19,613**
Rent losses from voids	**2,805**	**148**	**66**	**-**	**3,019**	**1,936**

Notes to the financial statements

3. Particulars of turnover, operating costs and operating surplus (continued)

	Group		Association	
Group other income / (losses)	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Revaluation (loss) / gain on investment properties	(489)	3,174	290	(32)
(Loss) / gain on current asset investments	(20)	(43)	(20)	(43)
Loss on investment in Forge New Homes	(159)	-	-	-
Gift Aid	-	-	7,299	2,578
	(667)	**3,131**	**7,569**	**2,503**

4. Yorkshire Housing property portfolio

	Group Number of units		Association Number of units	
	2022	2021	2022	2021
Housing properties				
General needs	9,436	9,551	9,436	9,551
Housing for older people	865	836	865	836
Affordable properties	4,509	4,246	4,509	4,246
Shared ownership	1,001	735	1,001	735
Intermediate rent	1,355	1,284	1,355	1,284
Market rent	345	336	-	-
Supported housing and care homes	179	185	179	185
Total managed	**17,690**	**17,173**	**17,345**	**16,837**
Accommodation owned, managed by other bodies	**231**	**235**	**231**	**235**
Properties awaiting sale	**69**	**44**	**48**	**23**
Properties in development at the year end	**2,003**	**1,558**	**1,819**	**1,279**

Stock movements in year	Group Number of units	Association Number of units
As at 1st April	17,459	17,102
Transfer from other providers	-	-
Disposal/demolition	(93)	(93)
RTA/RTB/staircasing	-	-
New build/acquisitions	602	593
Other	22	22
As at 31st March	**17,990**	**17,624**

Notes to the financial statements

5. Operating surplus

	Group		Association	
Operating surplus is stated after charging	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Depreciation of housing properties (OC)	17,673	16,978	17,673	16,978
Impairment of housing properties	-	-	-	-
Impairment of intangible assets	(5,268)	-	(5,268)	-
Depreciation of other tangible fixed assets	728	660	730	657
Amortisation of intangible assets	1,637	1,156	1,637	1,156
Loss on disposal of other tangible fixed assets	(298)	(116)	(298)	(116)
Operating lease rentals				
- land and buildings	775	607	775	607
- office equipment and computers	273	251	273	251
- vehicles	615	406	615	406
Auditors' remuneration (excluding VAT)				
- audit services for the parent	86	120	86	120
- audit services for the subsidiaries	33	60	33	60
Auditors' remuneration for non audit services				
- tax compliance	-	-	-	-
- other advisory services	1	4	1	4
Total	**120**	**184**	**120**	**184**

Notes to the financial statements

6. Gain on disposal of housing properties

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Housing property				
Disposal proceeds (housing property)	6,763	4,843	6,763	4,843
Carrying value of fixed assets (housing property)	(3,621)	(3,238)	(3,621)	(3,238)
Costs associated with disposal (housing property)	(326)	(116)	(326)	(116)
	2,816	**1,489**	**2,816**	**1,489**
Shared ownership (staircasing)				
Disposal proceeds	1,670	1,335	1,670	1,335
Carrying value of fixed assets	(756)	(584)	(756)	(584)
Costs associated with disposal	(8)	(8)	(8)	(8)
Surplus	**906**	**743**	**906**	**743**
Total	**3,722**	**2,232**	**3,722**	**2,232**

7. Interest receivable and other income

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest receivable from cash deposits	74	173	73	173
Income from deferred acquisition commitment	-	-	-	-
Joint venture dividends and deposits	206	62	204	62
Total	**280**	**235**	**277**	**235**

8. Interest payable and financing costs

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Payable on bank loans	20,892	22,217	12,869	13,919
On amounts payable to group companies	-	-	8,658	8,409
Defined benefit pension scheme	232	105	232	105
Unwinding amortised bond issue costs	16	11	(838)	(389)
Other amortised loan costs	193	81	149	41
Bond cost	64	(107)	64	(107)
	21,397	22,307	21,134	21,978
Less: Interest capitalised on housing properties	(3,990)	(3,869)	(3,990)	(3,869)
Total	**17,407**	**18,438**	**17,144**	**18,109**
Additional Financing costs				
Loan break costs - refinancing	35,834	-	35,834	-
Total	**53,241**	**18,438**	**52,978**	**18,109**

Interest has been capitalised at an average rate of 3.52% in 2022 (2021: 3.75%).

Notes to the financial statements

9. Remuneration of the Board and directors

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Aggregate emoluments payable to Board and Committee Members	151	112	151	112
Aggregate emoluments payable to executive directors	772	1,172	772	1,172
Aggregate remuneration of key management personnel (including Employers' National Insurance)	813	1,261	813	1,261

Board
Board and Committee members received emoluments of £151k (2021: £112k).

Remuneration by non-executive Board Member (excludes Committee Members):	2022 £'000	2021 £'000
Ingrid Fife (Chair)	11	-
Alison Hadden (Vice Chair)	10	8
Sue Hall	5	11
Will Lifford	9	21
Linda Christon	5	10
Richard Flanagan	10	8
Naz Parker	-	4
David Perry	-	4
Phillip Severs	5	10
Jacqueline Esimaje-Heath	10	4
Isabel Hunt	8	3
Leann Hearne	-	3
Matthew Blake	8	3
Ian Costigan	5	-
Eleanor Stead	4	-
Total	**90**	**89**

Directors
The emoluments paid to the executive directors of the group were £772k (2021: £1,172k). Emoluments paid to the highest paid director were £214k. In 2021 emoluments paid to the highest paid director, (the interim finance director), were £358k and included fees paid for services rendered, agency fees, and an element of VAT.

The chief executive is a member of the Social Housing Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The association does not make any further contributions to the pension scheme for the chief executive.

Key management personnel
Key management personnel are considered to be the executive directors of the group. The aggregate remuneration of key management personnel (including employers' national insurance contributions) for the financial year was £813k (2021: £1,261k). This sum includes executive directors only. Remuneration for board and committee members is as shown separately above.

During the year the aggregate compensation for loss of office for key management personnel was £0k (2021: £96k)

Notes to the financial statements

10. Employee information

	Group		Association	
	2022 No.	2021 No.	2022 No.	2021 No.
The average monthly number of employees (including the Chief Executive) expressed as full-time equivalents (FTE) of 35 hours per week. Employed during the financial year was:	655	616	655	616

	2022 No.	2021 No.	2022 No.	2021 No.
Staff costs (for the above person including Board Members on payroll)				
Wages and salaries	22,890	21,246	22,094	20,522
Social security costs	2,220	1,987	2,145	1,914
Other pension costs	1,066	942	1,034	913
Total	**26,176**	**24,175**	**25,273**	**23,349**

21.5 FTE (2021: 19 FTE) were remunerated by the Association and recharged at £893k (2021: £826k) to Y H Residential Limited. These are primarily the sales team. Figures above exclude national insurance rebates for sick and maternity pay.

The number of employees including directors who received emoluments in the following ranges:

The number of employees including directors who received emoluments in the following ranges	2022 No.	2021 No.
£220,000 to £230,000	1	-
£200,000 to £210,000	-	1
£170,000 to £180,000	-	-
£160,001 to £170,000	2	-
£140,001 to £150,000	-	2
£130,001 to £140,000	1	1
£120,001 to £130,000	-	1
£110,001 to £120,000	1	-
£100,001 to £110,000	2	-
£90,001 to £100,000	3	3
£80,001 to £90,000	4	9
£70,001 to £80,000	3	1
£60,001 to £70,000	8	17
Total	**25**	**35**

Notes to the financial statements

11. Taxation

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Current tax	**-**	**-**	**-**	**-**
Deferred tax:				
Origination and reversal of timing difference	123	608	-	-
Changes in tax rates	-	-	-	-
Adjustment in respect of previous periods	-	-	-	-
Total deferred tax	**123**	**608**	**-**	**-**

The charge for the year can be reconciled to the surplus shown in statement of comprehensive income as follows:

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Deficit for the financial year after taxation	(30,489)	16,564	(27,240)	8,973
Tax at standard UK rate of 19% (2021 : 19%)	(5,793)	3,147	(5,176)	1,705
Factors affecting total tax charge for the current period:				
Expenses not deductible	5,206	-	5,176	-
Income not taxable	-	(2,539)	-	(1,705)
Losses	439	-	-	-
Tax rate change	271	-	-	-
Gains	-	-	-	-
Qualifying charitable donations	-	-	-	-
Adjustments from previous periods	-	-	-	-
	123	**608**	**-**	**-**

Notes to the financial statements

12. Intangible fixed assets

Group and association	Software intangible assets £'000	Total £'000
Cost		
At 1 April 2021	12,982	12,982
Additions	197	197
Disposals	-	-
At 31 March 2022	**13,179**	**13,179**
Accumulated amortisation		
At 1 April 2021	1,156	1,156
Amortisation charged in year	1,638	1,638
Accumulated depreciation and impairment	5,268	5,268
Eliminated in respect of disposals	-	-
At 31 March 2022	**8,062**	**8,062**
Net Book Value at 31 March 2022	**5,117**	**5,117**
At 31 March 2021	11,826	11,826

We have impaired one of the D365 assets resulting from a reset of the IT roadmap. This reflects our decision to go with a different approach to our underlying systems and taking a one-off charge to the accounts of £5.3m in the year.

Notes to the financial statements

13. Tangible fixed assets – housing properties

Group and Association	Social housing properties held for lettings £'000	Housing properties for letting under construction £'000	Shared ownership properties under construction £'000	Completed shared ownership housing properties £'000	Total housing properties £'000
Cost					
At 1 April 2021	1,011,829	51,440	39,486	51,584	1,154,339
Additions	-	39,156	24,601	-	63,757
Works to existing properties	7,465	-	-	-	7,465
Schemes completed	42,973	(42,973)	(28,798)	28,798	-
Disposals	(5,782)	477	1,438	(3,355)	(7,222)
At 31 March 2022	**1,056,487**	**48,100**	**36,727**	**77,027**	**1,218,340**
Depreciation and impairment					
At 1 April 2021	182,245	-	-	1,973	184,218
Depreciated charged in year	17,094	-	-	579	17,673
Impairment charged in year	-	-	-	-	-
Released on disposal (note 6)	(2,126)	-	-	(71)	(2,197)
At 31 March 2022	**197,213**	**-**	**-**	**2,481**	**199,694**
Net book value at 31 March 2022	**859,273**	**48,100**	**36,727**	**74,546**	**1,018,646**
Net book value at 31 March 2021	**829,584**	**51,440**	**39,486**	**49,611**	**970,121**

Housing properties are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount.

Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

Development costs have been capitalised amounting to £1,420k (2021: £1,145k).

Interest has been capitalised at a rate of 3.52% (2021: 3.75%) during the financial year and amounted to £3,990k (2021: £3,327k).

In 2020/21 housing property sales were made from Yorkshire Housing Residential to Yorkshire Housing Limited (the 'Association'). The intercompany profit of £333k on the sale is eliminated on consolidation. The Net book value reported for the Association is therefore £1,018,979.

Notes to the financial statements

13. Tangible fixed assets – housing properties (continued)

Housing properties are shown	2022 £'000	2021 £'000
At cost	1,147,076	1,083,075
At valuation	71,264	71,264
	1,218,340	**1,154,339**

The association acquired 6,337 units of housing stock through mergers with Ryedale Housing in 1999 and Brunel Housing in 2005. Ryedale included their housing stock at Existing Use Value – Social Housing Value (EUV – SH), with the resulting increase in carrying value arising from the valuation transferred to a revaluation reserve. Brunel included their housing stock at cost. Yorkshire Housing Ltd includes its directly acquired and developed housing property in its balance sheet at cost less depreciation less any impairment losses. The property transferred from Ryedale Housing and Brunel Housing is stated in the Yorkshire Housing Ltd balance sheet at deemed cost; being the EUV – SH value at the respective dates of merger. The corresponding revaluation reserves were transferred to Yorkshire Housing Ltd and are amortised over the useful life of the assets associated with the reserve. The total value of assets included in the balance sheet at 31 March 2022 at deemed cost is £71,264k.

Group expenditure on works to existing properties during the year amounted to £33.8m (2021: £27m) of which £7.5m (2021: £2m) was capitalised and included as works to existing properties.

	2022 £'000	2021 £'000
Total grant received for existing properties	216,397	288,326
Less amortised through the statement of comprehensive income	(75,824)	(71,929)
Total deferred grant in the statement of financial position	**140,573**	**216,397**

Notes to the financial statements

14. Other tangible fixed assets

Group	Freehold offices £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2021	6,268	3,967	486	581	11,302
Additions	-	118	722	-	840
Disposals	(608)	-	-	(189)	(797)
At 31 March 2022	**5,660**	**4,085**	**1,208**	**392**	**11,345**
Accumulated depreciation					
At 1 April 2021	1,324	2,757	371	443	4,895
Depreciation charged in year	95	561	27	46	729
Eliminated in respect of disposals	(341)	-	-	(158)	(499)
At 31 March 2022	**1,078**	**3,318**	**398**	**331**	**5,125**
Net book value at 31 March 2022	**4,582**	**767**	**810**	**61**	**6,220**
At 31 March 2021	4,944	1,210	115	138	6,407

Association	Freehold offices £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2021	6,268	3,882	450	581	11,181
Additions	-	119	722	-	841
Disposals	(608)	-	-	(189)	(797)
At 31 March 2022	**5,660**	**4,001**	**1,172**	**392**	**11,225**
Accumulated depreciation					
At 1 April 2021	1,324	2,674	338	441	4,777
Depreciation charged in year	95	562	27	46	730
Eliminated in respect of disposals	(341)	-	-	(158)	(499)
At 31 March 2022	**1,078**	**3,236**	**365**	**329**	**5,008**
Net book value at 31 March 2022	**4,582**	**765**	**807**	**63**	**6,217**
At 31 March 2021	4,944	1,208	112	140	6,404

Notes to the financial statements

15. Investment properties non-social housing and commercial properties held for letting

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
At 1 April	35,281	30,704	3,864	3,896
Additions	1,126	1,403	-	-
Properties for disposal	-	-	-	-
Increase (decrease) in value	(489)	3,174	290	(32)
Total	**35,918**	**35,281**	**4,154**	**3,864**

Investment properties consist of market rented housing properties, garages and commercial units. In accordance with the group accounting policy, investment properties have been included at their market value. The properties were valued as at 31 March 2022 by Jones Lang LaSalle Ltd, Chartered Surveyors. The valuation was undertaken on the basis of market value and in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors, the NHF financial reporting SORP and represents the aggregate of all the units, assuming phased disposal without deduction of costs or incentives. No allowances were made for the vendor's sale costs or for any tax liabilities, which may arise upon the property disposal.

In valuing investment properties, a discounted cash flow methodology was adopted with key assumptions:

	2022	2021
Discount rate	6.5%	6.5%
Exit yield	5.0%	5.0%
Annual rental growth (nominal)	2.5%	1.0% (Year 1); 3.0% (Years 2+)
Stamp Duty Land Tax	At the prevailing rates	At the prevailing rates

Underlying inflation was excluded from the cashflow model therefore the income and cost increases noted here are above inflation increases. This has been considered when selecting the appropriate discount rates.

16. Properties held for sale and stock

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Van stock - materials	418	418	418	418
Completed properties held for sale				
Completed - First tranche shared ownership	4,281	1,305	4,281	1,305
Completed - Properties for market sale	2,456	6,588	-	-
Partially completed properties				
Partial - First tranche shared ownership	19,920	18,892	19,920	18,888
Partial - Properties for market sale	30,850	30,987	-	4
Properties for Market Rent	-	-	-	-
Total	**57,925**	**58,190**	**24,619**	**20,615**

Notes to the financial statements

17. Debtors

	Group		Association	
Due within one year	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Arrears of rent and service charges	5,131	2,583	5,097	2,548
Provision for bad and doubtful debt	(1,759)	(1,391)	(1,730)	(1,362)
	3,372	**1,192**	**3,367**	**1,186**
Prepayments and accrued income	5,195	3,034	5,240	2,543
Other debtors	6,914	7,537	5,798	7,097
Loan to joint venture	460	-	-	-
Amounts owed by group undertakings	-	-	1,740	4,226
	15,941	**11,763**	**16,145**	**15,051**
Due after more than one year				
Debt service reserve fund cost	605	605	605	605
Increase in fair value	90	110	90	110
	695	**715**	**695**	**715**
Total	**16,636**	**12,478**	**16,840**	**15,767**

The debt service reserve fund is held for an issued bond and is invested in stock under the management of the Royal Bank of Canada Global Markets. The investments are stated at fair value and the overall control of the account is with THFC.

18. Investments, cash and cash equivalents

Fixed asset investments: Association	**2022 £'000**	**2021 £'000**
Investment in group undertakings	900	900
Investment in group undertakings - preference shares	50,000	50,000
Investment in Yorkshire Transformation Holdings	553	553
Total	**51,453**	**51,453**

YHL owns 33% of Yorkshire Transformations Holdings ["YTH"] as at 31 March 2022. The Group financial statements do not recognise the value of the investment in YTH. As at 31 December 2022 YTL had net liabilities of £3,248k (2021: £7,546k). In accordance with FRS102 no investment has been recognised when the Group's share is in deficit.

In March 2017, Y H Residential Limited issued 32,000,000 £1 preference shares. The shares are non-voting redeemable preference shares of £1 each in the capital of Y H Residential designated as a Preference Share. The preference shares are redeemable at 5 days' notice at the behest of the parent company.

The preference shares are non-convertible and are a basic financial instrument measured at cost less impairment. There are no dividend or interest commitments in respect of these preference shares. There is no fixed maturity or redemption date. As at 31 March 2022, all 50,000,000 of these shares have been called up and fully paid (2021: 50,000,000 shares).

All investments consolidate out at the group level with the exclusion of the Forge New Homes investment. The investment at 31 March 2022 is £841k (2021: £500k).

Following the treatment required by FRS102 the investment has been adjusted at Group level to reflect the accumulated losses of £159.4k as at 31 March 2022. The Board believe that the carrying value of the investments is supported by their underlying net assets.

Notes to the financial statements

18. Investments, cash and cash equivalents (continued)

	Group		Association	
Cash and cash equivalents	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Cash deposits	24,271	61,295	24,271	61,295
Cash at bank	9,418	13,668	5,722	5,189
Total	**33,689**	**74,963**	**29,993**	**66,484**

The cash deposits are deposited with building societies and banks but are not available for immediate access.

19. Homebuy loans

Group and association	**2022 £'000**	**2021 £'000**
At 1 April	1,244	1,367
Redeemed in the year	(128)	(123)
At 31 March	**1,116**	**1,244**

No interest was payable or receivable on Homebuy loans in either financial year.

20. Creditors: amounts falling due within one year

	Group		Association	
Due within one year	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Borrowings (Note 24) < 1 Yr	11,726	7,895	11,726	7,895
Bank loan interest	6,506	5,966	67	2,261
Trade creditors	4,057	5,730	4,028	5,683
Rent and service charges received in advance	6,976	4,388	6,702	4,172
Other taxation and social security costs	711	790	708	784
Accruals and deferred income	12,283	9,034	10,650	6,838
Amounts owed to group undertakings	-	-	4,737	2,344
Past service deficit contributions under SHPS	-	-	-	-
Deferred capital grants (Note 23)	5,830	6,326	5,830	6,326
Total	**48,089**	**40,129**	**44,448**	**36,303**

Notes to the financial statements

21. Creditors: amounts falling due after more than one year

	Group		Association	
Due after more than one year	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Borrowings (Note 24) > 1 Yr	554,599	563,463	296,099	358,463
Amounts owed to group undertakings	-	-	255,000	200,000
Recycled capital grant fund (Note 22)	9,441	8,260	9,441	8,260
Held on behalf of leaseholders	1,192	1,539	1,194	1,539
Homebuy grant	1,116	1,244	1,116	1,244
Deferred capital grant (Note 23)	315,926	292,653	315,926	292,653
	882,274	**867,159**	**878,776**	**862,159**
Less bond issue costs, discount and premium on issue (Note 24)	22,353	8,841	(2,179)	(1,544)
Less issue costs owed to group undertakings	-	-	27,120	12,629
Total	**904,627**	**876,000**	**903,717**	**873,244**

The amounts owed to group undertakings of £255,000,000 represents the on lending of the Public Bond that was issued by Yorkshire Housing Finance Plc, a wholly owned subsidiary. Full details of the associated instrument are given in Note 24. Loans are secured against 15,084 properties, with a further 1,593 units available for security.

The bond issue costs disclosed above relate to the three bonds included within note 24.

22. Recycled Capital Grant Fund

Movements in the recycled capital grant fund were as follows:

	Group		Association	
Movements in the recycled capital grant fund were as follows:	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Opening balance as at 1 April	8,261	7,405	8,261	7,405
Grants recycled	1,945	1,862	1,945	1,862
Homebuy grants recycled	136	126	136	126
Interest accrued	18	7	18	7
Withdrawals	(919)	(1,140)	(919)	(1,140)
Closing balance as at 31 March	**9,441**	**8,260**	**9,441**	**8,260**

Recycled grant is repayable to Homes England if not recycled within three years, but no repayments were required in the year (2021: £nil).

Notes to the financial statements

23. Deferred grant income

Group and association	2022 £'000	2021 £'000
Opening balance at 1 April	298,979	288,326
Grant received in year	29,162	15,656
Grant transferred from recycled capital grant fund	919	1,140
Released to income in year - Amortisation	(3,895)	(4,458)
Released to income in year - Disposal	(1,464)	177
Released to recycled capital grant fund	(1,945)	(1,862)
Closing balance as at 31 March	**321,756**	**298,979**
Amounts to be released within one year	5,830	6,326
Amounts to be released in more than one year	315,926	292,653
	321,756	**298,979**

Notes to the financial statements

24. Debt analysis

Borrowings	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Due within one year				
Bank Loans < 1 Yr	1,726	7,895	1,726	7,895
Other Loans < 1 Yr	10,000	-	10,000	-
Total due within 1 year	**11,726**	**7,895**	**11,726**	**7,895**
Due after more than one year				
Bank loans	214,478	303,342	210,978	298,342
Other loans	35,121	10,121	35,121	10,121
THFC bond	30,000	30,000	30,000	30,000
Public bond	255,000	200,000	-	-
AHF bond	20,000	20,000	20,000	20,000
Total due after more than one year	**554,599**	**563,463**	**296,099**	**358,463**
Total borrowings before costs, discount and premium on issue	**566,325**	**571,358**	**307,825**	**366,358**
Loan and bond costs, discount and premium on issue				
THFC bond 2	(2,552)	(2,669)	(2,552)	(2,669)
Public bond 2	24,580	10,478	-	-
AHF bond 2	1,707	1,765	1,707	1,765
Loan transaction costs	(1,382)	(733)	(1,334)	(640)
	22,353	**8,841**	**(2,179)**	**(1,544)**
Total borrowings	**588,678**	**580,199**	**305,645**	**364,814**

Terms of repayment and interest rates

Bank loans have various repayment profiles with the final maturity date of 2039. There are no plans to make early repayments on loans. The loans have fixed and variable interest rates ranging from 1.00% % to 11.30% and a weighted average rate of 3.52%. As at 31 March 2022 the group had undrawn loan facilities of £196.5m (2021: £55m).

The "other loans" are with eight Local Authorities, seven of these are held on an unsecured basis. There is an additional loan with Bradford Health Authority held on a secured basis. There is no interest payable; but on disposal of the properties the surplus realised is shared between the lender and Yorkshire Housing. There are six properties linked to the Bradford Health Authority Loan.

On 31 October 2014 Yorkshire Housing Finance Plc issued a secured bond for £200m at a coupon rate of 4.13% ("the bonds") due to mature 31 October 2044 which are guaranteed by defined assets within Yorkshire Housing Limited. In 2014 the Company placed £140m bonds at an issue price of 98.2% giving an effective yield of 4.23%. In 2020 the Company placed the remaining £60m bonds at an issue price of 126.5% giving an effective yield of 2.70%.

On 5th October Yorkshire Housing Finance Plc deferred the issue of a further £200 million secured bonds until a future date. On 6 January 2022 £55m of the £200 million issued on the 5 October were placed at an issue price of 127.9% giving an effective yield of 2.51%.

On 30th July 2008 Yorkshire Housing Limited issued a secured bond of £30m with The Housing Finance Corporation ("THFC") attracting 5.13% interest due to mature in 2035. On 28th March 2017 Yorkshire Housing Limited issued a guaranteed secured bond of £20m to the AHF attracting 2.89% interest and due to mature in 2043.

All loans are secured on housing stock, which covers the value of outstanding liabilities.

Notes to the financial statements

24. Debt analysis (continued)

Public bond	2022 £'000	2021 £'000
Public bond	255,000	200,000
Add: unamortised premium on issue	27,120	12,629
Total bond after premium on issue	282,120	212,629
Less: unamortised issue cost	(2,540)	(2,151)
Total	**279,580**	**210,478**

Housing loans are secured by fixed charges on 14,421 (2021: 15,147) of the group's housing properties and repayable at varying rates of interest and instalments.

The refinancing exercise included the full repayment of one loan of £183m and a new loan drawdown of £173m with the same lender (net repayment value of £9.2m). The total capital repayments in 2022 were £18,533k (2021: £11,692k), this included the net repayment of £9.2m noted above.

		Group		Association
Maturity of financial liabilities	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
In less than one year	11,726	7,895	11,726	7,895
In more than one year but less than two years	40,244	18,362	36,744	18,362
In more than two years but less than five years	35,353	33,242	35,353	28,242
In more than five years	479,002	511,859	224,002	311,859
Total	**566,325**	**571,358**	**307,825**	**366,358**

25. Share capital

Shares of £1 each, allotted and fully paid	2022 £	2021 £
As at 1 April	120	125
Net issues less retirements	-	(5)
As at 31 March	**120**	**120**

The shares are non-transferable, non-redeemable and carry no rights to receive either income or capital payments. They are thus classified as non-equity shares.

Notes to the financial statements

26. Cash flow from operating activities

	2022 £'000	2021 £'000
(Deficit)/surplus for the year	(30,489)	16,565
Depreciation of housing assets	17,673	16,978
Depreciation of other tangible fixed assets	728	659
Depreciation of intangible assets	1,638	1,156
Impairment of intangible assets	5,269	-
Impairment of fixed assets	-	-
Loss on investment assets	489	(3,174)
Loss on Forge New Homes investment	159	-
Gain from sale of housing properties	(3,722)	(2,232)
Loss on disposal of other fixed assets	298	117
Decrease/(increase) in stock	265	(4,587)
Increase in trade and other debtors	(4,158)	(215)
Increase in trade and other creditors	4,085	1,253
Decrease in Homebuy grants	(128)	-
Pension costs	(37)	(37)
Pension contributions paid	(1,265)	(1,458)
Acquisition of capital grants	(4,297)	(4,281)
Interest charge	17,407	18,438
Interest received	(280)	(235)
Tax charge	-	-
Net cash generated from operating activities	**3,635**	**38,948**

Notes to the financial statements

27. Provision for liabilities – other provisions

Group deferred tax	2022 £'000	2021 £'000
Deferred tax (assets)/liabilities		
Provision at start of period	1,008	399
Adjustment in respect of prior years	-	-
Deferred tax charge to the SOCI for the period	123	608
Deferred charge to OCI for the period	-	-
Provision at end of period	**1,131**	**1,007**
Fixed assets timing difference	1,138	1,013
Short term timing difference	(7)	(5)
	1,131	**1,008**
Deferred tax (assets)		
Recoverable within 12 months	(7)	(5)
	(7)	**(5)**
Deferred tax liabilities		
Payable within 12 months	1,138	1,013
	1,138	**1,013**

The provision of deferred tax relates solely to the trading subsidiary.

Notes to the financial statements

28. Capital commitments

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Capital expenditure contracted for less certified at the year end	157,261	199,212	156,921	197,907
Capital expenditure authorised by the board but not contracted at the year end	95,510	45,562	95,510	45,562
Total	**252,771**	**244,774**	**252,431**	**243,469**

It is proposed that the above commitment will be funded as follows (which covers a number of years):	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Borrowing and operating activities	236,253	219,626	235,913	218,321
Grant	16,518	25,148	16,518	25,148
Total	**252,771**	**244,774**	**252,431**	**243,469**

Our board approved development program takes us up to March 2030 is forecast as follows:	2022 £'000	2021 £'000
Units in the development pipeline	6,251 units	6,951 units
Projected pipeline cost	1,272,868	1,354,768
Projected source of funding:		
Social housing grants	230,917	231,323
Proceeds from sales	373,721	403,989
Surplus and borrowing	668,230	719,456
Total	**1,272,868**	**1,354,768**

The revised growth strategy of the Group is to March 2030, however, the development programme post 2026 remains aspirational and is not yet committed.

29. Contingent assets/liabilities

The group and association have no contingent liabilities.

Notes to the financial statements

30. Operating lease commitments

The Company was committed to making the following remaining lease payments under non-cancellable operating leases:

Group	Land and buildings 2022 £'000	Land and buildings 2021 £'000	Equipment and vehicles 2022 £'000	Equipment and vehicles 2021 £'000
Operating leases which expire				
Within one year	750	503	728	576
Between two and five years	2,700	1,795	1,534	1,824
In over five years	2,711	1,748	-	-
	6,161	**4,046**	**2,262**	**2,400**

Association	Land and buildings 2022 £'000	Land and buildings 2021 £'000	Equipment and vehicles 2022 £'000	Equipment and vehicles 2021 £'000
Operating leases which expire				
Within one year	750	503	728	576
Between two and five years	2,700	1,795	1,534	1,824
In over five years	2,711	1,748	-	-
	6,161	**4,046**	**2,262**	**2,400**

31. Pensions

The association participates in SHPS, a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK. The scheme is classified as a last man standing' arrangement. Therefore, the association 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.

On 1 April 2018, sufficient information is available for the association in respect of SHPS to account for its obligation on a defined benefit basis. This change on transition resulted in a re-measurement difference of £4,722k, which has been recognised at the relevant date of application, 1 April 2018, in other comprehensive income.

The SHPS triennial funding valuation has been carried out in the current financial year and is reflected in the numbers below.

Notes to the financial statements

31. Pensions (continued)

Reconciliation of opening and closing balances of the present value of scheme liabilities	31 March 2022 £'000	31 March 2021 £'000
Opening scheme liabilities as at start of period	**54,178**	**43,996**
Current service cost	-	-
Expenses	37	37
Interest expense	1,172	1,028
Actuarial losses (gains)	(1,517)	10,328
Benefits paid and expenses	(1,296)	(1,209)
Defined benefit obligation at end of period	**52,574**	**54,180**

Reconciliation of opening and closing balances of the fair value of plan assets	31 March 2022 £'000	31 March 2021 £'000
Fair value of plan assets at start of period	42,978	38,860
Interest Income	940	923
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	2,298	2,946
Contributions by employer	1,265	1,458
Benefits paid and expenses	(1,296)	(1,209)
Fair value of plan assets at end of period	46,185	42,978
Pension liability	**(6,389)**	**(11,202)**

Amounts recognised in surplus or deficit	31 March 2022 £'000	31 March 2021 £'000
Current service cost	-	-
Expenses	37	37
Net interest expense	232	105
Defined benefit costs recognised in statement of comprehensive income (SOCI)	**269**	**142**

Defined benefit costs recognised in other comprehensive income	31 March 2022 £'000	31 March 2021 £'000
Experience on plan (excluding amounts included in net interest costs) - gain (loss)	2,298	2,946
Experience gain and (losses) arising on the plan liabilities	(3,486)	714
Effects of change in the demographic assumptions underlying the present value of the defined benefit obligations - gain (loss)	831	(195)
Effect of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	4,170	(10,845)
Total actuarial gain and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	**3,813**	**(7,380)**
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)		
Total amount recognised in other comprehensive income	**3,813**	**(7,380)**

Notes to the financial statements

31. Pensions (continued)

Assets	31 March 2022 £'000	31 March 2022 %	31 March 2021 £'000	31 March 2021 %
Global equity	8,863	19%	6,850	16%
Absolute return	1,853	4%	2,372	6%
Distressed opportunities	1,653	4%	1,241	3%
Credit relative value	1,535	3%	1,352	3%
Alternative risk premium	1,523	3%	1,619	4%
Fund of hedge funds	-	0%	5	0%
Emerging markets debt	1,344	3%	1,735	4%
Risk sharing	1,521	3%	1,565	4%
Insurance linked securities	1,077	2%	1,032	2%
Property	1,247	3%	893	2%
Infrastructure	3,290	7%	2,866	7%
Private debt	1,184	3%	1,025	2%
Opportunistic Illiquid credit	1,552	3%	1,093	3%
High Yield	398	1%	1,287	3%
Opportunistic credit	164	0%	1,178	3%
Cash	157	0%	-	0%
Corporate bond fund	3,081	7%	2,539	6%
Liquid credit	-	0%	513	1%
Long lease property	1,188	3%	842	2%
Secured income	1,721	4%	1,787	4%
Liability driven investments	12,887	28%	10,923	25%
Currency hedging	(181)	0%	-	0%
Net current assets	128	0%	261	1%
Total assets	**46,185**	**100%**	**42,978**	**100%**

Key Assumptions	31 March 2022 % per annum	31 March 2021 % per annum
Discount rate	2.79	2.19
Inflation (RPI)	3.54	3.26
Inflation (CPI)	3.17	2.87
Salary growth	4.17	3.87
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:	Life expectancy at 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

Notes to the financial statements

31. Pensions (continued)

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

32. Group undertakings and related parties

Company	Legal status	RSH Regulated		Basis of control
Yorkshire Housing Limited	Cooperative and Community Benefit Society Act 2014	Registered with RSH	Registered provider	Group company
Yorkshire Community Property Services Limited	Companies Act	Non RSH regulated	Non registered provider	100% share
Y H Residential Limited	Companies Act	Non RSH regulated	Non registered provider	100% share
Yorkshire Housing Finance PLC	Public Limited Company	Non RSH regulated	Non registered provider	100% share
Yorkshire Transformations Holdings Limited	Companies Act	Non RSH regulated	Non registered provider	33% share
Forge New Homes Limited	Companies Act	Non RSH Regulated	Non Registered Provider	20% share

All subsidiaries are incorporated or registered in England and Wales.

Notes to the financial statements

32. Group undertakings and related parties (continued)

Yorkshire Housing Limited had the following transactions with unregistered related parties during the years:

Y H Residential Limited	2022 £'000	2021 £'000
Received from related group entities:		
Interest receivable	71	107
Management charge for central services	604	390
Rent and service charges	99	99
Gift Aid	7,299	2,578
	8,073	**3,174**
Paid to related group entities:		
Fee for managing group properties	-	-
Fee for selling group properties on the open market	381	277
Interest payable	-	2
	381	**279**

Y H Residential Limited owns and manages the market rented homes portfolio. Yorkshire Housing Limited calculates the Y H Residential management charge on a combination of FTE and turnover apportionment basis.

Yorkshire Housing Finance Plc	2022 £'000	2021 £'000
Paid to related group entities:		
Interest payable	7,931	8,038

Yorkshire Housing Finance PLC is a wholly owned subsidiary of Yorkshire Housing Limited providing long term finance through a bond issue.

Yorkshire Housing Finance Plc issued a £140m bond in October 2014 and two further issues of £60m in September 2020 and £55m in January 2022, the cash raised has been on lent to Yorkshire Housing Limited.

Yorkshire Community Property Services Limited	2022 £'000	2021 £'000
Paid to related group entities:		
Interest payable	-	1

Yorkshire Community Property Services Limited is currently not trading.

Notes to the financial statements

33. Related party transactions

Yorkshire Transformations Holdings Limited is a joint venture which undertakes the refurbishment, maintenance and financing of homes in the Swarcliffe area of Leeds under a Private Finance Initiative with BOS Infrastructure (No3) Limited and DIF Infra 3 Limited.

Forge New Homes LLP ("FNH") is a Limited Liability Partnership which was formed to provide housing in the Sheffield city region and is a partnership between Cube Homes Ltd, Guiness Homes Ltd, Together Commercial Ltd, Syha Enterprises Ltd and YH Residential Ltd.

Related party transactions with Yorkshire Transformations Limited were as follows:

Related party transactions with Yorkshire Transformations Limited	2022 £'000	2021 £'000
Contractual income		
Income received 2020/21	4,434	3,107
Other income		
Directors fees	65	64
Subordinated debt interest	62	62
Loan interest	2	-
Dividend	142	-
Total income	**4,705**	**3,233**
Trading debtor at 31 March	**108**	**54**

During the year Yorkshire Housing Limited transacted with its non-regulated subsidiaries, Y H Residential Limited and Yorkshire Community Property Services Limited. These transactions were conducted on an arm's length basis and were eliminated on consolidation within the group's financial statements.

Yorkshire Housing Finance Plc is a wholly owned subsidiary of Yorkshire Housing Limited providing long term finance through a bond issue.

Yorkshire Transformations Holdings Limited is a joint venture which undertakes the refurbishment, maintenance and financing of homes in the Swarcliffe area of Leeds under a Private Finance Initiative with Leeds City Council.

Forge New Homes LLP is a joint venture by Y H Residential Limited for the development and sale of residential property in the Sheffield city region.

Yorkshire Community Property Services Limited owned the organisation's York office, Yorkshire House, which had been provided to Yorkshire Housing Limited until its disposal in 2013.

Further details of these transactions can be found within the financial statements of the subsidiary company.

Customer Board Members

A small number of committee members are customers of the group and reside in the group's property. The terms of the tenancy arrangements are consistent with those offered to other customers of the Group and they are not able to use their position to their advantage. Total rental income from these members is £61k, (2021: £13k), no balances were outstanding at the year end.

Notes to the financial statements

34. Financial assets and liabilities

The board policy on financial instruments is explained in the strategic report as are references to financial risks.

Financial assets	2022 £'000	2021 £'000
Debtors at amortised cost	10,286	8,729
Debt service reserve investments at fair value	695	715
Derivative financial asset (Note 36)	989	-
Cash at amortised cost	33,689	74,963
	45,659	**84,407**

Financial Liabilities	2022 £'000	2021 £'000
Trade and other creditors at amortised cost	24,038	22,269
Loans at amortised cost	566,325	571,358
	590,363	**593,627**

Financial assets: Financial assets are made up of short term debtors, such as trade debtors and other debtors, current investments at fair value and cash at amortised cost.

Financial liabilities: Financial liabilities consist of Trade and other creditors and include loans at amortised cost.

35. Post balance sheet events

There are no material post balance sheet events.

36. Hedged financial instruments

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Derivative financial asset	989	-	989	
Balance at end of period	**989**	**-**	**989**	**-**

The derivative financial asset relates to interest swaps hedged against a term loan of £40m maturing on the dates shown below. The swaps are not documented with a Credit Support Annex (CSA), which avoids the need to post any form of collateral in the future.

Date of maturity	£'000
06-Jan-25	12,500
06-Jan-27	12,500
06-Jan-29	15,000

Notes to the financial statements

37. Analysis of changes in net debt

	2021 £'000	Cashflows	Other non cash changes	2022 £'000
Cash deposits	61,295	(37,024)	-	24,271
Cash at bank	13,668	(4,250)	-	9,418
	74,963	**(41,274)**	**-**	**33,689**
Debt due within one year	7,895	3,831	-	11,726
Debt due after more than one year	572,304	4,438	210	576,952
	580,199	**8,269**	**210**	**588,678**

Section:

Company information...

Annual report and financial statements:

Company information

Registrations

Co-operative and Community Benefit Society registered number: 30443R

Regulator of Social Housing registered provider number: L4521

Secretary

Andrew Oldale

Registered office

The Place, 2 Central Place, Leeds LS10 1FB

Independent auditors

Beever and Struthers

St George's House, 215-219 Chester Road, Manchester, M15 4JE

Board

Ingrid Fife – *Chair (appointed 15 Sep 2021)*

Alison Hadden – *Vice Chair*

Richard Flanagan

Isabel Hunt

Leann Hearne

Matt Blake

Jacqueline Esimaje-Heath

Lisa Bradley *(appointed 23 Mar 2022)*

Eleanor Stead *(appointed 15 Sep 2021)*

Russell Galley *(appointed 15 Sep 2021)*

Ian Costigan *(appointed 15 Sep 2021)*

Will Lifford *(resigned 15 Sep 2021)*

Sue Hall *(resigned 15 Sep 2021)*

Linda Christon *(resigned 15 Sep 2021)*

Philip Severs *(resigned 15 Sep 2021)*

Executive Directors

Nick Atkin – *Chief Executive*

Andrew Gamble – *Executive Director Growth and Assets*

Andrew Oldale – *Executive Director Finance and Governance (Appointed 8th June 2021)*

Cath Owston – *Executive Director Customer Experience*

What we're all about:

Making it possible to have a place you're proud to call home...

Yorkshire Housing

Head office:
Yorkshire Housing
The Place
2 Central Place
Leeds
LS10 1FB

Telephone: 0345 366 4404
Email: enquiries@yorkshirehousing.co.uk
www.yorkshirehousing.co.uk

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