



# Annual report and financial statements

For the year ended  
31 March 2024



# Annual report and financial statements:

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Section:

# Introduction to our report...



Chair's report:

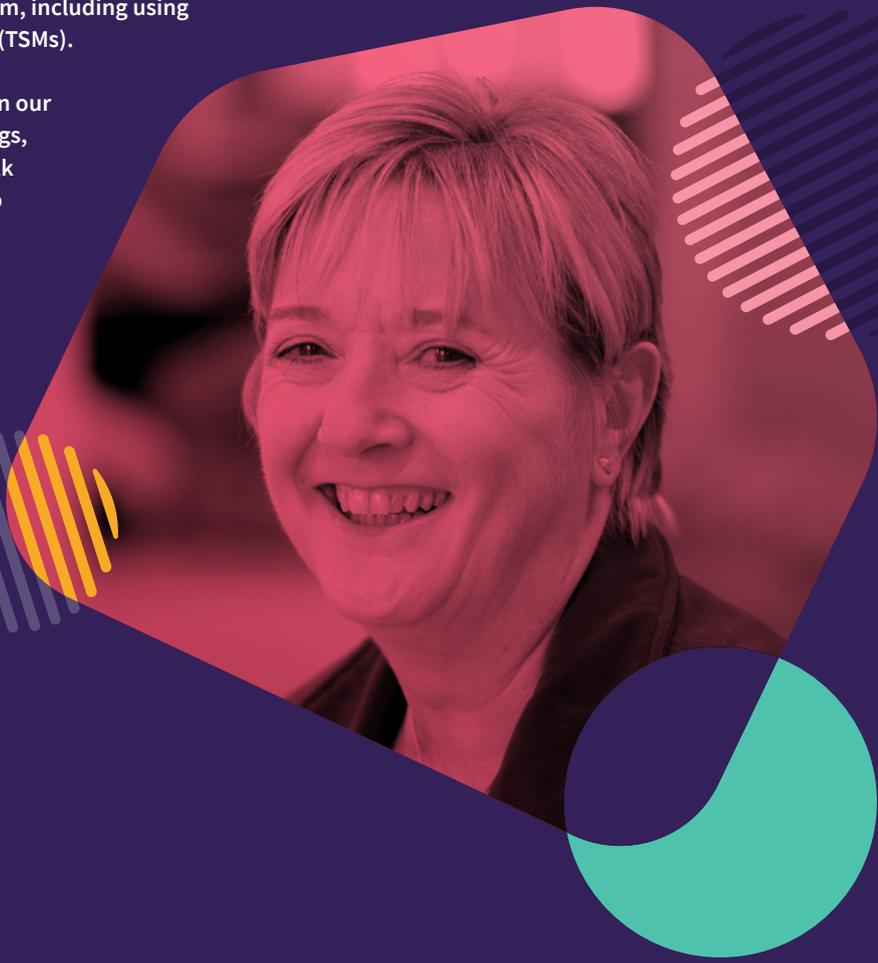
# Welcome to our annual report

We've been pushing on with the new business strategy launched last year and made some great progress. There's more detail on this in the statements, but I'd like to highlight a couple of things.

Key to delivery is the implementation of our new Salesforce platform, and the first modules go live during the summer of 2024. This will give us the technology to support our 'Customer Obsessed' strategy and lay the foundations for delivering a more pre-emptive service.

We've sought more ways to get feedback from our customers and focus on what matters most to them, including using the new Tenant Satisfaction Measures (TSMs).

This feedback has also been included in our 'Customer Obsessed' colleague briefings, with our customers being invited to talk openly and honestly about what we do well and not so well.



**Ingrid Fife**

Chair

## Chair's report:

# Welcome to our 2023-24 annual report

The economic headwinds we face do seem to have reduced a little, with inflation coming down from a peak not seen for decades to a more sustainable rate.

### Economic and political change

Despite this our customers are still suffering from a much higher cost of living. I'm proud that we continue to provide pro-active support to many of our customers around benefits, debt, training, employment and other issues relevant to sustaining their tenancies.

The high interest rates, implemented to reduce inflation, impact on both Yorkshire Housing and our customers. We look forward to seeing these reduce. High interest rates are the biggest barrier to us being able to build more, much needed, affordable homes. They are also a barrier to customers who seek to buy through shared ownership or outright sale.

With the election of the new government in June it was encouraging to see that housing, and especially the lack of affordable housing, was a key focus for all parties during the campaign. The new government has committed to building 1.5 million new homes over the next 5 years. We continue to work with central and local government to support the building of new, affordable homes and to do our bit to address the housing crisis.

### Our homes and customers

All of the surpluses we make are used to invest in both our existing homes as well as building new affordable homes across Yorkshire. A well maintained home is really important to our customers. We know from the TSMs that 79% of our customers believe their homes are well maintained.

This is a good start, but we are focused on what we need to do to improve this further.

We've now completed or have in progress over 4,400 of the 8,000 new homes we've set out to deliver, including 689 in the last year. Our pipeline of new homes for the next two years is pretty much full. We continue to balance the need for investment in our existing homes against the need to build new affordable homes. It's also vital that we retain our financial strength to allow us to continue to borrow at rates that allow us to build new homes.

### Governance and regulation

It was a big year from a governance and regulatory perspective. The new Consumer Standards went live in April. Although these standards simply re-enforce what we should already be doing, they are backed up by a new inspection regime and the awarding of a 'C' rating. We've done a lot of work to make sure we're in a good place to meet the regulator's expectations, which is also the right thing for our customers.

The new Housing Ombudsman complaints code came into force from April. Improving how we respond and resolve complaints has been a high priority for us for some time and our approach has been transformed. We also know that we must look carefully at the root cause of our complaints to match our customer obsessed approach.

We expect further legislation aimed at improving the quality of social rented homes, such as Awaab's Law. Our approach will always be to take the regulators standard as the minimum we need to achieve.

### Looking forward

There's a really exciting future ahead of us. We'll continue to deliver against our strategy, flexing for the external environment we operate in. The journey with Salesforce, class leading customer relationship management software, has only just started. As we implement more modules, we will see some significant improvements in efficiency and the service we offer customers. We have plans to implement a number of complimentary systems too, including a new finance system, delivering further efficiencies.

We will seek more ways to engage with our customers. The insight we gain will be used to shape our strategy and prioritise our operational plans. A major focus in the year ahead will be to improve our repairs service, removing inefficiencies, and ensuring we improve the timeliness and communication to customers.

Improving our focus on customers will also need us to look at how we can make the best use of our data, focusing on not just reacting to what our customers need, but anticipating what they will need. This pre-emptive approach is key to our strategy and becoming truly customer obsessed.

## Chief executive's report:

# Welcome to our annual report

We deliberately made 'Customer Obsessed' a key strategic priority as this is the starting point for everything we do.

Throughout the last year we've brought this to life to be clear on what it means for our customers and colleagues as well as having introduced a series of actions and changes across the organisation.

We've still got a fair way to travel before we can say we're truly customer obsessed. There's plenty still to do, but we've made some good progress. We received our first Tenant Satisfaction Measures (TSMs) during the year. These are the new customer perception measures that the Regulator of Social Housing (RSH) introduced for the first time in 2023/24. The headline is that we achieved an overall customer satisfaction score of 77%. This was significantly better than the sector average but there's still room for improvement.

We will use the insights we've gained from this and our wider customer engagement to look at how we improve our services and customer experience as part of our journey to becoming truly customer obsessed.



A handwritten signature in white ink, appearing to read 'Nick Atkin'.

**Nick Atkin**

Chief executive

## Chief executive's report:

# Welcome to our 2023-24 annual report

Despite a welcome reduction in inflation over the last year, the economic landscape remains uncertain.

### Our operating environment

Interest rates need to reduce as the current high level continues to make it difficult for customers looking to buy a new home, or refinance their existing mortgage. High interest rates, combined with significant increases in building costs, has meant that the whole sector has had to think again about how many new homes they can afford to build.

The RSH and Housing Ombudsman have introduced new Consumer Standards and a Complaint Handling code respectively. These are aimed at ensuring all housing providers deliver better service to their customers. We are committed to delivering the regulatory standards and complaints code, but this has placed further cost pressures on Yorkshire Housing and the wider housing sector.

The general election in June delivered a new government. The challenge for any government was always going to be the pressure on public finances. We support the National Housing Federation's (NHF's) long-term plan for housing, which aims to fix the housing crisis. We would urge the new government, and indeed all political parties, to do the same.

We are also making the case for why there needs to be long term investment in housing and how this could be more successfully delivered if this was reclassified as infrastructure funding.

The fire at The Place (our main operating Hub) was a real test of our business continuity arrangements. These were successfully deployed which ensured there was no break in service for customers and we also secured temporary workspace to enable

colleagues to continue their work. We anticipate a full return to The Place by March 2025.

### Our existing homes

Our customer promise of 'making it possible to have a place you're proud to call home' remains central to what we are trying to achieve. This is reflected in the continued high levels of investment in our existing homes to ensure they are safe, warm and comfortable.

During 2023/24, we invested £19.9m in our existing homes, with a further £31.6m spent on repairs, maintenance and compliance. This includes bringing all our homes up to a minimum EPC C standard for energy efficiency. At the end of the year nearly 81% of our homes met this standard. This helps our customers as it reduces their energy bills as well as being good for the environment.

We have also invested in ensuring our data is accurate and timely and this will continue. Having access to reliable and timely data enables us to not just meet the standards we expect in our homes, but also to move to a more pre-emptive service in line with our Business Strategy.

### Our new homes

There is a widely accepted housing crisis across the country and this is just as acute in Yorkshire. The NHF estimates that social housing waiting lists will grow by more than 50% to 1.8 million households by 2045. In addition there will be 310,000 children living in temporary housing by 2045, more than double the 131,000 that live in temporary accommodation today.

There is a clear and urgent need to build more affordable homes.

That's why I'm proud that we completed 689 new homes in 2023/24. We continue to invest in much needed affordable new homes across Yorkshire. We recognise that the operating environment makes this more difficult, and we have to balance our investment in new homes against keeping our organisation financially strong. But at a time of acute housing shortage, our contribution to solving the housing crisis remains a strategic priority for us.

### Our future

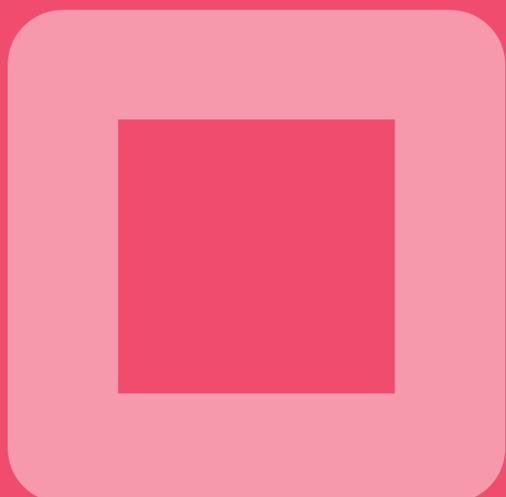
We are also investing in our future. If we're to deliver our Business Strategy, we need the systems and technology in place to do this. Our work on implementing Salesforce, and other complementary solutions, continues at pace and will enable us to deliver a much better customer experience. We're prioritising delivery of Salesforce with focus on those elements with the biggest impact on customer experience first. It doesn't stop there though.

We'll use real time customer insight and sentiment analysis, with the latest technology and data analytics, coupled with great data and knowledge about our homes and customers to predict future events. We have already used Artificial Intelligence (AI) to help with analysis of customer sentiment. The power of AI will help turbo charge the changes we're looking at making.

Our future is to provide a 'Pre-emptive' service to our customers. A future where instead of waiting for things to go wrong we anticipate and resolve, giving customers more time to get on with their lives, and enjoy a service that is truly customer obsessed. I'm proud of what we've achieved so far and looking forward to the exciting future we're building.

Section:

# Strategic report...



## Strategic report:

# Our strategic priorities

In early 2023, we launched our new Business Strategy which built on the progress we'd made previously and focused on three strategic priorities:



**Customer Obsessed** – improving our customers' and colleagues' experience.

1



**Homes and places to be proud of** – creating places people are proud to call home.

2



**Pre-emptive** – our game-changing shift to deal with issues before they happen.

3

### Values

We haven't changed any of our values of Create Trust, Be Curious, Make it Happen, Achieve Impact and Have Fun as these have stood the test of time.

### Customer promise

Our customer promise also remains unchanged:

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

### Vision

We've added to this our vision of being the UK's best housing provider. This is a long-term vision but one which we use as a yardstick to measure against and something we continually strive for.

### Delivery strategies

During 2023 we developed a number of delivery strategies that provide the route by which we will achieve our strategic priorities. These are supported by action plans and tracked in our Key Performance Indicators (KPIs). Our progress is overseen by our Leadership Team, Committee structure and the Board.



## Strategic report:

# Objectives and performance



**Customer Obsessed** – *improving our customers' and colleagues' experience.*

1

## Strategic achievements 2023-24



### Do the basics brilliantly – right processes, culture, technology and data

Our Customer Obsessed Delivery Strategy was signed off by Board in March 2023 and launched to customers and colleagues in April 2023. The Strategy sets out how we become a customer obsessed organisation, how we'll gain a full understanding of, and meet the needs of, each customer throughout their journey with Yorkshire Housing. It focuses on three key areas: tech, data and culture. Through combining all three we will embed customer obsession into our DNA.

### Customer obsessed mindset

We have worked with all colleagues to look at how we really become Customer Obsessed. This includes making sure we take feedback directly from our customers and getting insight from a range of guest speakers. The aim is to ensure we:

- Get things right first time.
- Respond quickly when things go wrong.
- Make it easy for customers to interact with us.
- Show openness and empathy.

### Combine real-time customer insight and sentiment analysis, brilliant data and analytics and our knowledge and experience on the ground

We've kicked off a customer census data project to gain a better understanding of our customers. The new Tenant Satisfaction Measures (TSMs) have been used to guide our thinking and directly influence our new Repairs Strategy to ensure it is really focused on what our customers are telling us is important to them. We'll use our new data analytics hub to bring together different sources of data to help us make the best decisions for our customers.

### Be smart in how we spend the £YH

We believe that being Customer Obsessed includes spending the money we receive from customers wisely. We're always looking to get the most bang for our buck and our Value for Money (VfM) Strategy sets out how we go about doing this.

### Learn from the best customer service providers in the world

There are some great examples of excellent customer service outside of housing and we're keen to engage with, understand and learn from these. We do this through a variety of contacts and channels, using our business partners to help us learn and improve.

## Our key highlights



### Success during 2023-24:

- Began our implementation of Salesforce with Customer Relationship Management (CRM) and Complaints modules going live in summer 2024.
- Oct 2023 Customer Obsession Culture programme commenced including training and objectives for leaders and colleagues.
- Implementation of new structure for Customer Experience, with additional resources to focus on providing a better customer experience and improved resolution of complaints.
- 1,200+ hours of Customer Obsessed learning provided to colleagues.
- TSM Customer Satisfaction score of 77% for our affordable rented homes.
- Our new Data Analytics hub went live in January 2024.
- Procured a new telephony system which will integrate with Salesforce (SF) to enable a more personalised approach for customers.
- We've developed an in-house capability to design, build and implement Salesforce and our associated change programmes.
- New Executive Director Customer Experience recruited from a customer focused financial services background.

# Strategic report:

## Objectives and performance



**Homes and places to be proud of** – *creating places people are proud to call home.*

# 2

### Strategic achievements 2023-24



#### Deliver our promise of making it possible to have a place you are proud to call home.

We're focused on improving the quality of our homes. This starts with our Yorkshire Homes Standard, which has been developed as part of our Asset Management Strategy. We have involved our customers in the design of this standard to make sure it meets their needs. This is delivered through our new Repairs Strategy, which sets out how we maintain our homes to a standard that customers expect.

#### New homes programme

We continue to build as many new affordable homes as possible, in line with our Growth Strategy. In the midst of a housing crisis we aim to allow as many people as we can to have a place they're proud to call home. We balance this growth against the need to remain financially strong and able to continue to invest in our existing homes.

#### Partnerships and Yorkshire devolution opportunities to secure investment

We remain active in the West, South and North Yorkshire Housing Partnerships, working with partners to help address the housing shortage. Alongside a range of relationships with other stakeholders we are looking to secure as much investment as possible to invest in building new homes and in decarbonisation of existing homes.



#### Sustainable homes

We are committed to ensuring that our new and existing homes are sustainable. This is set out in our Growth Strategy and Asset Management Strategy and includes ensuring all our homes are EPC C by 2030 alongside a route map towards the decarbonisation of our homes.

### Our key highlights



#### Success during 2023-24:

- All homes compliant with the Decent Homes Standard.
- Yorkshire Housing Homes Standard approved in the summer of 2024.
- 79% of our customers rated their homes as well maintained.
- Over 4,400 new homes now secured against our ambition to build 8,000 new homes.
- We completed 689 new homes during the year.
- Nearly 81% of our homes now have an energy efficiency rating of EPC C or above.
- Approved our first site which will use our low carbon specification as well as Modern Methods of Construction.
- Secured £1.16m investment funding under the Social Housing Decarbonisation Fund to undertake significant retrofit works to almost 50 properties in North Yorkshire.
- Retrofit investment in the last year totals over £3m including solar PV, air source heat pumps and external wall insulation.

# Strategic report:

## Objectives and performance



**Pre-emptive** – *our game-changing shift to deal with issues before they happen.*

3

### Strategic achievements 2023-24



#### Laying the foundations for a pre-emptive approach and joined-up customer data.

We recognise that to move to a pre-emptive approach, we need to ensure we've got the basics right and have solid foundations in place. This includes better and more joined up data around our customers and assets. We plan for much of this foundation work to happen in the first two years of the strategy, with the focus shifting to implementing a more pre-emptive in the following three years. This won't stop us from offering some pre-emptive services earlier, where possible.

#### Implement the technology platforms we need to make it happen.

Part of laying the foundations for a pre-emptive approach is to put the right technology in place. We have a Transformation Plan over the next two years that includes implementing the necessary technology in order to move to a pre-emptive approach. This is underpinned by a new Technology Strategy that is currently being developed and will be approved later this year.



### Our key highlights



#### Success during 2023-24:

- Began our Implementation of Salesforce with Customer Relationship Management (CRM) and Complaints modules going live in the summer of 2024.
- Data Analytics hub built and ready to integrate with Salesforce and other platforms.
- Implemented Voicescape helping us to be pre-emptive with reducing arrears.
- A new telephony system went live in summer 2024 which will help us to predict and personalise services, improve customer data, and integrate with Salesforce.
- Smart homes and digital pilots being undertaken.

# Strategic report:

## Financial performance

Surplus before tax reduced to £7.3m in the year from £12.4m, excluding one off refinancing costs in the prior year (a 42% or £5.2m decrease). The biggest single driver of this is interest costs, which rose £5.8m in a year to £23.2m (a 33% increase).

### Our financial performance

The SONIA rate, which our variable rate debt is linked to, ended the year at 5.2% having been 4.2% at the start of the year and at 0.7% the year before that. This has had a significant impact on the marginal rate of borrowing.

The impact on borrowing costs would have been higher had we not been successful in securing £74m of 10 year funding through the Affordable Housing Guarantee Scheme (AHGS) in December 2023. This deal had the benefit of being significantly cheaper than drawing more from other facilities as well as being fixed for the term of the facility.

Revenue overall decreased but there was a varied picture between our operating segments. Social Rent and SC income was up 9% to £105m.

Through the inflationary increase on rents of 7% and through the additional units we added from our development activity.

Open market sales (OMS) through our commercial subsidiary were disappointing but reflected a challenging housing market. OMS dropped to £1.1m from the sale of just 3 units. This compares to £15.2m from 42 sales in the previous financial year.

It has been a different experience for shared ownership, which generated £21.9m from 211 sales. This was down slightly from the previous year of £25.1m from 233 sales, but exceeded our budget expectation for both volume and value.

Because of the relative strength of the shared ownership offer we sold 12 units from Y H Residential into Yorkshire Housing Limited and converted these to Shared Ownership or Affordable Rent. We converted a further four properties from OMS to Market Rent in the period.

There was a corresponding reduction in cost of sales from both OMS and Shared Ownership First Tranche sales. Costs reduced proportionally more than income and across both products gross margins were at 31% in the year to 31st March 2024 up from 20% a year earlier. The margin can vary significantly depending on the mix of schemes we have coming to market and the proportion of s106 (that we buy from other developers at a discount) compared to land led.

Operating costs were up 9% in the year. Repairs and maintenance continues to be our biggest cost and was the biggest reason for the increase in value terms at £2.0m. Both inflation on materials and demand for services were behind the increase. General management costs increases were largely inflationary in nature at an increase of £1.6m (5%).

Proportionately we had a bigger increase in service charge costs up £1.2m (18%) due to the timing of some of contracts and increases in costs particular in energy, maintenance and cleaning.

Finally we also had a disproportionately large increase in bad debts up 178% to £700k.

This was due to a change in charging for more rechargeable repairs including at the end of tenancy, where bad debts are significantly higher than for the rest of our income streams. It has also been impacted slightly by the cost of living crisis and the impact that's had on family finances.

**£7.3m**

**Surplus before tax**

(2023: £12.4m)

**£105m**

**Rent and service charge income**

(2023: £98.9m)

# Strategic report:

## Financial performance

### Our financial performance

Non-operating income, which includes strategic housing asset sales, right to buy and acquire, shared ownership staircasing, the sale of office space and JV income was £4.4m this year. This is £2.1m (33%) less than the previous year, which included the sale of our previous office space (£0.5m) and a delay to JV dividend income, which was paid after the year end (£0.4m in the year to 31st March 2023). The remainder of the difference is fewer staircasing transactions and lower margins on the sales of existing stock.

In other comprehensive income we had a £1.6m actuarial loss on the defined benefit pension scheme. The movement in fair value of the interest rate hedge also resulted in a loss of £0.6m. Although rates have continued to rise the hedging instruments are now one year closer to maturity hence the lower value. After these adjustments, total comprehensive income for the year was £5.1m, down from £12.0m in the prior year.

YHR, the group's commercial arm, had a significant reduction in profit before tax this year to £0.8m (2023: £4.1m). The decrease is due to the significant decrease in OMS volumes in the year. The surplus made will be paid to YHL in gift aid and continue to support to our new affordable homes development programme.

The group's balance sheet remains strong with net assets of £233.9m (2023: £228.8m). Despite the challenges with OMS, properties held for sale only increased by 4% as we've switched tenures on a number of properties and reduced the number of OMS properties under development. Ongoing investment in other tenures and existing properties has continued in line with our ambitious growth and investment programme, as shown in the £71m increase in net book value of housing properties. We've also invested £7m of capital spend in our transformation as reflected in the increased intangible asset balance.

# £5.1m

## Comprehensive income for year

(2023: £12m)

# £0.7m

## YHR surplus

(2023: £4.1m)

### Group turnover and operating surplus by activity

Activity (£m)	Turnover		Operating surplus	
	2024	2023	2024	2023
General needs	88	83	13	14
Housing for older people	6	6	(0)	(2)
Supported housing and care homes	3	3	(1)	(2)
Shared ownership	8	5	4	3
<b>Total from lettings</b>	<b>105</b>	<b>97</b>	<b>16</b>	<b>13</b>
Non letting – other social housing activity	23	26	6	4
Non-social housing activity	11	24	2	5
Valuation changes	-	-	-	-
Sale of fixed assets	-	-	5	6
<b>Total</b>	<b>139</b>	<b>146</b>	<b>29</b>	<b>28</b>

# Strategic report:

## Financial performance

### Cashflow and financing

Cash inflows and outflows are set out in the consolidated cash flow statement. The net increase in borrowing includes £74m of new funding through the Affordable Housing Guarantee Scheme (AHGS), which was used to pay down some RCFs and maturing Local Authority funding. Facilities are in place to cover cash requirements over the next three years. This includes £145m of retained bonds. This continues to be closely monitored by the Board. All of the borrowings are 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 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. This includes a small number of stand-alone swaps. These are categorised as non-basic financial instruments and have been measured at fair value at 31st March 2024. 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.

The major cash outflow remains the acquisition and construction of new housing properties of £93m (up from £78m last year). Grant income remained low at £0.8m (from £1.2m in the previous year) because of the up-front nature of grant payments and the stage at which our schemes are at. The remainder of the funding was generated from operating activities (£36.5m) and property asset sales (£14.0m).

### Credit rating

We maintained our headline credit rating of A3 from Moody's with a stable outlook. Moody's regard our credit strengths as good liquidity, stable debt metrics and sound management.

They see our risks as coming from capital spend, operating performance proportion of properties sold in the open market or on a shared ownership basis, although note this has reduced since the previous year. 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 continued growth in our fixed assets in line with the Group's ambitious growth plans. This year we have secured additional financing from the Affordable Housing Guarantee Scheme (AHGS) with an additional £74m of funding provided, increasing our long term debt to its highest levels.

Net current assets have increased due to a reduction in our shorter term loans as part of a consolidation process to reduce the loan interest payable due to higher SONIA rates. Turnover has decreased compared to previous years due to the national challenges within the housing market impacting our open market sales, however our underlying social housing provision remains at a consistent level with the last two years.

# £93m

## On construction of new homes

(2023: £78m)

# A3

## Credit rating from Moody's

(2023: A3)

“

*We maintained our headline credit rating of A3 from Moody's with a stable outlook. Moody's regard our credit strengths as good liquidity, stable debt metrics and sound management.*

”

# Strategic report:

# Financial performance

## The group's five year financial and operational performance

	2024	2023	2022	2021	2020
<b>Income and expenditure account (£m)</b>					
Total turnover	139	146	149	142	116
Operating surplus	29	29	23	35	27
Surplus /(deficit) for the year transferred to reserves	5	12	(26)	9	17
<b>Statement of financial position (£m)</b>					
Fixed assets	1,203	1,125	1,069	1,025	962
Net current assets	35	19	60	106	139
<b>Total assets less current liabilities</b>	<b>1,238</b>	<b>1,143</b>	<b>1,129</b>	<b>1,131</b>	<b>1,101</b>
Long term loans	655	560	555	563	559
Social housing grant	319	324	325	301	290
Other creditors	34	34	34	24	18
Revaluation reserve	28	28	28	29	29
Revenue reserve	202	197	187	215	205
<b>Group funds</b>	<b>1,238</b>	<b>1,143</b>	<b>1,129</b>	<b>1,131</b>	<b>1,101</b>
<b>Cash flow (£m)</b>					
Net cash inflow from operating activities	37	42	4	39	23
Returns on investment and servicing of finance	(24)	(20)	(21)	(23)	(20)
<b>Capital expenditure</b>					
New homes (net of grant)	(93)	(76)	(38)	(52)	(62)
Existing homes improvements	(3)	(4)	(2)	(2)	(13)
Sales of homes	14	17	7	6	6
Other fixed assets	(9)	0	0	(9)	(6)
	(78)	(41)	(50)	(40)	(73)
New loans (net of repayments)	67	28	9	2	133
<b>Increase/(decrease) in cash and deposits</b>	<b>(11)</b>	<b>(13)</b>	<b>(41)</b>	<b>(38)</b>	<b>60</b>

# Strategic report:

## Value for money

We launched a new VFM strategy in March 2023, however, our core approach to VFM remains unchanged.

### Value for money

To realise VfM means we achieve economy, efficiency and effectiveness in the delivery of our strategic objectives. This doesn't mean we do things as cheaply as possible. It is about delivering what our existing and potential new customers value in the most cost effective way possible. We are an ambitious not-for-profit housing provider that's Yorkshire by name and nature. That's why it's in our DNA to get the most out of every single Yorkshire Housing pound.

The new strategy added a number of new metrics to help supplement those required by regulation. Our metrics are focussed around:

- **Customer satisfaction** – our customers are satisfied with the homes and services we provide.
- **New homes supply delivered** – we are able to provide as many homes as possible within our financial constraints and risk appetite.

- **Financial performance** – we operate as economically and efficiently as possible without compromising quality.

The Board set targets for the year ended 31st March 2024 and these are included in the tables below. The tables also include our actual performance, a comparison against the previous financial year and our peers.

### Value for money targets

Metric set by the regulator?	VFM metric	YH2024 Target	YH2024 Actual	YH2023 Actual	Benchmark National	Benchmark Yorkshire & Humber
					2023 Median <sup>3</sup>	2023 Median <sup>3</sup>
Yes	New supply of social housing delivered	3.11%	3.42%	2.56%	1.28%	0.94%
Yes	New supply of non-social housing delivered	0.22%	0.30%	0.25%	0.00%	0.00%
Yes	Gearing	53%	57%	54%	45%	39%
Yes	Reinvestment in new and existing homes	6.69%	8.5%	7.6%	6.7%	5.5%
Yes	EBITDA MRI interest cover	101%	87%	113%	128%	129%
No	Customer satisfaction	80%	77%	81%	N/a	N/a
Yes	Operating margin (overall)	20.0%	17.41%	15.3%	18.2%	15.2%
Yes	Operating margin (social housing)	21%	15.46%	14%	20%	14%
Yes	Headline social Housing cost per unit	4,566	4,783	4,422	4,586	4,507
Yes	ROCE	2.7%	2.4%	2.5%	2.8%	2.4%
Yes	Remuneration payable to the highest paid Director, relative to the size of the landlord	n/a	£11.86	£11.51	N/a	N/a
Yes	Aggregate amount of remuneration paid to Directors, relative to the size of the landlord	n/a	£ 40.57	£38.66	N/a	N/a
Yes	Management costs relative to the size of the landlord	n/a	£1.55	£1.50		
No	Weighted average cost of capital	4%	4.1%			
No	Social housing lettings interest cover	90%	66%			
No	Active lettable homes	112	151			
No	Income loss from active lettable homes	1.6%	1.1%			
No	Arrears balance of current customers	2.0%	2.2%			

Note – we have included new metrics which weren't reported on in the previous year therefore some of the YH2023 actual column is blank.

# Strategic report:

## Value for money

### Customer satisfaction

We were below target for the year at 77% (target of 80%). This includes all rental and home ownership customers. This last financial year has been a transitional one in which we've brought more of our repairs and maintenance services in-house. As we've transitioned we haven't been carrying out repairs as quickly as we'd like and this is coming through in customer feedback. More positively, our customers are telling us that they are very satisfied with the quality of work we do and the way our colleagues carry out work in their homes.

As well as repairs our complaints performance is holding back our performance. Following the year end, we've invested by adding more people into our centralised complaints team to make sure our customers receive a consistent and high quality outcome from any complaint. We also continue to invest in our transformation programme, which will improve the way we schedule work, log interactions and communicate with customers. This will address many of the things that customers are telling us matter most to them that we don't consistently get right at the moment.

### More homes for more customers

Our development team completed a whopping 689 new homes over the year! We had 421 new rental homes and 286 homes for sale, the vast majority for Shared Ownership. In fact, including homes in development, we're now well over halfway to our 8,000 new homes target we set when we launched our Growth Strategy. Through this we've increased our new supply metrics year-on-year, outperformed our targets and are delivering significantly more than our peers in the region. We're passionate about this, because we know how important it is for as many people as possible in our region to have a place their proud to call home.

We borrow to build these homes and our gearing metric reflects this. Our gearing is higher than peers and we have made a conscious decision for that to be the case. It is, however, above our own target and that is largely because we have suffered from a challenging housing market and have sold fewer homes on the open market than we anticipated when we set the targets. Conversely our Shared Ownership product has outperformed our targets but wasn't enough to bridge the gap in terms of cash collected.

The delivery of new homes has also increased our investment in new and existing homes to 8.5%. It's not just investment in new homes that has increased, we've also increased the investment in existing homes. Improving the quality of homes for existing customers and improving energy efficiency. As well as helping toward our climate ambitions this will help to reduce energy bills for customers at a time when inflation has put pressure on finances.

### Core financial performance

The investment in new and existing homes has significantly contributed to a reduction in EBITDA MRI, which now sits at 87%. We are not alone in this reduction in performance and it's particularly acute for ambitious growing organisations such as ours. Interest rates have also been a major factor due to the economic environment we're operating in. Our weighted average cost of capital in March 2024 was 4.1% compared to a 3.7% a year earlier and the incremental cost of borrowing from variable bank debt is now significantly higher than that. This means our borrowing costs<sup>1</sup> are 20% higher than they were a year ago.

We've also included social housing lettings interest cover in our VFM metrics this year. It's a measure used by our credit rating agency as part of a portfolio of factors to assess our credit rating.

As such it's also monitored closely by our Board. The increased borrowing costs have also contributed significantly to this being behind target. The other main factor is the cost of service delivery as explored later in this section.

We continue to look to optimise our funding portfolio to minimise interest costs, whilst managing the other risks associated with our level of borrowing and the fact that we are in the business of making long term investments.

The increased cost of borrowing has meant we've needed to revisit the scale and pace of our development programme to continue with our growth ambition while maintaining the risk appetite set by the Board.

“  
*Customers are telling us that they are very satisfied with the quality of work we do and the way our colleagues carry out work in their homes.*  
”

# Strategic report:

## Value for money

### Core financial performance

Operating margin has improved year on year but remains behind our target at both an overall and social housing level. As mentioned earlier in this report we've had some challenges this year with increased costs particularly around repairs and maintenance of our homes. Again, we are not alone in these pressures, with inflation and the demand for services increasing sector wide. We do also recognise that we have opportunities to improve the efficiency and effectiveness of our service delivery and have a programme of change underway to address this.

Despite the increase in margin the return on capital employed has reduced slightly from 2.5% in FY2022/23 to 2.4%. The increase in operating surplus and margin not quite keeping pace with the increase in the asset base of the organisation.

The increased costs are also impacting our social housing costs per unit, which has increased to £4,783 (from £4,422 in FY2022/23). As well as the inflationary pressures, the conscious decision to invest in our existing homes has contributed significantly to this. Our capitalised investment in homes has increased by 25% year-on-year.

Three other newly introduced metrics are for our active lettable empty homes, income loss percentage from lettable homes and current customer arrears. The first two are key measures to make sure we're turning voids around quickly to get more customers into our homes and make sure we are not losing income. The latter is making sure we're collecting as much of the funds owed to us as quickly as possible so we can reinvest that into front line services as well as new and existing homes.

We ended the year with 151 empty homes, which was above our target of 112.

Whilst disappointing, the trajectory is in the right direction and we've seen some real improvements in performance following a restructure of the teams supporting this. This is a point in time measure and didn't translate into underperformance in income lost due to active lettable homes, which is positive.

Our arrears performance was slightly behind our ambitious 2.0% target at 2.2%. And in the environment we're operating in with significant pressures on family finances is recognised by the Board as a good outcome.

### Social value

We have fully embedded Social Value within Procurement at YH by introducing a meaningful way to support key Yorkshire Housing priorities that will enhance the social and environmental well-being for our customers and communities across Yorkshire.

It's not just about compliance, asking how suppliers how they create additional benefits for society in general, we are now seeing tangible results that are specifically driven towards helping Yorkshire Housing customers and residents through Digital Capability, Community Spaces, Employment and Training, Financial Inclusion, Equality and Diversity, Health and Wellbeing, Environmental and much more.

In just over 12 months we've secured approximately £577k of social value contribution through our supply chain contracts. We continue to look for opportunities to drive social value through each tender process, which we expect to mean we continue to deliver this level of value each year.

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*In just over 12 months we've secured approximately £577k of social value contribution through our supply chain contracts.*

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# Strategic report:

## Risk management

Effective strategic and operational risk management and strong governance is integral to the delivery of our strategic priorities and the sustainable growth of our business. It also ensures that we 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 and agreeing the key risks facing our business. The Board reviews at least annually the amount of risk we are willing to take in pursuit of achieving our strategic priorities (it's risk appetite) and ensures risks are managed in line with this. The Board receives reporting on risk and assurance activity at each meeting to consider and enhance their understanding of both internal and external, current and emerging risks.

### Yorkshire Housing maintains the following in relation to risk appetite:

- 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. The same balanced approach, taking measured risk, is used for our **Regulatory** risk and reputational risks.
- 2** An **open** appetite, where if there is a reason to do so, we are prepared to take some additional risk in pursuit of innovation, new ways of working and using technology as a key enabler where this supports our **customer and people** objectives.

### Audit and Risk Committee

The Audit and Risk 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 significant operational risks, review of internal control frameworks, specific projects and mitigation activity and receiving deep dives and reports on risks and assurance.

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*The Board has overall responsibility for ensuring the group has appropriate systems for managing risk and agreeing the key risks facing our business.*

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# Strategic report:

# Risk management

## During the period the Audit and Risk Committee considered the following matters:

- Review of the Risk Management Framework, Policy, Strategic Risks and Risk Appetite as part of continuous improvement.
- Completed in depth reviews of our Asset Management , Health & Safety processes and considered the impact on YH.
- Change Management - undertook in depth review into our current change portfolio.
- Considered possible emerging risks for Counterparty and Liquidity a result of the current economic environment.
- Reviewed and determined on a range of internal and external assurances
- Completed a gap analysis of our principal risks against the RSH Sector Risk Profile 2023.

## 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.

Overall responsibility for the delivery of strategy, operational performance, and risk management sits with the Executive Team. Our corporate activity considers risk management through implementation of our business plan, financial planning, stress testing, major programmes and projects, operational delivery and third-party management.

Risk is considered by teams in all activities and teams are responsible for risk responses, embedding of risk, 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 2024 are outlined in the tables on the next page.

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*Risk is considered by teams in all activities and teams are responsible for risk responses, embedding of risk, operating controls and checking effectiveness of operation.*

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# Strategic report:

# Risk management



## Adverse economic climate

Risk description	Assurance given to the Board	Changes made in the last year
<b>Financial performance is significantly impacted by the external economic situation e.g. increases in inflation, interest rates or impacting costs.</b>	<ul style="list-style-type: none"> <li>- Treasury Strategy &amp; thresholds.</li> <li>- Enhanced Tenancy Services.</li> <li>- Board agreed stress tests, sensitivity analysis and early warning triggers.</li> <li>- Detailed mitigations plan.</li> <li>- Risk based appraisals.</li> <li>- Internal audit carried out on Rents process.</li> <li>- Assurance and technical advisory.</li> <li>- Markets indicators analysis.</li> </ul>	<ul style="list-style-type: none"> <li>- Continuing to closely monitor the changing conditions.</li> <li>- Updated stress testing scenarios and mitigations to cover several potential scenarios which include a worsening of the current economic climate.</li> <li>- Revised hurdles and assumptions for use in development schemes were approved.</li> </ul>

## Customer experience

Risk description	Assurance given to the Board	Changes made in the last year
<b>Failure to deliver appropriate, timely, tailored and value add services to existing and future customers.</b>	<ul style="list-style-type: none"> <li>- Great Customer Experience and Homes and Places Strategy.</li> <li>- Comprehensive policy framework.</li> <li>- Customer experience embedded in teams' performance framework.</li> <li>- Dedicated insight function.</li> <li>- Monthly customer surveys.</li> <li>- Enhanced tenancy services.</li> <li>- Performance and feedback clinics.</li> <li>- Board and Committee oversight.</li> <li>- Recruited an new Executive Director of Customer Experience.</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of 'in house' repairs team is seeing an increase in the number of repairs completed on time and an increase in customer satisfaction.</li> </ul>

## Cyber security

Risk description	Assurance given to the Board	Changes made in the last year
<b>Systems and data are inadequately protected against theft, loss and corruption arising from cyber security breach.</b>	<ul style="list-style-type: none"> <li>- Information Technology Strategy and full policy suite.</li> <li>- Use of encryption and cloud services.</li> <li>- Mobile Device monitoring.</li> <li>- Multi-Factor Authentication.</li> <li>- Security testing.</li> <li>- Disaster recovery and Business Continuity plans &amp; test cycle.</li> <li>- Training &amp; awareness programmes.</li> <li>- 3rd party management.</li> <li>- Specialist technical security resources and 3rd party assurance.</li> <li>- Additional /more frequent phishing and post exercise analysis.</li> </ul>	<ul style="list-style-type: none"> <li>- Our Information Security Improvement Programme is continuing to work on our cyber security, introducing new projects if required.</li> <li>- Updates made to complexity of passwords.</li> <li>- Recruitment of specialist resource to improve and monitor our cyber security.</li> </ul>

# Strategic report:

# Risk management



## Regulatory compliance

Risk description	Assurance given to the Board	Changes made in the last year
<b>Failure to comply with the requirements of the Regulator's economic and / or consumer standards.</b>	<ul style="list-style-type: none"> <li>- Regulatory self-assessments completed annually.</li> <li>- Assets &amp; Liabilities register maintained.</li> <li>- Annual review of regulatory compliance reported to respective Committees and Board.</li> <li>- Embedded governance framework.</li> <li>- Value for Money strategy to Board.</li> <li>- IDA in early 2023 – outcome G1/V2 maintained.</li> </ul>	<ul style="list-style-type: none"> <li>- All our Terms of Reference were revised and approved by Board.</li> <li>- An external review of our Assets &amp; Liabilities Register took place and improvements actioned.</li> <li>- Completion of action plan from 2022 Governance Review.</li> <li>- Completion of actions from our review of compliance with Rent Standard.</li> </ul>

## Data governance

Risk description	Assurance given to the Board	Changes made in the last year
<b>Unreliable, inaccessible or inaccurate data may cause sub optimal decision making, and if misused may cause non-compliance with regulatory and legislative requirements.</b>	<ul style="list-style-type: none"> <li>- Regular data reconciliation reporting.</li> <li>- Data testing as part of report and dashboard design process.</li> <li>- Data rights log in place.</li> <li>- ROPA log in place across the business Reviewed annually.</li> <li>- Data sharing agreements in process review for all contractors.</li> <li>- Dedicated Data Protection Officer and Data and Regulatory Compliance Advisor in place.</li> </ul>	<ul style="list-style-type: none"> <li>- We continued to deliver on our data strategy, GDPR and compliance requirements.</li> <li>- Board and ARC oversight of data projects and a series of independent reviews on broader aspects of data.</li> </ul>

## People

Risk description	Assurance given to the Board	Changes made in the last year
<b>Failure to recruit / retain / resource and enable colleagues with the right behaviours, values, skills and capabilities to deliver strategy and purpose.</b>	<ul style="list-style-type: none"> <li>- Flexible 'Hub, Home, Roam' working.</li> <li>- Behaviours and values led recruitment.</li> <li>- Job Essential Learning and role focused mandatory training in place.</li> <li>- Colleague surveys and feedback.</li> <li>- Detailed colleague insight and KPIs monitoring and action management.</li> <li>- Market benchmarking of salary and benefits.</li> <li>- Diversity and inclusion policies in place.</li> <li>- Succession and talent management planning.</li> </ul>	<ul style="list-style-type: none"> <li>- Our flexible working offer continues to attract more new joiners in year.</li> <li>- Our recruitment and selection processes have been transformed with emphasis on behaviours and values as well as skills and experience.</li> <li>- Internal audit has been carried out on our Payroll process with no recommendations found.</li> <li>- Detailed market benchmarking across our salary framework has been carried out.</li> </ul>

# Strategic report:

# Risk management



## Change portfolio delivery

Risk description	Assurance given to the Board	Changes made in the last year
<b>Strategic portfolio is not delivered on time, to desired quality or does not achieve planned benefits and outcomes.</b>	<ul style="list-style-type: none"> <li>- Portfolio Plan is in place to manage and record portfolio risks, decisions, controls and change control.</li> <li>- Specialist portfolio delivery team support business on project delivery.</li> <li>- Board involvement in commissioning, approving business cases and progress oversight.</li> <li>- External assurance is obtained at key stages.</li> <li>- Robust Governance processes in place.</li> </ul>	<ul style="list-style-type: none"> <li>- A specialist Portfolio delivery team is now in place who will ensure that our robust governance processes are adhered to and that projects are delivered on time.</li> </ul>

## Growth plan delivery

Risk description	Assurance given to the Board	Changes made in the last year
<b>Inability to deliver the planned levels of new homes due to competition for land, shortages of key construction roles and/or materials.</b>	<ul style="list-style-type: none"> <li>- Dedicated development, land and strategic asset management teams.</li> <li>- Regular stress testing and capacity modelling is undertaken to help determine the scale and pace of delivery.</li> <li>- Development schemes are subject to option appraisal which utilises data on the cost to build and expected market value.</li> <li>- Growth &amp; Investment Committee oversight of new and existing homes.</li> <li>- YH Residential Board oversight of development and sales related risks.</li> </ul>	<ul style="list-style-type: none"> <li>- We continue to flex our development programme according to market conditions.</li> </ul>

## Counterparty

Risk description	Assurance given to the Board	Changes made in the last year
<b>Inability to deliver the business plan due to the failure of third-party suppliers fulfilling their contractual obligation to YH.</b>	<ul style="list-style-type: none"> <li>- Maximum of 33% of development programme with one supplier.</li> <li>- Credit check at investment appraisal stage (with guarantee scheme in place).</li> <li>- New supplier process with credit checks.</li> <li>- Treasury policy includes minimum credit rating of banking partners.</li> <li>- Centralised procurement team ensure procurement rules are followed.</li> <li>- Finance team review of investment appraisals.</li> </ul>	<ul style="list-style-type: none"> <li>- A review of Risk Indicators has taken place with measures around credit rating status of contractors and early warning triggers was proposed and agreed by Audit and Risk Committee.</li> </ul>

# Strategic report:

# Risk management



## Asset investment and maintenance

Risk description	Assurance given to the Board	Changes made in the last year
<p><b>YH fail to respond and invest in appropriate strategy and resources to manage cumulative requirements of building safety, landlord requirements, home standards, energy efficiency and decarbonisation leading to a reduced ability to deliver the continued provision and maintenance of high quality, safe homes in places where people want to live.</b></p>	<ul style="list-style-type: none"> <li>- Stock condition surveys.</li> <li>- Asset Management Strategy.</li> <li>- Smart tech &amp; IOT Pilots.</li> <li>- Investment budgets.</li> <li>- Compliance servicing &amp; testing programme i.e., gas &amp; electrical safety.</li> <li>- Repairs Inspections.</li> <li>- Damp, Mould &amp; Disrepair taskforce is in place.</li> <li>- Quarterly updates to Growth &amp; Investment Committee, Homes and Places Committee and YH Residential.</li> </ul>	<ul style="list-style-type: none"> <li>- We have approved an active asset management strategy which will address many of the key risks in this area. The strategy includes the development of an ambitious standard that seeks to exceed any forthcoming review to the Decent Homes Standard.</li> <li>- Increased the number of stock condition surveys undertaken to ensure data on our stock is up to date.</li> <li>- Damp, Mould and Disrepair is being progressed by an organisation-wide approach, supported by assurance from the internal audit programme.</li> </ul>

## Financial management

Risk description	Assurance given to the Board	Changes made in the last year
<p><b>There is a risk of ineffective financial management if the appropriate controls, reporting and processes are not in place or adhered to.</b></p>	<ul style="list-style-type: none"> <li>- Loan covenant compliance monitoring and liquidity management of subsidiaries.</li> <li>- Monthly cash flow forecasting plans for fluctuations in liquidity.</li> <li>- Business plan is stress tested for risk impacts on loan covenant compliance and mitigations plan.</li> <li>- Head of Treasury authorises deposit transfers prior to processing by the Finance Team.</li> <li>- Assets &amp; Liabilities Register is maintained, including liabilities that may have recourse to social housing assets.</li> <li>- Financial Performance reports are prepared for and reviewed by both YHL and YHR Boards as appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>- Progress has been made in improving the financial management of Yorkshire Housing, more robust financial performance reporting and forecasting has been implemented.</li> <li>- A new Head of Treasury has been recruited and a refinancing exercise has enabled more efficient borrowing.</li> </ul>

# Strategic report:

# Risk management



## Health and safety

Risk description	Assurance given to the Board	Changes made in the last year
<b>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.</b>	<ul style="list-style-type: none"> <li>- Approved policies &amp; procedures in line with legal/regulatory changes.</li> <li>- Qualified and skilled resources.</li> <li>- Mandatory training across relevant elements.</li> <li>- Data validation checking systems.</li> <li>- On site and thematic reviews.</li> <li>- Technical, third-party advisory and assurance programme.</li> </ul>	<ul style="list-style-type: none"> <li>- An external 'Big 7' compliance review has been carried out with a positive outcome.</li> <li>- A new Health &amp; Safety forum has been introduced and is meeting on a monthly basis.</li> </ul>

## Policy environment

Risk description	Assurance given to the Board	Changes made in the last year
<b>There is a risk that Yorkshire Housing do not assess, influence and manage impacts and opportunities arising from current national or local/regional policy making, or future policy environment changes.</b>	<ul style="list-style-type: none"> <li>- Stress testing on how policy implications would impact the business and to inform the planning of appropriate mitigation actions.</li> <li>- Maintain strong relations with key lobbying organisations at senior level.</li> <li>- Yorkshire Housing is a member of the NHF's Together with Tenants framework.</li> <li>- Stress triggers are reported to and reviewed by the Board and recorded in Board papers and minutes.</li> </ul>	<ul style="list-style-type: none"> <li>- A new Policy and Insights team is in place to monitor and respond to any impacting Consultations and changes in external policies.</li> </ul>

## Damp and mould

Risk description	Assurance given to the Board	Changes made in the last year
<b>Failure to embed robust procedures that manage cases of Damp, Mould and Disrepair.</b>	<ul style="list-style-type: none"> <li>- Revised process for managing cases of damp &amp; mould.</li> <li>- Organisation wide training.</li> <li>- Stock condition surveys.</li> <li>- Dedicated Damp &amp; Mould response team.</li> <li>- Regular updates to Executive Team.</li> <li>- Insurance and Claims team oversight of disrepair claims.</li> </ul>	<ul style="list-style-type: none"> <li>- We now have a Damp &amp; Mould Task Force in place. This dedicated internal team oversee specialist response, surveying, reporting and monitoring of all reported cases.</li> <li>- This area has also been subject to internal audit review.</li> </ul>

## Strategic report:

# Internal control, environment and assurance

Overall responsibility for establishing and maintaining the system of internal control and risk management as well as for reviewing its effectiveness across Yorkshire Housing sits with the Yorkshire Housing Limited Board.

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 Audit and Risk Committee monitors and reviews the effectiveness of the internal control system including carrying out an annual effectiveness review. Its findings are reported to the Board.

The system of internal control is designed to manage rather than eliminate risk to achieve business objectives as well as to prevent and/or detect fraud and to provide reasonable assurance against material misstatement or loss. The system provides assurance that assets are safeguarded, proper accounting records are maintained, and that financial and performance information is reliable.

Key features of Yorkshire Housing's internal controls, environment and assurance include the Risk Management Framework. This is an effective governance and management structure with clearly defined responsibilities, scrutiny, approval routes and delegations and a structured internal audit programme ensuring a holistic view can be provided which gives assurance that appropriate mitigations are in place. The Board has approved

Financial Regulations which provide a control framework and delegations over Yorkshire Housing's financial resources. These also support Yorkshire Housing in meeting its regulatory obligations under the Governance and Financial Viability standard as well as its legal obligations.

*“Financial plans are stress tested in relation to the key strategic risks”*

Financial plans are stress tested in relation to the key strategic risks in both the internal and external environment.

A Policy schedule is approved by Board which sets out the framework for policies to be developed, approved and reviewed regularly as well as the scrutiny and approval route.

Key features of Yorkshire Housing's control assurance framework include the key performance measures of the organisation which are regularly reported through the Governance structure.

Expert advice is obtained in areas such as financial planning to provide quality assurance.

Golden Rules are in place which set the parameters for financial performance and early warning indicators to flag if a financial risk needs to be escalated and if mitigation plans need to be enacted.

A programme of regular internal audits is agreed by the Audit and Risk Committee, to provide independent and objective review of the effectiveness of internal controls. This programme includes input from senior management as well as Committee Members.

The Board has reviewed the effectiveness of the system of internal control, including the risk management, for the year to 31 March 2024, 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.

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*The Board has not identified any weaknesses sufficient to cause material misstatement or loss.*

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## Strategic report:

# Internal control, environment and assurance

## 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, performance management policies, ongoing colleague engagement and feedback processes as well as training and development.
  - A robust overarching governance framework underpinned by adherence to our chosen Code of Governance, 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.
  - Proper and accurate accounting records are maintained and that financial information is reliable.
  - 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: the Regulator of Social Housing's Annual Sector Risk Profile, our strategic risks, sets out the Board's 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 areas of the business; including financial, business planning and stress testing supported by a detailed suite of performance indicators linked to strategy and plans, customer outcomes, service delivery, health and safety, asset compliance, loan, covenant compliance and liquidity.
  - Ensuring assets, including social housing assets are safeguarded.



*A comprehensive performance monitoring process across all areas of the business; including financial, business planning and stress testing.*



Section:

# Governance and compliance...



## Governance and compliance:

# Meet our Board

Yorkshire Housing has within its governance structure a parent board, subsidiary boards, committees and an Executive Directors' team. This governance structure enables scrutiny and decision-making at the most effective level which enhances our overall performance...



### Ingrid Fife

 **Chair of the Board**

Ingrid has loads of experience as a Board member and chairperson. She's got a strong commercial background and has been a non-executive on Boards in the housing and health sectors. She was part of the Board at Riverside Housing that oversaw the merger with One Housing Group until May 2024. Before this she was chair for Halton Housing and vice chair for Regenda Homes.

Ingrid's also a member of our Governance and People Committee. She lived in Leeds during the nineties & some of her family are long term Leeds residents.



### Matt Blake

 **Member**

Matt is a Chartered Management Accountant with more than 20 years' experience in a variety of treasury, accounting, and analytical roles primarily in the UK's non-bank mortgage market. Matt stepped down from his position of Group Treasurer at Pepper Money in 2023, where he led the treasury function delivering circa £4bn of funding across both public and private securitisation issuances. Matt was previously Director of Treasury for Together Financial Services where he launched the firm's, now well established, High Yield Bond programme alongside the public and private securitisation programmes where he raised/refinanced circa £6bn of funding.

Matt is a non-executive Board member of MS Lending Group, a Manchester based Bridging Finance lender and also a member of the Riverside Treasury Committee. Matt currently provides Treasury advisory services to non-bank financial institutions and is currently the interim Chief Treasury Officer at Foundation Home Loans, a UK mortgage lending business.

Matt is Chair of Yorkshire Housing Residential Board and a member of the Growth and Investment Committee.



### Lisa Bradley

 **Member**

Lisa has over 30 years' experience in finance in the commercial and not-for-profit sectors. She was chief financial officer at Look Ahead Care, Support and Housing. She's also an associate of the Chartered Institute of Management Accountants. She's chair of the Audit and Risk Assurance Committee at Arches Housing and treasurer of Inspire North, a Yorkshire-based supported housing provider.

Lisa's a member of the Audit and Risk Committee and the Yorkshire Housing Finance Plc Board. She is also our Board Complaint Lead.

# Governance and compliance:

## Meet our Board



### Ian Costigan

 Member

Ian is Chief Airport and Asset Development Officer at Manchester Airport, part of the Manchester Airports Group (MAG), with accountability for operational planning, asset management, investment planning and delivery, asset maintenance and facilities management. Ian also leads the Manchester Airport Transformation programme, integrating infrastructure, technology and people transformation programmes. Previous to this, Ian has held the roles of Chief Operating Officer, Transformation Director and Group Asset Management Director at MAG. Before this, he worked for the UK's biggest listed water company, United Utilities, leading on major assets management and IT transformation programmes.

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



### Jacqueline Esimaje-Heath

 Member

Jacqui is an architecturally-trained real estate director who's worked in the private and public sectors. She's currently a Growth Director at the charitable housing association L&Q. During her career she's been responsible for residential property development, housing and management consultancy, regeneration, private sector renewal and residential sales and marketing. She's an experienced non-exec Director, with over 20 years' experience in providing strategic leadership in the not-for-profit sector. She's also mentored people at both non-exec and operational levels.

Jacqui is also Chair of the Growth and Investment Committee.



### Russell Galley

 Member

Russell had a 40 year career in Financial Services culminating in a role as CEO of Retail Banking for Lloyds Bank, Halifax Bank and Bank of Scotland leading a team of 45,000 colleagues and serving 22million customers. He has a depth of knowledge around Regulation, Leveraging digital technology to drive Customer Experience and of course strong commercial judgement. He is also a Board Member of the West Brom Building Society a thriving mutual. Russell has a real passion for Social Mobility and has been a vocal advocate for retaining access to cash in communities and supporting a stronger UK framework for reducing Financial Fraud and Scams that particularly affect the vulnerable.



### Leann Hearne

 Member

Leann's background is in growing, developing and leading businesses. She started her career in engineering sales and went on to become managing director of an international manufacturing business in 2000. She's held a few non-executive roles in the housing sector, and is now chief executive of Livv Housing Group. Supporting ambition, nurturing aspirations and creating opportunities are the focus of the work she does with businesses and communities. She's a Board member at Northern Housing Consortium, where she's chair of the commercial committee.

Leann's also vice chair and chair of our Homes and Places Committee.

# Governance and compliance:

## Meet our Board



### Isabel Hunt

 Member

Isabel has over 20 years executive and Board level experience in service design, digital transformation and customer-facing roles in both the public and private sectors including at NHS Digital, the Home Office and Royal Mail. She's currently the executive director for business innovation and insight at the National Lottery Heritage Fund and is an experienced Board member having previously served as a trustee at the Royal National Institute for Blind People (RNIB), Thackray Medical Museum and Age UK. She is also a Fellow of the Chartered Institute of Marketing.

Isabel is also a member of our Homes and Places Committee and YH Residential Board.

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### Nicky Passmore

 Member

Nicky's expertise is in improving customer experience and transforming service operations. After working in consumer goods and financial services, she moved into higher education working as director at the universities of Southampton and Melbourne. Part of her role in higher education involved running a student housing portfolio for over 6,000 students, which ignited her interest in housing. More recently she was chief executive of a member-led charity in the UK.

Nicky's also a member of our Governance and People Committee.

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### Ellie Stead

 Member

Ellie's had a successful career in financial services, cards and payments. And she's worked for lots of well-known names including Global Payments, GE Capital and Yorkshire Bank. She has run Yorkshire Air Museum, a registered charity and key heritage attraction in Yorkshire followed by CEO at St Nicks, an environmental charity based on a 24acre nature reserve working to link green spaces, habitats and promote sustainability and strong mental health through nature connectedness. She is currently Chief Executive at Wilberforce Trust in York, a charity supporting those with visual and hearing impairments to lead full and independent lives.

Ellie is chair of our Governance and People Committee and a member of our Audit and Risk Committee.

# Governance and compliance:

## Our Exec Team

Think all directors are dull? Think again!



### Nick Atkin

#### Chief Executive

When it comes to social housing, Nick's the bee's knees. And he's got a tip-top track record to prove it. He's a big believer in innovation and pushing the boundaries of what's possible. He uses the power of digital to drive change and he's also a disruptor in the 'future of work' debate. And when Nick talks, everyone listens. He's regularly included in the top 25 list of most influential people in housing. For him, leadership's about being authentic and keeping it real. Because credible leaders attract talented people who make things happen.

### Nina Evison

#### Executive Director Culture and Performance

Nina's been instrumental in helping us make a massive cultural shift at Yorkshire Housing, and she's not stopping there. It's her mission to help make us the best housing provider in the UK, with customer obsession at our core. Her love of working with people shows, and her track record of getting results means we're already well on our way.



### Sarah Evans

#### Executive Director Customer Experience

Sarah's all about our customers and our communities. She oversees the delivery of our business strategy and leads the way with our customer obsessed approach so our customers have a place they're proud to call home. For her, leadership is all about honesty, integrity and authenticity. Great leaders set a clear vision and direction, and help motivate and inspire others to achieve. This all starts with the demonstrating the right values and behaviours first. Creating an environment of trust, open communication and collaboration is absolutely critical for a team to flourish and succeed.



### Andy Oldale

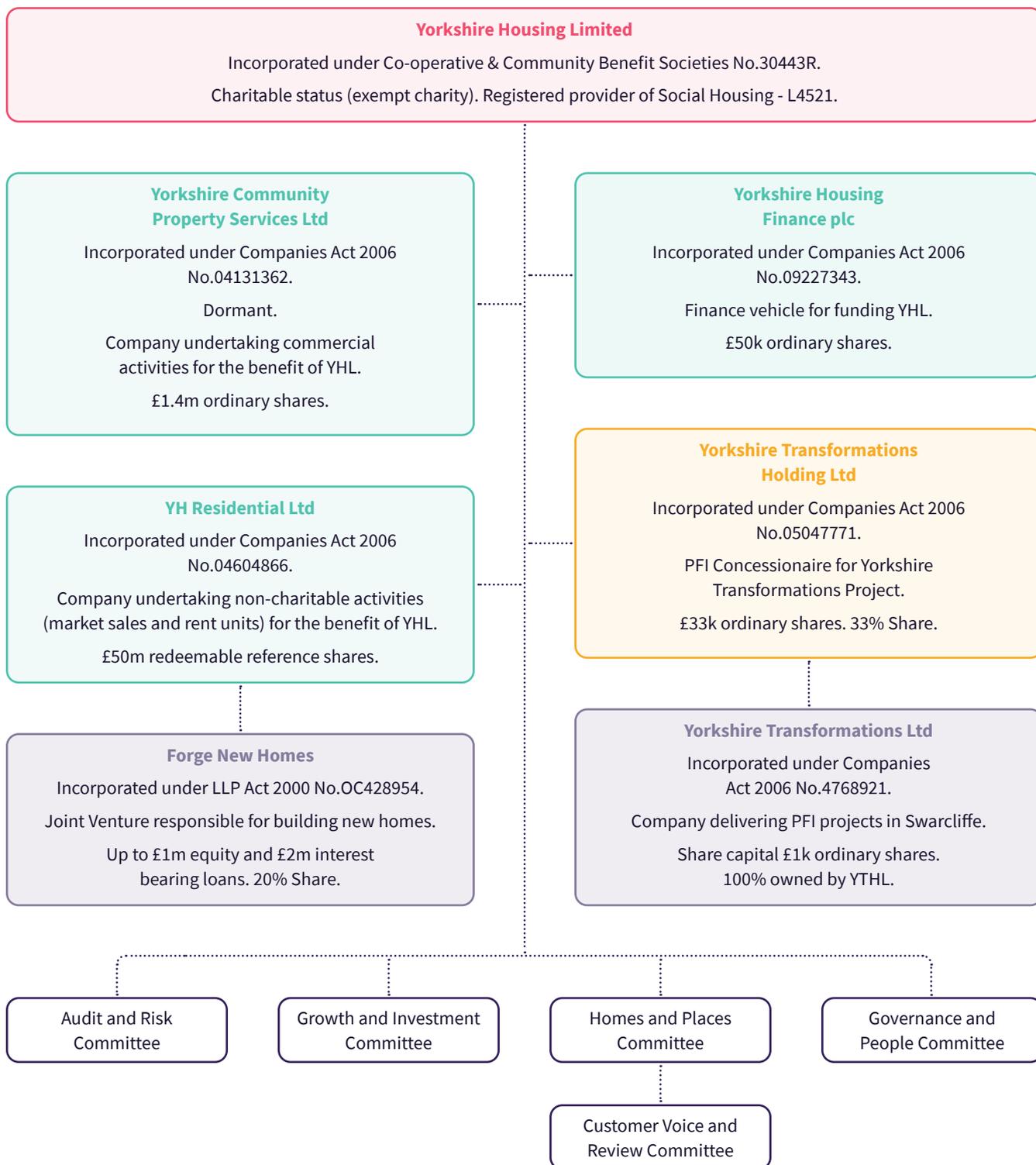
#### Executive Director Finance and Governance

For Andy, finance isn't about numbers, it's about people. Before working in social housing he led finance teams in customer-focused retail businesses. Putting customers first is what makes him tick. For him, leadership is about creating a safe space for people to say what they think and do the right thing.



# Governance and compliance:

## Legal and governance structure



- 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 two 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

The current Board members and Executive Directors and any changes during the year are set out on pages 30-33. Under Yorkshire Housing Limited's rules Board members are appointed by the Board and elected by the Shareholders at the Annual General Meeting following appointment.

As at 31 March 2024 there were ten Board members and membership of the Board comprised of 70% women, 20% members from the black and minority ethnic communities and 10% 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 was adopted by the Board in January 2021 as a formal framework to underpin its governance arrangements.

### 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.

Yorkshire Housing was fully compliant with the 2020 NHF Code of Governance for the 2023-24 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 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. There were no co-optees during this period.

The findings of the most recent external independent Governance review were considered by the Board during the year and the recommendations actioned. The Terms of Reference for the Board, YHR and YHF as well as Committees were reviewed and proposals for change brought to the Board.

### 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 through a self-assessment process which includes internal and external assurance measures. The Board certifies that it is compliant with the Standard.

*“G1 rating is the highest rating for Governance”*

In the financial year ended 31st March 2024 the RSH completed its In Depth Assessment (IDA) of Yorkshire Housing and confirmed its G1 V2 rating. The G1 rating is the highest rating for Governance, which has been retained since 2021. This confirms that our approach is meeting the rigorous standards set by the Regulator for Social Housing.

# G1 V2

## IDA Rating

(2023: G1 V2)

# Governance and compliance:

## Report of the Board

### Our People

Our colleagues are at the heart of YH's ability to provide high quality services to its customers. 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.

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 our 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 Board is aware of its health and safety responsibilities and takes the health and safety of its customers, colleagues 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 colleagues.

YH provides role tailored education and training for all colleagues on health and safety matters.

The 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.

In particular, Fire Safety (England) Regulations 2022 place new requirements for buildings over 11 metres in height. These include quarterly inspection of communal fire doors and annual inspection of the front doors of individual flats. Key risk areas have been identified and action plans are in place to ensure compliance and best practice.

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

- Setting up an asset register for fire doors to ensure that we have a clearly identified programme of inspections in line with the Fire Safety (England) Regulations 2022 requirements from January 2023.
- Continuing a homeworking DSE equipment offer to ensure colleagues wellbeing at home.
- Reinvestment in remote water temperature monitoring to comply with the HSE guidance for control of legionella.
- Risk Assessments and surveys for all communal areas for fire, asbestos and legionella with robust arrangement for delivering any required actions
- Provision of lone working / personal safety devices for all customer facing colleagues to provide incapacity alerts, ability to check in and out, audio channel monitoring and GPS positioning on demand.

- A full independent third party review of all of the 'Big 7' compliance areas. This started at the end of the financial year and will provide assurance and identify any areas for future improvements.

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.

Health and Safety Performance is reviewed as part of Performance Clinic. A new Health and Safety Forum will start next year to look at Health and Safety in more detail.

“

*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.*

”

# Governance and compliance:

## Report of the Board

### Equality, diversity and inclusion

Yorkshire Housing is committed to being an organisation where everyone can thrive and bring their authentic selves to work. Difference is valued and colleagues can 'Call Out' inappropriate behaviour and are supported with a zero-tolerance approach to discriminatory behaviour. Our recruitment practices are constantly reviewed and improvements are made, so that we attract and recruit diverse talent who share our core values and display our customer-obsessed behaviours. Nearly 90% of colleagues in our last colleague survey felt Yorkshire Housing was committed to diversity and inclusion.

### 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 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.

We have partnered with external partners to improve our knowledge and best practices, including the Housing Diversity Network, Inclusive Employers and AKD.

We also have developed six active Colleague Networks whose chairs' regularly meet with the our Chief Executive and Senior Sponsors. They actively influence and inform the business, promote inclusion, and raise awareness of issues impacting colleagues. They have undertaken comprehensive cultural activities with Lunch & Learns and lead our celebrations of key dates that are important to our diverse workforce; such as Pride and Eid.

To support increasing awareness and knowledge across all colleagues, we're continually sharing resources and initiatives such as podcasts and personal blogs to share lived experiences. More recently we held our first 'Empower Her' event to create a space to discuss the menopause and the impacts on women and help create awareness of how we can all support women going through this stage of their lives. Yorkshire Housing also partners with other Housing Associations to share best practices and collaborate.

### Gender Pay Gap Act 2010 & Ethnicity Pay Gap reporting

Yorkshire Housing has produced a Gender Pay Gap Report which can be accessed via Yorkshire Housing's website. In 2023 we reported a zero Gender Pay Gap. Our latest report and action plan can be accessed via Yorkshire Housing's [website](#). Yorkshire Housing's gender make-up (on 1st April 2023) was 47% female, and females is 69% of our Leadership Team and 70% of our Board respectively.

To promote equality and equity for underrepresented groups, Yorkshire Housing has also voluntarily published its ethnicity pay gap position since 2022/23. These reports can be accessed via Yorkshire Housing's [website](#). In 2023 YH lowered its ethnicity pay gap to 4.61%. 20% of Board Members are also ethnically diverse.

However, we know we have more to do if our overall aim of creating a workforce, at all levels, that mirrors our customer and our communities.

We are working on improving our data to understand our workforce better and have introduced new metrics, such as caring responsibilities and social mobility. We are also aiming to increase the diversity of our leadership team and find new ways to develop and promote our diverse talent, including attracting and supporting more customers into roles so that we can benefit from their lived experience and insight.

We also need to do more work to tackle the 'social stigma' of Social Housing which is being interweaved into our training and leadership development training.

A diverse workforce and inclusive culture will support the organisation in its strategic aims, especially in providing a customer-obsessed experience. We are currently working on a new strategy to enhance how we promote inclusion for colleagues and customers into 'everything we do'.

One of the core values of Yorkshire Housing is #beyourself and a key strategic aim of the organisation is to provide a great inclusive experience for our colleagues

### Modern Slavery Act 2015

Yorkshire Housing has produced a Slavery and Human Trafficking Statement which can be accessed via Yorkshire Housing's [website](#).

# 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 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). 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's Governance and Financial Viability Standard.

#### Donations

During the year, the group made charitable donations amounting to £18,408 (2023: £9,301).

#### 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

Syka Sheikh  
Company Secretary

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 2024 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 2024 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 2023.

## 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 from page 38, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

“

*In our opinion, the financial statements give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended.*

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*Beever and Struthers*

## Beever and Struthers

Statutory Auditor  
One Express  
1 George Leigh Street  
Manchester  
M4 5DL

Section:

# Financial statements...



## Financial statements 2023-24:

# Consolidated financial statements

### Group statement of comprehensive income

	Note	2024 £'000	2023 £'000
Turnover	3	138,757	145,795
Cost of sales	3	(15,850)	(32,926)
Operating costs	3	(98,756)	(90,672)
Other income	3	852	100
Gain on disposal of fixed assets	6	4,362	6,464
<b>Operating surplus</b>		<b>29,365</b>	<b>28,761</b>
Interest receivable and dividends	7	1,148	1,053
Interest and financing costs	8	(23,161)	(17,382)
Other financing costs - refinancing & break costs	8	-	(1,888)
<b>Surplus before taxation (on ordinary activities)</b>		<b>7,352</b>	<b>10,544</b>
Taxation on surplus	11	-	-
Deferred tax	11	(65)	(66)
<b>Surplus for the financial year after taxation</b>		<b>7,287</b>	<b>10,478</b>
<b>Other comprehensive income:</b>			
Actuarial (loss) on defined benefit pension scheme	31	(1,560)	(1,408)
Movement in fair value of hedged financial instruments	36	(628)	2,900
<b>Total comprehensive income for the year</b>		<b>5,099</b>	<b>11,970</b>

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 August 2024.



**Ingrid Fife**  
Board Member



**Russell Galley**  
Board Member



**Syka Sheikh**  
Company Secretary

### Date of approval: 14th August 2024

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

# Financial statements 2023-24:

## Consolidated financial statements

### Association statement of comprehensive income

	Note	2024 £'000	2023 £'000
Turnover	3	135,095	128,198
Cost of sales	3	(15,076)	(21,171)
Operating costs	3	(96,622)	(88,635)
Other income	3	4,008	4,530
Gain on disposal of fixed assets	6	4,444	6,442
<b>Operating surplus</b>		<b>31,849</b>	<b>29,364</b>
Interest receivable and dividends	7	1,062	1,003
Interest and financing costs	8	(22,537)	(17,112)
Other financing costs - refinancing and break costs	8	-	(1,888)
<b>Surplus before taxation (on ordinary activities)</b>		<b>10,374</b>	<b>11,367</b>
Deferred tax	11	-	-
<b>Surplus for the financial year after taxation</b>		<b>10,374</b>	<b>11,367</b>
<b>Other comprehensive income:</b>			
Actuarial (loss) on defined benefit pension scheme	31	(1,560)	(1,408)
Movement in fair value of hedged financial instruments	36	(628)	2,900
<b>Total comprehensive income for the year</b>		<b>8,186</b>	<b>12,859</b>

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 August 2024.



**Ingrid Fife**  
Board Member



**Russell Galley**  
Board Member



**Syka Sheikh**  
Company Secretary

### Date of approval: 14th August 2024

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

## Financial statements 2023-24:

# 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 2022	187,380	16	28,476	989	216,861
Surplus for the year	10,478	-	-	-	10,478
Actuarial gains on defined benefit pensions scheme	(1,408)	-	-	-	(1,408)
Other comprehensive income	-	-	-	-	-
Transfer on asset sale	-	-	(49)	-	(49)
Movement in fair value of hedged financial instruments	-	-	-	2,900	2,900
<b>Balance at 31 March 2023</b>	<b>196,450</b>	<b>16</b>	<b>28,427</b>	<b>3,889</b>	<b>228,782</b>
Surplus for the year	7,287	-	-	-	7,287
Other comprehensive income	-	-	-	-	-
Actuarial losses on defined benefit pensions scheme	(1,560)	-	-	-	(1,560)
Transfer on asset sale	-	-	(28)	-	(28)
Transfer of the effective depreciation from revaluation reserve	13,983	-	(13,983)	-	-
Movement in fair value of hedged financial instruments	-	-	-	(628)	(628)
<b>Balance at 31 March 2024</b>	<b>216,160</b>	<b>16</b>	<b>14,416</b>	<b>3,261</b>	<b>233,853</b>

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 2022	175,442	16	28,476	989	204,923
Surplus for the year	11,367	-	-	-	11,367
Actuarial gains on defined benefit pensions scheme	(1,408)	-	-	-	(1,408)
Other comprehensive income	-	-	-	-	-
Transfer on asset sale	-	-	(49)	-	(49)
Movement in fair value of hedged financial instruments	-	-	-	2,900	2,900
<b>Balance at 31 March 2023</b>	<b>185,401</b>	<b>16</b>	<b>28,427</b>	<b>3,889</b>	<b>217,733</b>
Surplus for the year	10,374	-	-	-	10,374
Other comprehensive income	-	-	-	-	-
Actuarial losses on defined benefit pensions scheme	(1,560)	-	-	-	(1,560)
Transfer of the effective depreciation from revaluation reserve	13,983	-	(13,983)	-	-
Transfer on asset sale	-	-	(28)	-	(28)
Movement in fair value of hedged financial instruments	-	-	-	(628)	(628)
<b>Balance at 31 March 2024</b>	<b>208,198</b>	<b>16</b>	<b>14,416</b>	<b>3,261</b>	<b>225,891</b>

The accompanying notes form part of these financial statements. A transfer has been made between the Revaluation Reserve and Income and Expenditure Reserve to reflect the accumulated depreciation charge to date on the revalued asset value over and above the historic cost for revalued housing assets. The value of the transfer reflects the depreciation since acquisition to 31st March 2024 of housing assets acquired during historic mergers as described in note 13 Tangible Fixed Assets – Housing Properties.

# Financial statements 2023-24:

## Consolidated financial statements

### Group and association statements of financial position at 31 March 2024

	Note	Group		Association	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Fixed assets</b>					
Intangible fixed assets	12	12,240	5,123	12,240	5,123
Tangible fixed assets - housing properties	13	1,145,824	1,074,690	1,146,157	1,075,023
Other tangible fixed assets	14	1,871	3,020	1,871	3,016
Investment properties	15	37,635	35,914	4,069	3,957
Investments	18	925	873	51,453	51,453
Homebuy loans receivable	19	1,011	1,052	1,011	1,052
Derivative financial asset	36	3,261	3,889	3,261	3,889
		1,202,767	1,124,561	1,220,062	1,143,513
<b>Current assets</b>					
Properties held for sale	16	59,087	56,866	24,063	23,397
Trade and other debtors	17	18,192	15,740	18,302	14,931
Cash and cash equivalents	18	9,857	21,071	9,506	18,438
		87,136	93,677	51,871	56,766
<b>Creditors: amounts falling due within one year</b>	20	(51,898)	(74,857)	(40,754)	(71,168)
<b>Net current assets / (liabilities)</b>		35,238	18,820	11,117	(14,402)
<b>Total assets less current liabilities</b>		<b>1,238,005</b>	<b>1,143,381</b>	<b>1,231,179</b>	<b>1,129,111</b>
Creditors: amounts falling due after more than one year	21	(996,151)	(906,931)	(998,549)	(904,905)
<b>Provisions for liabilities and charges</b>					
Deferred tax provision	27	(1,262)	(1,195)	-	-
Pension liability	31	(6,739)	(6,473)	(6,739)	(6,473)
<b>Total net assets</b>		<b>233,853</b>	<b>228,782</b>	<b>225,891</b>	<b>217,733</b>
<b>Capital and reserves</b>					
Income and expenditure reserve		216,160	196,451	208,198	185,401
Revaluation reserve		14,416	28,426	14,416	28,427
Restricted reserve		16	16	16	16
Non-equity share capital		-	-	-	-
Cashflow hedge reserve	36	3,261	3,889	3,261	3,889
<b>Total reserves</b>		<b>233,853</b>	<b>228,782</b>	<b>225,891</b>	<b>217,733</b>

The accompanying notes form part of these financial statements.  
The financial statements were approved by the Board on 14th August 2024.



**Ingrid Fife**  
Board Member



**Russell Galley**  
Board Member



**Syka Sheikh**  
Company Secretary

### Date of approval: 14th August 2024

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

## Financial statements 2023-24:

# Consolidated financial statements

### Group cash flow statement

	2024 £'000	2023 £'000
<b>Net cash generated from operating activities (note 26)</b>	<b>36,476</b>	<b>42,209</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets - intangibles	(9,575)	(2,466)
Purchase of housing properties	(93,542)	(78,211)
Purchase of other fixed assets	(1,593)	(1,898)
Purchase of investment properties	(916)	(8)
Proceeds from sale of fixed assets and investment properties	13,954	17,353
Grants received	773	1,233
Interest received	1,085	621
Interest and dividends from joint venture	63	432
	(89,751)	(62,944)
<b>Cash flow from financing activities</b>		
Interest paid	(24,861)	(20,269)
Bank loan drawn down	179,242	104,340
Repayments of borrowings	(112,320)	(75,954)
	42,061	8,117
<b>Net change in cash and cash equivalents</b>	<b>(11,214)</b>	<b>(12,618)</b>
Cash and cash equivalents at beginning of the year	21,071	33,689
<b>Cash and cash equivalents at end of the year</b>	<b>9,857</b>	<b>21,071</b>
<b>Cash and cash equivalents</b>		
Cash deposits	4,840	10,354
Cash at bank	5,017	10,717
<b>Cash and cash equivalents as at 31 March</b>	<b>9,857</b>	<b>21,071</b>

The accompanying notes form part of these financial statements.

## Financial statements 2023-24:

# 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 3 Bunhill Row, London, England, EC1Y 8YZ.

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 09237343) 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.

#### Disclosure exemptions

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 September 2025 of the updated business plan forms the basis of our going concern assessment 'as a minimum.

Extensive multi-variant stress testing has been carried out to model the impact of any economic downturn including the impact of a worsening economic environment and government policy changes that might restrict social housing funding. Whilst these would limit the growth included within the business strategy, the modelling highlights the Group's 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 the cost of borrowing, increases in bad debts, a cap on rental income increases and reduction in government grant funding.

Mitigations required would include reductions in spending on developments and other investments however, whilst limiting the growth of YHL, it would allow the Group to continue trading.

## Financial statements 2023-24:

# Notes to the financial statements

### Going concern

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 provides a viable plan for the Group and YHR to continue to meet the YH Strategic goals for the next 30 years. The plan and stress testing shows that the Group can mitigate all multi-variant tests modelled and would be able to continue trading through adverse conditions and meet all funders covenants.

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 YHL. 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 obtained additional £74 m financing through AHGS, 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 2024.

### Basis of consolidation

The group consolidated financial statements include the results of Yorkshire Housing Limited's subsidiary companies YH 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 £37.6m at 31 March 2024.

#### 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.

## Financial statements 2023-24:

# Notes to the financial statements

### b) Judgements involved in making an assessment of impairment (continued)

- If there is obsolescence of properties or part of a property – i.e. regeneration of properties where they demolish and rebuild.

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

### 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 holds a total nominal investment of £1m. This has been reduced to reflect the accumulated losses of £75k (as at 31 March 2024) required by FRS102. FNH is profit making for the first time this year and has generated a profit of £262k. YHL's share of this is £52k.

### 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 prior 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 £231m at 31 March 2024. The carrying amount of housing properties was £1,146m at the year ended 31 March 2024.

### 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 £1,588k and interest of £4,153 were capitalised in the year ended 31 March 2024.

### 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. Amortisation is charged in the first month following the implementation of any software.

## Financial statements 2023-24:

# Notes to the financial statements

### 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. 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 increase in fair value in the year was £800k.  
(2023: £116k)

### 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 £6.7m was recognised at 31 March 2024. 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.

## Financial statements 2023-24:

# Notes to the financial statements

### Non Exchange transactions

Yorkshire Housing may enter into sales where the transaction is on a non-exchange rather than cash payment. Transactions are accounted for at market value with income recognised only when performance obligations have been met and a liability equivalent to the asset being recognised until that point. This could occur, for example, where land has been supplied with an obligation to provide a completed house at a future point.

The treatment followed is in line with FRS102 and specifically the Public Benefit Entity section 34, 'Specialised Activities'.

### 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.

### 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.

#### b) Housing properties (continued)

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. When components are replaced, the remaining net book value is expensed as depreciation, and the asset is disposed.

Useful economic lives for identified components are as follows:

Housing properties	Years
Appliances upgrades	5
Communal area floor coverings	7
Security surveillance including CCTV	10
Fire protection systems	10
Furniture upgrades	10
Heating	13
TV aerials and communication equipment	15
Air source heat pump	15
Kitchen	20
Door entry systems	20
Warden call systems	20
Lifts	25
Solar panels	25
Bathroom	25
Windows and doors	25
Roof	50
Structure	75
Freehold land is not depreciated	

## Financial statements 2023-24:

# Notes to the financial statements

### 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	3
Computer software	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.

### 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 or 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.

In cases where component assets within a property structure which are being replaced cannot be separately identified then the approach adopted is to capitalise the cost of the new component asset and derecognise an equivalent depreciated cost following depreciated replacement cost principles. This is calculated as the cost of the replacement item adjusted for depreciation based on the standard component life. This follows the treatment outlined in FRS102.

# Notes to the financial statements

### 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.

### 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.

## Financial statements 2023-24:

# Notes to the financial statements

### 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 2024.

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 venture

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.

One of the joint ventures has a different accounting period to the Group. However, Management deem that unless the difference is material then the year end results and position for the joint venture as at 31 December will be 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.

### 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.

# Notes to the financial statements

### Deferred taxation (continued)

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.

Non-basic financial instruments are recognised at fair value using a third party valuation with any gains or losses being reported 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.

# Notes to the financial statements

### 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 recognised as actuarial gains/losses reported in other comprehensive income.

As at 31 March 2024, the net defined benefit pension liability was £6.7m. 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.

### 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.

# £6.7M

## Net defined benefit pension liability

(2023: £6.5m)

## Financial statements 2023-24:

# Notes to the financial statements

### 2. Group segmental reporting 2024

	2024				
	Housing services £'000	Development sales £'000	Asset sales £'000	Other £'000	Total £'000
Income from housing lettings	108,152	-	-	-	108,152
Development sales	-	22,961	-	-	22,961
Third party contracts	-	-	-	6,406	6,406
Home Improvement Agencies	-	-	-	547	547
Other income	-	-	-	691	691
<b>Turnover</b>	<b>108,152</b>	<b>22,961</b>	<b>-</b>	<b>7,644</b>	<b>138,757</b>
<b>Other income</b>	<b>-</b>	<b>-</b>	<b>14,100</b>	<b>-</b>	<b>14,100</b>
Service charge costs	(8,308)	-	-	-	(8,308)
Bad debts	(739)	-	-	-	(739)
Management	(29,313)	(2,175)	-	-	(31,488)
Routine maintenance	(19,129)	-	-	-	(19,129)
Planned maintenance	(9,399)	-	-	-	(9,399)
Major repairs expenditure	(23,747)	-	-	-	(23,747)
Major repairs expenditure (capitalised)	19,923	-	-	-	19,923
Depreciation of housing properties	(20,111)	-	-	-	(20,111)
Revaluation of investment properties / joint venture	-	-	-	852	852
Property leasing costs and agency fees	(36)	-	-	-	(36)
Third party contracts operating expenditure	-	-	-	(5,061)	(5,061)
Home Improvement Agencies operating expenditure	-	-	-	(661)	(661)
Costs of development sales	-	(15,851)	-	-	(15,851)
Cost of housing fixed asset sales	-	-	(9,737)	-	(9,737)
<b>Operating costs</b>	<b>(90,859)</b>	<b>(18,026)</b>	<b>(9,737)</b>	<b>(4,870)</b>	<b>(123,492)</b>
<b>Operating surplus</b>	<b>17,293</b>	<b>4,935</b>	<b>4,363</b>	<b>2,774</b>	<b>29,365</b>
Interest payable	-	-	-	(23,161)	(23,161)
Interest receivable	-	-	-	1,148	1,148
<b>Total operating deficit (per SOCI)</b>	<b>17,293</b>	<b>4,935</b>	<b>4,363</b>	<b>(19,239)</b>	<b>7,352</b>

## Financial statements 2023-24:

# Notes to the financial statements

### 2. Group segmental reporting 2023

	2023				
	Housing services £'000	Development sales £'000	Asset sales £'000	Other £'000	Total £'000
Income from housing lettings	98,929	-	-	-	98,929
Development sales	-	41,227	-	-	41,227
Third party contracts	-	-	-	4,777	4,777
Home Improvement Agencies	-	-	-	517	517
Other income	-	-	-	345	345
<b>Turnover</b>	<b>98,929</b>	<b>41,227</b>	<b>-</b>	<b>5,639</b>	<b>145,795</b>
<b>Other income</b>	<b>-</b>	<b>-</b>	<b>17,862</b>	<b>-</b>	<b>17,862</b>
Service charge costs	(7,051)	-	-	-	(7,051)
Bad debts	(265)	-	-	-	(265)
Management	(27,638)	(2,293)	-	-	(29,931)
Routine maintenance	(16,564)	-	-	-	(16,564)
Planned maintenance	(8,620)	-	-	-	(8,620)
Major repairs expenditure	(20,651)	-	-	-	(20,651)
Major repairs expenditure (capitalised)	15,905	-	-	-	15,905
Depreciation of housing properties	(19,204)	-	-	-	(19,204)
Revaluation of investment properties / joint venture	-	-	-	100	100
Property leasing costs and agency fees	(83)	-	-	-	(83)
Third party contracts operating expenditure	-	-	-	(3,595)	(3,595)
Home Improvement Agencies operating expenditure	-	-	-	(613)	(613)
Costs of development sales	-	(32,926)	-	-	(32,926)
Cost of housing fixed asset sales	-	-	(11,398)	-	(11,398)
<b>Operating costs</b>	<b>(84,171)</b>	<b>(35,219)</b>	<b>(11,398)</b>	<b>(4,108)</b>	<b>(134,896)</b>
<b>Operating surplus</b>	<b>14,758</b>	<b>6,008</b>	<b>6,464</b>	<b>1,531</b>	<b>28,761</b>
Interest payable	-	-	-	(17,382)	(17,382)
Other financing costs - refinancing & break costs	-	-	-	(1,888)	(1,888)
Interest receivable	-	-	-	1,053	1,053
<b>Total operating deficit (per SOCI)</b>	<b>14,758</b>	<b>6,008</b>	<b>6,464</b>	<b>(16,686)</b>	<b>10,544</b>

## Financial statements 2023-24:

# Notes to the financial statements

### 3. Group particulars of turnover, operating costs and operating surplus

	2024			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Group turnover and costs				
<b>Social housing lettings</b>	<b>105,160</b>	-	<b>(88,900)</b>	<b>16,260</b>
<b>Other social housing activities</b>				
First tranche shared ownership sales	21,848	(15,076)	-	6,772
Other activities	691	-	(1,547)	(856)
	22,539	(15,076)	(1,547)	5,916
<b>Non social housing activities</b>				
Non social lettings	2,992	-	(2,067)	925
Open market sales	1,113	(774)	(519)	(180)
Help to Buy initiatives	-	-	(1)	(1)
Third party contracts	6,406	-	(5,061)	1,345
Home improvement agencies	547	-	(661)	(114)
	11,058	(774)	(8,309)	1,975
<b>Total</b>	<b>138,757</b>	<b>(15,850)</b>	<b>(98,756)</b>	<b>24,151</b>

### 3. Particulars of turnover, operating costs and operating surplus

	2023			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Group turnover and costs				
<b>Social housing lettings</b>	<b>96,163</b>	-	<b>(82,732)</b>	<b>13,431</b>
<b>Other social housing activities</b>				
First tranche shared ownership sales	25,142	(20,302)	-	4,840
Other activities	1,183	(869)	(1,528)	(1,213)
	26,325	(21,171)	(1,528)	3,627
<b>Non social housing activities</b>				
Non social lettings	2,765	-	(1,493)	1,272
Open market sales	15,247	(11,756)	(711)	2,780
Help to Buy initiatives	-	-	-	-
Third party contracts	4,777	-	(3,595)	1,182
Home improvement agencies	517	-	(613)	(96)
	23,307	(11,756)	(6,412)	5,139
<b>Total</b>	<b>145,795</b>	<b>(32,926)</b>	<b>(90,672)</b>	<b>22,198</b>

## Financial statements 2023-24:

# Notes to the financial statements

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

Association turnover and costs	2024			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus £'000
Turnover and costs				
<b>Social housing lettings</b>	<b>105,160</b>	-	<b>(88,900)</b>	<b>16,260</b>
<b>Other social housing activities</b>				
First tranche shared ownership sales	21,848	(15,076)	(368)	6,404
Other activities	1,081	-	(1,631)	(550)
	22,929	(15,076)	(1,999)	5,854
<b>Non social housing activities</b>				
Non social lettings	53	-	(1)	52
Third party contracts	6,406	-	(5,061)	1,345
Home improvement agencies	547	-	(661)	(114)
	7,006	-	(5,723)	1,283
<b>Total</b>	<b>135,095</b>	<b>(15,076)</b>	<b>(96,622)</b>	<b>23,397</b>

Association turnover and costs	2023			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus £'000
Turnover and costs				
<b>Social housing lettings</b>	<b>96,163</b>	-	<b>(82,732)</b>	<b>13,431</b>
<b>Other social housing activities</b>				
First tranche shared ownership sales	25,142	(20,302)	(310)	4,530
Other activities	1,572	(869)	(1,597)	(894)
	26,714	(21,171)	(1,907)	3,636
<b>Non social housing activities</b>				
Non social lettings	26	-	213	239
Third party contracts	4,778	-	(3,595)	1,182
Home improvement agencies	517	-	(613)	(96)
	5,321	-	(3,995)	1,325
<b>Total</b>	<b>128,198</b>	<b>(21,171)</b>	<b>(88,634)</b>	<b>18,392</b>

## Financial statements 2023-24:

# Notes to the financial statements

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

Group operating activities	2024					2023
	General needs £'000	Housing for older people £'000	Supported housing and care homes £'000	Shared ownership £'000	Total £'000	Total £'000
<b>Turnover and costs from social housing lettings</b>						
<b>Turnover from lettings</b>						
Rent receivable net of identifiable service charges	81,134	3,746	1,783	6,846	93,509	85,612
Supporting people income	255	453	444	-	1,152	1,267
Service charge income	3,369	1,954	678	751	6,752	5,115
Amortised government grants	3,438	(87)	114	282	3,747	4,169
<b>Turnover from lettings</b>	<b>88,196</b>	<b>6,066</b>	<b>3,019</b>	<b>7,879</b>	<b>105,160</b>	<b>96,163</b>
<b>Cost of lettings</b>						
Management	(24,243)	(1,348)	(2,123)	(780)	(28,494)	(26,910)
Service charge costs	(4,509)	(2,099)	(809)	(538)	(7,955)	(6,750)
Routine maintenance	(16,794)	(993)	(537)	(487)	(18,811)	(16,301)
Planned maintenance	(7,911)	(561)	(349)	(122)	(8,943)	(8,476)
Major repairs expenditure	(3,460)	(155)	(122)	(78)	(3,815)	(4,744)
Bad debts	(673)	(41)	(20)	(1)	(735)	(264)
Property leasing costs and agency fees	(31)	-	(4)	(1)	(36)	(83)
Depreciation of housing properties	(17,261)	(895)	(427)	(1,528)	(20,111)	(19,204)
Impairment of intangible assets						-
<b>Operating cost of lettings</b>	<b>(74,882)</b>	<b>(6,092)</b>	<b>(4,391)</b>	<b>(3,535)</b>	<b>(88,900)</b>	<b>(82,732)</b>
<b>Operating surplus/ (deficit) on lettings</b>	<b>13,314</b>	<b>(26)</b>	<b>(1,372)</b>	<b>4,344</b>	<b>16,260</b>	<b>13,431</b>
<b>Rent losses from voids</b>	<b>1,033</b>	<b>277</b>	<b>96</b>	<b>75</b>	<b>1,481</b>	<b>1,763</b>

## Financial statements 2023-24:

# Notes to the financial statements

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

Association operating activities	2024					2023
	General needs £'000	Housing for older people £'000	Supported housing and care homes £'000	Shared ownership £'000	Total £'000	Total £'000
<b>Turnover and costs from social housing lettings</b>						
<b>Turnover from lettings</b>						
Rent receivable net of identifiable service charges	81,134	3,746	1,783	6,846	93,509	85,612
Supporting people income	255	453	444	-	1,152	1,267
Service charge income	3,369	1,954	678	751	6,752	5,115
Amortised government grants	3,438	(87)	114	282	3,747	4,169
<b>Turnover from lettings</b>	<b>88,196</b>	<b>6,066</b>	<b>3,019</b>	<b>7,879</b>	<b>105,160</b>	<b>96,163</b>
<b>Cost of lettings</b>						
Management	(24,243)	(1,348)	(2,123)	(780)	(28,494)	(26,910)
Service charge costs	(4,509)	(2,099)	(809)	(538)	(7,955)	(6,750)
Routine maintenance	(16,794)	(993)	(537)	(487)	(18,811)	(16,301)
Planned maintenance	(7,911)	(561)	(349)	(122)	(8,943)	(8,476)
Major repairs expenditure	(3,460)	(155)	(122)	(78)	(3,815)	(4,744)
Bad debts	(673)	(41)	(20)	(1)	(735)	(264)
Property leasing costs and agency fees	(31)	-	(4)	(1)	(36)	(83)
Depreciation of housing properties	(17,261)	(895)	(427)	(1,528)	(20,111)	(19,204)
Impairment of intangible assets						
<b>Operating cost of lettings</b>	<b>(74,882)</b>	<b>(6,092)</b>	<b>(4,391)</b>	<b>(3,535)</b>	<b>(88,900)</b>	<b>(82,732)</b>
<b>Operating surplus/ (deficit) on lettings</b>	<b>13,314</b>	<b>(26)</b>	<b>(1,372)</b>	<b>4,344</b>	<b>16,260</b>	<b>13,431</b>
<b>Rent losses from voids</b>	<b>1,033</b>	<b>277</b>	<b>96</b>	<b>75</b>	<b>1,481</b>	<b>1,763</b>

## Financial statements 2023-24:

# Notes to the financial statements

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

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Group other income / (losses)</b>				
Revaluation gain/ (loss) on investment properties	800	116	112	(196)
(Loss) / gain on current asset investments	-	(48)	-	(49)
Gain/ (loss) on investment in Forge New Homes	52	32	-	-
Gift Aid	-	-	3,896	4,775
	<b>852</b>	<b>100</b>	<b>4,008</b>	<b>4,530</b>

### 4. Yorkshire Housing property portfolio

	Group		Association	
	2024	2023	2024	2023
	Number of units		Number of units	
<b>Housing properties</b>				
General needs	9,481	9,420	9,481	9,420
Housing for older people	837	865	837	865
Affordable properties	4,812	4,622	4,812	4,622
Shared ownership	1,379	1,195	1,379	1,195
Intermediate rent	1,461	1,387	1,461	1,387
Market rent	344	344	-	-
Supported housing and care homes	183	180	183	180
<b>Total managed</b>	<b>18,497</b>	<b>18,013</b>	<b>18,153</b>	<b>17,669</b>
<b>Accommodation owned, managed by other bodies</b>	<b>239</b>	<b>234</b>	<b>239</b>	<b>234</b>
<b>Properties awaiting sale</b>	<b>136</b>	<b>91</b>	<b>70</b>	<b>65</b>
<b>Properties in development at the year end</b>	<b>1,585</b>	<b>1,912</b>	<b>1,509</b>	<b>1,723</b>

<b>Stock movements in year</b>	Group		Association	
	Number of units		Number of units	
As at 1st April	18,338		17,968	
Transfer from other providers	-		-	
Disposal/demolition	(103)		(103)	
RTA/RTB/staircasing	(35)		(35)	
New build/acquisitions	639		639	
Other	33		(7)	
<b>As at 31st March</b>	<b>18,872</b>		<b>18,462</b>	

## Financial statements 2023-24:

# Notes to the financial statements

### 5. Operating surplus

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Operating surplus is stated after charging</b>				
Depreciation of housing properties	20,111	19,203	20,111	19,203
Depreciation of other tangible fixed assets	842	768	839	770
Amortisation of intangible assets	£2,458	2,460	£2,458	2,460
Loss on disposal of other tangible fixed assets	(1,899)	(6,029)	(1,898)	(4,333)
<b>Operating lease rentals</b>				
- land and buildings	1,466	825	627	496
- office equipment and computers	-	77	-	238
- vehicles	685	640	685	640
<b>Auditors' remuneration (excluding VAT)</b>				
- audit services for the parent	101	94	101	94
- audit services for the subsidiaries	39	37	39	37
<b>Total</b>	<b>140</b>	<b>131</b>	<b>140</b>	<b>131</b>

### 6. Gain on disposal of housing properties

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Housing property</b>				
Disposal proceeds (housing property)	9,725	7,964	9,364	7,814
Carrying value of fixed assets (housing property)	(5,725)	(3,856)	(5,287)	(3,727)
Costs associated with disposal (housing property)	(133)	(286)	(128)	(286)
	<b>3,867</b>	<b>3,822</b>	<b>3,949</b>	<b>3,801</b>
<b>Shared ownership (staircasing)</b>				
Disposal proceeds	3,109	4,893	3,109	4,893
Carrying value of fixed assets	(1,968)	(2,703)	(1,968)	(2,704)
Costs associated with disposal	(13)	(19)	(13)	(19)
	<b>1,128</b>	<b>2,171</b>	<b>1,128</b>	<b>2,170</b>
<b>Non housing property</b>				
Disposal proceeds (non housing property)	1,266	5,005	1,266	5,005
Carrying value of fixed assets (non housing property)	(1,899)	(4,330)	(1,899)	(4,330)
Costs associated with disposal (non housing property)	-	(204)	-	(204)
	<b>(633)</b>	<b>471</b>	<b>(633)</b>	<b>471</b>
<b>Total</b>	<b>4,362</b>	<b>6,464</b>	<b>4,444</b>	<b>6,442</b>

## Financial statements 2023-24:

# Notes to the financial statements

### 7. Interest receivable and other income

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest receivable from cash deposits	1,085	621	999	570
Joint venture dividends and deposits	63	432	63	433
<b>Total</b>	<b>1,148</b>	<b>1,053</b>	<b>1,062</b>	<b>1,003</b>

### 8. Interest payable and financing costs

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Payable on bank loans	26,713	20,348	16,515	10,678
On amounts payable to group companies	-	-	10,511	10,494
Defined benefit pension scheme	277	158	277	158
Unwinding amortised bond issue costs	26	21	(907)	(1,029)
Other amortised loan costs	218	294	214	250
Bond cost	80	78	80	78
	27,314	20,899	26,690	20,629
Less: Interest capitalised	(4,153)	(3,517)	(4,153)	(3,517)
<b>Total</b>	<b>23,161</b>	<b>17,382</b>	<b>22,537</b>	<b>17,112</b>
<b>Additional Financing costs</b>				
Loan break costs - refinancing	-	1,888	-	1,888
<b>Total</b>	<b>23,161</b>	<b>19,270</b>	<b>22,537</b>	<b>19,000</b>

Interest has been capitalised at an average rate of 4.05% in 2024 (2023: 3.41%).

## Financial statements 2023-24:

# Notes to the financial statements

### 9. Remuneration of the Board and Directors

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Aggregate emoluments payable to Board and Committee Members	185	159	185	159
Aggregate emoluments payable to executive directors	745	692	745	692
Aggregate remuneration of key management personnel (including Employers' National Insurance)	833	781	833	781

#### Board

Board and Committee members received emoluments of £185k (2023: £159k).

	2024 £'000	2023 £'000
<b>Remuneration by non-executive Board Member (excludes Committee Members):</b>		
Ingrid Fife (Chair)	23	19
Alison Hadden (Vice Chair)	-	7
Richard Flanagan	-	5
Jacqueline Esimaje-Heath	13	10
Isabel Hunt	10	8
Leann Hearne	15	10
Matthew Blake	13	9
Ian Costigan	10	8
Eleanor Stead	13	9
Charles Dunn	-	2
Lisa Bradley	10	8
Russell Galley	14	10
Nicola Passmore	4	-
<b>Total</b>	<b>125</b>	<b>105</b>

#### Directors

The emoluments paid to the executive directors of the group were £745k (2023: £692k).

Emoluments paid to the highest paid director were £237k (2023: £224k).

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 £833k (2023: £781k). 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 £nil (2023: £nil).

## Financial statements 2023-24:

# Notes to the financial statements

### 10. Employee information

	Group		Association	
	2024 No.	2023 No.	2024 No.	2023 No.
The average monthly number of persons (including the Chief Executive) expressed as full-time equivalents (FTE) of 35 hours per week. Employed during the financial year was:	784	715	784	715
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Staff costs (for the above person including Board Members on payroll)</b>				
Wages and salaries	30,580	26,305	29,971	25,643
Social security costs	2,996	2,690	2,935	2,627
Other pension costs	1,466	1,200	1,435	1,171
<b>Total</b>	<b>35,042</b>	<b>30,195</b>	<b>34,341</b>	<b>29,441</b>

15.6 FTE (2023: 16.9 FTE) were remunerated by the Association and recharged at £701k (2023: £720k) 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:

	2024 No.	2023 No.
<b>The number of employees including directors who received emoluments in the following ranges</b>		
£240,000 to £250,000	1	-
£230,000 to £240,000	-	1
£220,000 to £230,000	-	-
£200,000 to £210,000	-	-
£170,000 to £180,000	1	2
£160,001 to £170,000	-	-
£140,001 to £150,000	-	-
£130,001 to £140,000	-	-
£120,001 to £130,000	2	-
£110,001 to £120,000	3	2
£100,001 to £110,000	2	4
£90,001 to £100,000	3	3
£80,001 to £90,000	13	8
£70,001 to £80,000	9	10
£60,001 to £70,000	24	20
<b>Total</b>	<b>58</b>	<b>50</b>

The prior year emolument bandings have been reviewed and restated due to inconsistencies in the bandings.

## Financial statements 2023-24:

# Notes to the financial statements

### 11. Taxation

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Current tax</b>	-	-	-	-
<b>Deferred tax:</b>				
Origination and reversal of timing difference	65	66	-	-
Changes in tax rates	-	-	-	-
Adjustment in respect of previous periods	-	-	-	-
<b>Total deferred tax</b>	<b>65</b>	<b>66</b>	-	-

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

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Surplus for the financial year before taxation	7,352	10,545	10,374	11,368
Tax at standard UK rate of 25% (2023 : 19%)	1,838	2,004	2,593	2,160
<b>Factors affecting total tax charge for the current period</b>				
Expenses not deductible	20	205	(2,593)	(2,160)
Income not taxable	(1,737)	(2,164)	-	-
Losses	-	-	-	-
Tax rate change	-	15	-	-
Revaluations	-	(9)	-	-
Qualifying charitable donations	(56)	-	-	-
Capital gain/ (loss)	-	15	-	-
	<b>65</b>	<b>66</b>	-	-

## Financial statements 2023-24:

# Notes to the financial statements

### 12. Intangible fixed assets

<b>Group and association</b>	<b>Software intangible assets £'000</b>
<b>Cost</b>	
At 1 April 2023	15,645
Additions	9,575
Disposals	-
<b>At 31 March 2024</b>	<b>25,220</b>
<b>Accumulated amortisation</b>	
At 1 April 2022	10,522
Amortisation charged in year	2,458
Accumulated depreciation and impairment	-
Eliminated in respect of disposals	-
<b>At 31 March 2024</b>	<b>12,980</b>
<b>Net book value at 31 March 2024</b>	<b>12,240</b>
At 31 March 2023	5,123

## Financial statements 2023-24:

# 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
<b>Cost</b>					
At 1 April 2023	1,095,056	58,966	34,611	101,208	1,289,841
Additions	-	49,714	27,788	-	77,502
Works to existing properties	19,923	-	-	-	19,923
Schemes completed	58,358	(58,358)	(27,484)	27,484	-
Disposals	(8,342)	-	-	(2,035)	(10,377)
<b>At 31 March 2024</b>	<b>1,164,995</b>	<b>50,322</b>	<b>34,915</b>	<b>126,657</b>	<b>1,376,889</b>
<b>Depreciation and impairment</b>					
At 1 April 2023	212,044	-	-	3,107	215,151
Depreciated charged in year	17,831	-	-	1,007	18,838
Impairment charged in year	-	-	-	-	-
Released on disposal (note 6)	(2,889)	-	-	(35)	(2,924)
<b>At 31 March 2024</b>	<b>226,986</b>	<b>-</b>	<b>-</b>	<b>4,079</b>	<b>231,065</b>
<b>Net book value at 31 March 2024</b>	<b>938,009</b>	<b>50,322</b>	<b>34,915</b>	<b>122,578</b>	<b>1,145,824</b>
<b>Net book value at 31 March 2023</b>	<b>883,012</b>	<b>58,966</b>	<b>34,611</b>	<b>98,101</b>	<b>1,074,690</b>

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 £1,588k (2023: £1,553k).

Interest has been capitalised at a rate of 4.05% (2023: 3.42%) during the financial year and amounted to £4,153 (2023: £3,517k).

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 £1,146,157.

## Financial statements 2023-24:

# Notes to the financial statements

### 13. Tangible fixed assets – housing properties (continued)

	2024	2023
	£'000	£'000
<b>Housing properties are shown</b>		
At cost	1,305,800	1,218,842
At valuation	71,089	70,999
	<b>1,376,889</b>	<b>1,289,841</b>

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 2024 at deemed cost is £71,088m.

Group expenditure on works to existing properties during the year amounted to £51.5m (2023: £45.4m) of which £19.9m (2023: £15.9m) was capitalised and included as works to existing properties.

	2024	2023
	£'000	£'000
Total grant received for existing properties	392,726	389,677
Less amortised through the statement of comprehensive income	(75,545)	(71,750)
<b>Total deferred grant in the statement of financial position</b>	<b>317,181</b>	<b>317,927</b>

## Financial statements 2023-24:

# 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
<b>Cost</b>					
At 1 April 2023	484	4,134	2,231	367	7,216
Additions	-	1,429	163	-	1,592
Disposals	-	(301)	(2,036)	(81)	(2,418)
<b>At 31 March 2024</b>	<b>484</b>	<b>5,262</b>	<b>358</b>	<b>286</b>	<b>6,390</b>
<b>Accumulated depreciation</b>					
At 1 April 2023	205	3,223	442	326	4,196
Depreciation charged in year	5	643	194	-	842
Eliminated in respect of disposals	-	(128)	(320)	(71)	(519)
<b>At 31 March 2024</b>	<b>210</b>	<b>3,738</b>	<b>316</b>	<b>255</b>	<b>4,519</b>
<b>Net book value at 31 March 2024</b>					
At 31 March 2023	279	911	1,789	41	3,020

Association	Freehold offices £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 April 2023	484	4,050	2,195	368	7,097
Additions	-	1,429	163	-	1,592
Disposals	-	(301)	(2,036)	(81)	(2,418)
<b>At 31 March 2024</b>	<b>484</b>	<b>5,178</b>	<b>322</b>	<b>287</b>	<b>6,271</b>
<b>Accumulated depreciation</b>					
At 1 April 2023	205	3,142	408	326	4,081
Depreciation charged in year	5	642	191	-	838
Eliminated in respect of disposals	-	(128)	(320)	(71)	(519)
<b>At 31 March 2024</b>	<b>210</b>	<b>3,656</b>	<b>279</b>	<b>255</b>	<b>4,400</b>
<b>Net book value at 31 March 2024</b>					
At 31 March 2023	279	908	1,787	42	3,016

## Financial statements 2023-24:

# Notes to the financial statements

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

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	35,914	35,929	3,957	4,154
Additions	1,359	(131)	-	-
Properties for disposal	(438)	-	-	-
Increase (decrease) in value	800	116	112	(197)
<b>Total</b>	<b>37,635</b>	<b>35,914</b>	<b>4,069</b>	<b>3,957</b>

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 2024 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:

	2024	2023
Discount rate	5.8%	6.5%
Exit yield	5.0%	5.0%
Annual rental growth (nominal)	10.2-12% for Houses -1.1-17% for Flats	2.5%
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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Van stock - materials	673	707	673	707
<b>Completed properties held for sale</b>				
Completed - First tranche shared ownership	4,750	4,742	4,750	4,742
Completed - Properties for market sale	22,734	8,382	-	-
<b>Partially completed properties</b>				
Partial - First tranche shared ownership	18,640	17,948	18,640	17,948
Partial - Properties for market sale	12,290	25,087	-	-
<b>Total</b>	<b>59,087</b>	<b>56,866</b>	<b>24,063</b>	<b>23,397</b>

## Financial statements 2023-24:

# Notes to the financial statements

### 17. Debtors

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Due within one year</b>				
Arrears of rent and service charges	4,029	5,660	3,991	5,627
Provision for bad and doubtful debt	(2,497)	(2,043)	(2,462)	(2,012)
	<b>1,532</b>	<b>3,617</b>	<b>1,529</b>	<b>3,615</b>
Prepayments and accrued income	4,416	3,783	4,266	3,758
Other debtors	10,884	6,980	9,194	5,445
Loan to joint venture	1,360	1,360	-	-
Amounts owed by group undertakings	-	-	3,313	2,113
	<b>18,192</b>	<b>15,740</b>	<b>18,302</b>	<b>14,931</b>

SHDF grant is also included in the main table above. The Social Housing Decarbonisation Fund is delivered through the Department for Energy Security and Net Zero. Yorkshire Housing was awarded £1.16m. The funds will be used to complete works by 31 March 2025.

### 18. Investments, cash and cash equivalents

	2024	2023
	£'000	£'000
<b>Fixed asset investments: Association</b>		
Investment in group undertakings	900	900
Investment in group undertakings - preference shares	50,000	50,000
Investment in Yorkshire Transformation Holdings	553	553
<b>Total</b>	<b>51,453</b>	<b>51,453</b>

YHL owns 33% of Yorkshire Transformations Holdings ["YTH"] as at 31 March 2024. The Group financial statements do not recognise the value of the investment in YTH. As at 31 December 2024 YTL had net liabilities of £635k (2023: £313k). 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 2024, all 50,000,000 of these shares have been called up and fully paid (2023: 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 2024 is £925k (2023: £873k).

Following the treatment required by FRS102 the investment has been adjusted at Group level to reflect the share of accumulated losses of £75k as at 31 March 2024.

The Board believe that the carrying value of the investments is supported by their underlying net assets.

## Financial statements 2023-24:

# Notes to the financial statements

### 18. Investments, cash and cash equivalents (continued)

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Cash and cash equivalents</b>				
Cash deposits	4,840	10,354	4,840	10,354
Cash at bank	5,017	10,717	4,666	8,084
<b>Total</b>	<b>9,857</b>	<b>21,071</b>	<b>9,506</b>	<b>18,438</b>

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

### 19. Homebuy loans

Group and association	2024 £'000	2023 £'000
At 1 April	1,052	1,116
Redeemed in the year	(41)	(63)
<b>At 31 March</b>	<b>1,011</b>	<b>1,052</b>

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

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

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Due within one year</b>				
Borrowings (Note 24) < 1 Yr	9,749	36,544	1,549	36,544
Bank loan interest	9,107	6,957	2,634	516
Trade creditors	6,674	6,695	6,609	6,681
Rent and service charges received in advance	4,686	6,982	4,395	6,692
Other taxation and social security costs	1,145	1,473	1,145	1,484
Accruals and deferred income	14,119	11,502	13,056	9,727
Amounts owed to group undertakings	-	-	4,948	4,820
Deferred capital grants (Note 23)	6,418	4,704	6,418	4,704
<b>Total</b>	<b>51,898</b>	<b>74,857</b>	<b>40,754</b>	<b>71,168</b>

## Financial statements 2023-24:

# Notes to the financial statements

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

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Due after more than one year</b>				
Borrowings (Note 24) > 1 Yr	654,778	559,827	399,778	300,327
Amounts owed to group undertakings	-	-	255,000	255,000
Recycled capital grant fund (Note 22)	8,106	10,334	8,106	10,334
Held on behalf of leaseholders	1,987	1,781	1,987	1,782
Homebuy grant	1,011	1,052	1,011	1,052
Deferred capital grant (Note 23)	310,763	313,223	310,763	313,223
	<b>976,645</b>	<b>886,217</b>	<b>976,645</b>	<b>881,718</b>
Less bond issue costs, discount and premium on issue (Note 24)	19,507	20,714	(3,233)	(2,884)
Less issue costs owed to group undertakings	-	-	25,137	26,071
<b>Total</b>	<b>996,152</b>	<b>906,931</b>	<b>998,549</b>	<b>904,905</b>

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 14,268 properties, with a further 4,468 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Movements in the recycled capital grant fund were as follows:</b>				
Opening balance as at 1 April	10,333	9,441	10,333	9,441
Grants recycled	4,249	2,898	4,249	2,898
Homebuy grants recycled	60	72	60	72
Interest accrued	381	204	381	204
Withdrawals	(6,917)	(2,281)	(6,917)	(2,281)
<b>Closing balance as at 31 March</b>	<b>8,106</b>	<b>10,334</b>	<b>8,106</b>	<b>10,334</b>

Recycled grant is repayable to Homes England if not recycled within three years, but no repayments were required in the year (2023: £nil).

## Financial statements 2023-24:

# Notes to the financial statements

### 23. Deferred grant income

	2024	2023
	£'000	£'000
<b>Group and association</b>		
Opening balance at 1 April	317,927	321,756
Grant received in year	333	955
Grant transferred from recycled capital grant fund	6,917	2,281
Released to income in year - Amortisation	(3,795)	(4,074)
Released to income in year - Disposal	-	(94)
Released to recycled capital grant fund	(4,201)	(2,897)
<b>Closing balance as at 31 March</b>	<b>317,181</b>	<b>317,927</b>
Amounts to be released within one year	6,418	4,704
Amounts to be released in more than one year	310,763	313,223
	<b>317,181</b>	<b>317,927</b>

	2024	2023
	£'000	£'000
<b>Social Housing Decarbonisation Fund (SHDF) grant</b>		
<b>Opening balance at 1 April</b>	<b>144</b>	<b>-</b>
Grants received during the year	272	183
Released to income in year	(36)	(39)
<b>Closing balance as at 31 March</b>	<b>380</b>	<b>144</b>

SHDF grant is also included in the main table above. The Social Housing Decarbonisation Fund is delivered through the Department for Energy Security and Net Zero. Yorkshire Housing was awarded £2m under Wave 1. The funds will be used to complete works by 30 September 2025.

## Financial statements 2023-24:

# Notes to the financial statements

### 24. Debt analysis

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Borrowings</b>				
<b>Due within one year</b>				
Bank Loans < 1 Yr	9,749	1,544	1,549	1,544
Other Loans < 1 Yr	-	35,000	-	35,000
<b>Total due within 1 year</b>	<b>9,749</b>	<b>36,544</b>	<b>1,549</b>	<b>36,544</b>
<b>Due after more than one year</b>				
Bank loans	324,656	254,706	324,656	250,206
Other loans	25,121	121	25,121	121
THFC bond	30,000	30,000	30,000	30,000
Public bond	255,000	255,000	-	-
AHF bond	20,000	20,000	20,000	20,000
<b>Total due after more than one year</b>	<b>654,777</b>	<b>559,827</b>	<b>399,777</b>	<b>300,327</b>
<b>Total borrowings before costs, discount and premium on issue</b>	<b>664,526</b>	<b>596,371</b>	<b>401,326</b>	<b>336,871</b>
<b>Loan and bond costs, discount and premium on issue</b>				
THFC bond 2	(2,296)	(2,428)	(2,296)	(2,428)
Public bond 2	22,740	23,601	-	-
AHF bond 2	1,073	1,646	1,073	1,646
Loan transaction costs	(2,010)	(2,105)	(2,010)	(2,102)
	<b>19,507</b>	<b>20,714</b>	<b>(3,233)</b>	<b>(2,884)</b>
<b>Total borrowings</b>	<b>684,033</b>	<b>617,085</b>	<b>398,093</b>	<b>333,987</b>

### 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 2024 the group had undrawn loan facilities of £342.8m (2023: £344.5m).

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 2021 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 2021 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.

## Financial statements 2023-24:

# Notes to the financial statements

### 24. Debt analysis (continued)

	2024	2023
	£'000	£'000
<b>Public bond</b>		
Public bond	255,000	255,000
Add: unamortised premium on issue	25,137	26,071
Total bond after premium on issue	280,137	281,071
Less: unamortised issue cost	(2,398)	(2,470)
<b>Total</b>	<b>277,739</b>	<b>278,601</b>

Housing loans are secured by fixed charges on 14,268 (2023: 12,910) of the group's housing properties and repayable at varying rates of interest and instalments.

The total net drawn in the year totalled £68.2m (2023: repayment of £16.95m). Total capital repayments were £112.3m and a total of £180.5m was drawn. This included repayment of a £79m facility with Santander, with £81m re-drawn. £74m was drawn from the Affordable Housing Guarantee Scheme (AHGS). A further £1.5m was re-paid to Natwest and £1.8m for the Lloyds RCF, with £5.5m drawn on the latter. There was also a repayment of £30m of Local Authority facilities and drawing down of £20m.

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Maturity of financial liabilities</b>				
In less than one year	9,749	36,544	1,549	36,544
In more than one year but less than two years	26,553	6,049	26,553	1,549
In more than two years but less than five years	43,454	37,933	43,454	37,933
In more than five years	584,770	515,845	329,770	260,845
<b>Total</b>	<b>664,526</b>	<b>596,371</b>	<b>401,326</b>	<b>336,871</b>

### 25. Share capital

	2024	2023
	£	£
<b>Shares of £1 each, allotted and fully paid</b>		
As at 1 April	9	120
Net issues less retirements	1	(111)
<b>As at 31 March</b>	<b>10</b>	<b>9</b>

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.

## Financial statements 2023-24:

# Notes to the financial statements

### 26. Cash flow from operating activities

	2024 £'000	2023 £'000
Surplus for the year	7,352	10,544
Depreciation of housing assets	18,838	19,203
Depreciation of other tangible fixed assets	842	768
Depreciation of intangible assets	2,458	2,460
Impairment of intangible assets	-	-
(Gain)/ loss on investment assets	(800)	(116)
(Gain)/ loss on Forge New Homes investment	(52)	(33)
Gain from sale of housing properties	(4,995)	(5,993)
Loss/ (Gain) on disposal of other fixed assets	633	(472)
(Increase)/ decrease in stock	(2,221)	1,059
(Increase)/ decrease in trade and other debtors	(2,452)	897
(Decrease)/ Increase in trade and other creditors	(28)	3,215
Increase in Leaseholder's balance	206	-
Pension costs	40	39
Pension contributions paid	(1,611)	(1,522)
Acquisition of capital grants	(3,747)	(4,169)
Interest charge	23,161	17,382
Interest received	(1,148)	(1,053)
Tax charge	-	-
<b>Net cash generated from operating activities</b>	<b>36,476</b>	<b>42,209</b>

### 27. Provision for liabilities – other provisions

	2024 £'000	2023 £'000
<b>Group deferred tax</b>		
<b>Deferred tax (assets)/liabilities</b>		
Provision at start of period	1,195	1,131
Adjustment in respect of prior years	-	-
Deferred tax charge to the SOCI for the period	65	64
Deferred charge to OCI for the period	-	-
<b>Provision at end of period</b>	<b>1,262</b>	<b>1,195</b>
Fixed assets timing difference	1,271	1,203
Short term timing difference	(9)	(8)
	<b>1,262</b>	<b>1,195</b>
<b>Deferred tax (assets)</b>		
Recoverable within 12 months	(9)	(8)
	<b>(9)</b>	<b>(8)</b>
<b>Deferred tax liabilities</b>		
Payable within 12 months	1,271	1,203
	<b>1,271</b>	<b>1,203</b>

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

## Financial statements 2023-24:

# Notes to the financial statements

### 28. Capital commitments

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Capital expenditure contracted for less certified at the year end	124,441	158,379	124,441	158,379
Capital expenditure authorised by the board but not contracted at the year end	126,237	95,173	126,237	95,173
<b>Total</b>	<b>250,678</b>	<b>253,552</b>	<b>250,678</b>	<b>253,552</b>

It is proposed that the above commitment will be funded as follows (which covers a number of years):	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Borrowing and operating activities	222,765	236,126	222,765	236,126
Grant	27,914	17,426	27,914	17,426
<b>Total</b>	<b>250,679</b>	<b>253,552</b>	<b>250,679</b>	<b>253,552</b>

Our board approved development program takes us up to March 2030 is forecast as follows:	2024	2023
	£'000	£'000
Units in the development pipeline	3,571 units	5,761 units
Projected pipeline cost	1,064,234	1,277,413
<b>Projected source of funding:</b>		
Social housing grants	170,572	195,633
Proceeds from sales	260,700	252,086
Surplus and borrowing	632,962	829,694
<b>Total</b>	<b>1,064,234</b>	<b>1,277,413</b>

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 holds a contingent liability as part of SHPS see note 31.

## Financial statements 2023-24:

# 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:

	Land and buildings		Equipment and vehicles	
Group	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Operating leases which expire</b>				
Within one year	1,466	826	627	662
Between two and five years	3,746	3,266	277	842
In over five years	2,685	2,975	-	-
	<b>7,897</b>	<b>7,067</b>	<b>904</b>	<b>1,504</b>

	Land and buildings		Equipment and vehicles	
Association	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Operating leases which expire</b>				
Within one year	1,466	826	627	662
Between two and five years	3,746	3,266	277	842
In over five years	2,685	2,975	-	-
	<b>7,897</b>	<b>7,067</b>	<b>904</b>	<b>1,504</b>

### 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 was 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.

## Financial statements 2023-24:

# Notes to the financial statements

### 31. Pensions (continued)

	31 March 2024	31 March 2023
	£'000	£'000
<b>Reconciliation of opening and closing balances of the present value of scheme liabilities</b>		
<b>Opening scheme liabilities as at start of period</b>	<b>36,408</b>	<b>52,574</b>
Current service cost	-	-
Expenses	40	40
Interest expense	1,735	1,449
Actuarial losses (gains)	(567)	(16,396)
Benefits paid and expenses	(1,616)	(1,259)
<b>Defined benefit obligation at end of period</b>	<b>36,000</b>	<b>36,408</b>

	31 March 2024	31 March 2023
	£'000	£'000
<b>Reconciliation of opening and closing balances of the fair value of plan assets</b>		
Fair value of plan assets at start of period	29,935	46,185
Interest Income	1,458	1,291
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(2,127)	(17,804)
Contributions by employer	1,611	1,522
Benefits paid and expenses	(1,616)	(1,259)
<b>Fair value of plan assets at end of period</b>	<b>29,261</b>	<b>29,935</b>
<b>Pension liability</b>	<b>(6,739)</b>	<b>(6,473)</b>

	31 March 2024	31 March 2023
	£'000	£'000
<b>Amounts recognised in surplus or deficit</b>		
Current service cost	-	-
Expenses	40	39
Net interest expense	277	158
<b>Defined benefit costs recognised in statement of comprehensive income (SOCl)</b>	<b>317</b>	<b>197</b>

	31 March 2024	31 March 2023
	£'000	£'000
<b>Defined benefit costs recognised in other comprehensive income</b>		
Experience on plan (excluding amounts included in net interest costs) - gain (loss)	(2,127)	(17,804)
Experience gain and (losses) arising on the plan liabilities	(119)	537
Effects of change in the demographic assumptions underlying the present value of the defined benefit obligations - gain (loss)	407	85
Effect of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	279	15,774
<b>Total actuarial gain and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)</b>	<b>(1,560)</b>	<b>(1,408)</b>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)		
<b>Total amount recognised in other comprehensive income</b>	<b>(1,560)</b>	<b>(1,408)</b>

## Financial statements 2023-24:

# Notes to the financial statements

### 31. Pensions (continued)

	31 March 2024 £'000	31 March 2024 %	31 March 2023 £'000	31 March 2023 %
<b>Assets</b>				
Global equity	2,916	10%	559	2%
Absolute return	1,143	4%	324	1%
Distressed opportunities	1,031	4%	906	3%
Credit relative value	959	3%	1,130	4%
Alternative risk premium	929	3%	56	0%
Emerging markets debt	379	1%	161	1%
Risk sharing	1,713	6%	2,204	7%
Insurance linked securities	151	1%	756	3%
Property	1,175	4%	1,288	4%
Infrastructure	2,956	10%	3,419	12%
Private equity	24	0%	-	0%
Private debt	1,151	4%	1,332	4%
Opportunistic illiquid credit	1,144	4%	1,281	4%
High yield	4	0%	105	0%
Opportunistic credit	0	0%	2	0%
Cash	577	2%	216	1%
Long lease property	189	1%	903	3%
Secured income	874	3%	1,374	5%
Liability driven investments	11,908	41%	13,786	46%
Currency hedging	(12)	0%	57	0%
Net current assets	50	0%	76	0%
<b>Total assets</b>	<b>29,211</b>	<b>100%</b>	<b>29,935</b>	<b>100%</b>

<b>Key Assumptions</b>	<b>31 March 2024 % per annum</b>	<b>31 March 2023 % per annum</b>
Discount rate	4.91	4.86
Inflation (RPI)	3.14	3.19
Inflation (CPI)	2.78	2.77
Salary growth	3.78	3.77
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

**The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:**

	<b>Life expectancy at 65 years</b>
Male retiring in 2024	20.5
Female retiring in 2024	23
Male retiring in 2044	21.8
Female retiring in 2044	24.4

## Financial statements 2023-24:

# Notes to the financial statements

### 31. Pensions (continued)

We were notified in 2021 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 is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2025 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

### 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 per cent share
Y H Residential Limited	Companies Act	Non RSH regulated	Non registered provider	100 per cent share
Yorkshire Housing Finance PLC	Public Limited Company	Non RSH regulated	Non registered provider	100 per cent share
Yorkshire Transformations Holdings Limited	Companies Act	Non RSH regulated	Non registered provider	33 per cent share
Forge New Homes Limited	Companies Act	Non RSH Regulated	Non Registered Provider	20 per cent share

All subsidiaries are incorporated or registered in England and Wales.

## Financial statements 2023-24:

# 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:

	2024	2023
	£'000	£'000
<b>Y H Residential Limited</b>		
<b>Received from related group entities:</b>		
Interest receivable	64	38
Management charge for central services	618	599
Rent and service charges	89	89
Gift Aid	3,896	4,775
	<b>4,667</b>	<b>5,501</b>
<b>Paid to related group entities:</b>		
Fee for managing group properties	-	-
Fee for selling group properties on the open market	451	380
Interest payable	1	-
	<b>452</b>	<b>380</b>

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.

	2024	2023
	£'000	£'000
<b>Yorkshire Housing Finance Plc</b>		
<b>Paid to related group entities:</b>		
Interest payable	9,686	9,539

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. Outstanding balances are disclosed in Note 21.

	2024	2023
	£'000	£'000
<b>Yorkshire Community Property Services Limited</b>		
<b>Paid to related group entities:</b>		
Interest payable	27	13

Yorkshire Community Property Services Limited is currently not trading.

## Financial statements 2023-24:

# 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, Guinness Homes Ltd, Together Commercial Ltd, Syha Enterprises Ltd and YH Residential Ltd. Related party transactions with Yorkshire Transformations Limited were as follows:

	2024	2023
	£'000	£'000
<b>Related party transactions with Yorkshire Transformations Limited</b>		
<b>Contractual income</b>		
Income received 2023/24	6,400	4,773
<b>Other income</b>		
Directors fees	80	71
Subordinated debt interest	63	62
Loan interest	84	50
Dividend	-	370
<b>Total income</b>	<b>6,627</b>	<b>5,326</b>
<b>Trading debtor at 31 March</b>	<b>638</b>	<b>145</b>

		2024	2023	Year end
		Transactions	Transactions	debtor/ (creditor)
		£'000	£'000	£'000
<b>Transactions with directors' related parties outside of the group</b>				
Joseph Rowntree Housing Trust	Andy Oldale is a non executive director and executive director of Yorkshire Housing	5	5	-
Confederation of British Industry	Nick Atkin is a board member of CBI Yorkshire & Humber and executive director of Yorkshire Housing	11	11	-
NCC Group Security Services	Andy Oldale's wife is an employee and he is an executive director of Yorkshire Housing	151	304	-
National Housing Federation	Nick Atkin is chair of the National Housing Federation Yorkshire & Humberside Leaders Forum and executive director of Yorkshire Housing	64	55	(56)

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.



## Financial statements 2023-24:

# Notes to the financial statements

### 36. Hedged financial instruments

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Derivative financial asset	3,261	3,889	3,261	3,889
<b>Balance at end of period</b>	<b>3,261</b>	<b>3,889</b>	<b>3,261</b>	<b>3,889</b>

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

### 37. Analysis of changes in net debt

	2023 £'000	Cashflows	Other non cash changes	2024 £'000
Cash deposits	10,354	(5,514)	-	4,840
Cash at bank	10,717	(5,700)	-	5,017
	<b>21,071</b>	<b>(11,214)</b>	<b>-</b>	<b>9,857</b>
Debt due within one year	(36,544)	26,773		(9,771)
Debt due after more than one year	(580,541)	(93,477)	(244)	(674,262)
	<b>(617,085)</b>	<b>(66,704)</b>	<b>(244)</b>	<b>(684,033)</b>
<b>Total net debt</b>	<b>(596,014)</b>	<b>(77,918)</b>	<b>(244)</b>	<b>(674,176)</b>

Section:

# Company information...



# Financial statements 2023-24:

## Company information

### Registrations

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

Regulator of Social Housing registered provider number: L4521

### Secretary

Syka Sheikh

### Registered office

3 Bunhill Row, London, England, EC1Y 8YZ

### Independent auditors

Beever and Struthers

One Express, 1 George Leigh Street, Manchester M4 5DL

### Board

Ingrid Fife – *Chair*

Isabel Hunt

Leann Hearne

Matt Blake

Jacqueline Esimaje-Heath

Lisa Bradley

Ellie Stead

Russell Galley

Ian Costigan

Nicola Passmore (*appointed 1st December 2023*)

### Executive Directors

Nick Atkin – *Chief Executive*

Andrew Gamble – *Executive Director Growth and Assets (resigned 19th June 2024)*

Andrew Oldale – *Executive Director Finance and Governance*

Sarah Evans – *Executive Director Customer Experience (appointed 5th February 2024)*

Nina Evison – *Executive Director Culture and Performance (appointed 1st September 2023)*

What we're all about:

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





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