Platform Housing Group

Financial Statements for the Year Ended 31 March 2021

Board Members

Board of Management	Appointed	
John Weguelin	1 January 2020	Chair
Dennis Sleath	Retired 28 July 2020	Chair
Sebastian Bull	27 May 2020	Chair Group Audit and Risk Committee
Philip Dearing	Retired 28 July 2020	Chair Group Audit and Risk Committee
David Clark	1 October 2018	Chair, Platform Property Care
Paula Smith	27 May 2020	Board Member
Elizabeth Froude	17 September 2019	Board Member
Helen Southwell	1 October 2018	Board Member
Heena Prajapat	21 July 2020	Board Member
Tony King	1 August 2020	Board Member
John Anderson	10 August 2020	Board Member
Luciano Zonato	1 September 2020	Board Member
Steve Dyson	Retired 31 March 2021	Board Member
Jennifer Wood	Retired 31 March 2021	Board Member
Jeff Sharnock	Retired 28 July 2020	Board Member

Auditors and Bankers

Registered Office

1700 Solihull Parkway
Birmingham Business Park
Solihull
B37 7YD

External Auditors

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Principal Bankers

Barclays Bank PLC
PO Box 3333
1 Snow Hill
Snow Hill Queensway
Birmingham
B3 2WN

Registered under the Co-operative and Community Benefit Societies Act 2014
Charitable Registered Society Registration Number: 32239R
Regulator of Social Housing Registration Number: 4789

Board Members (continued)

Executive Directors

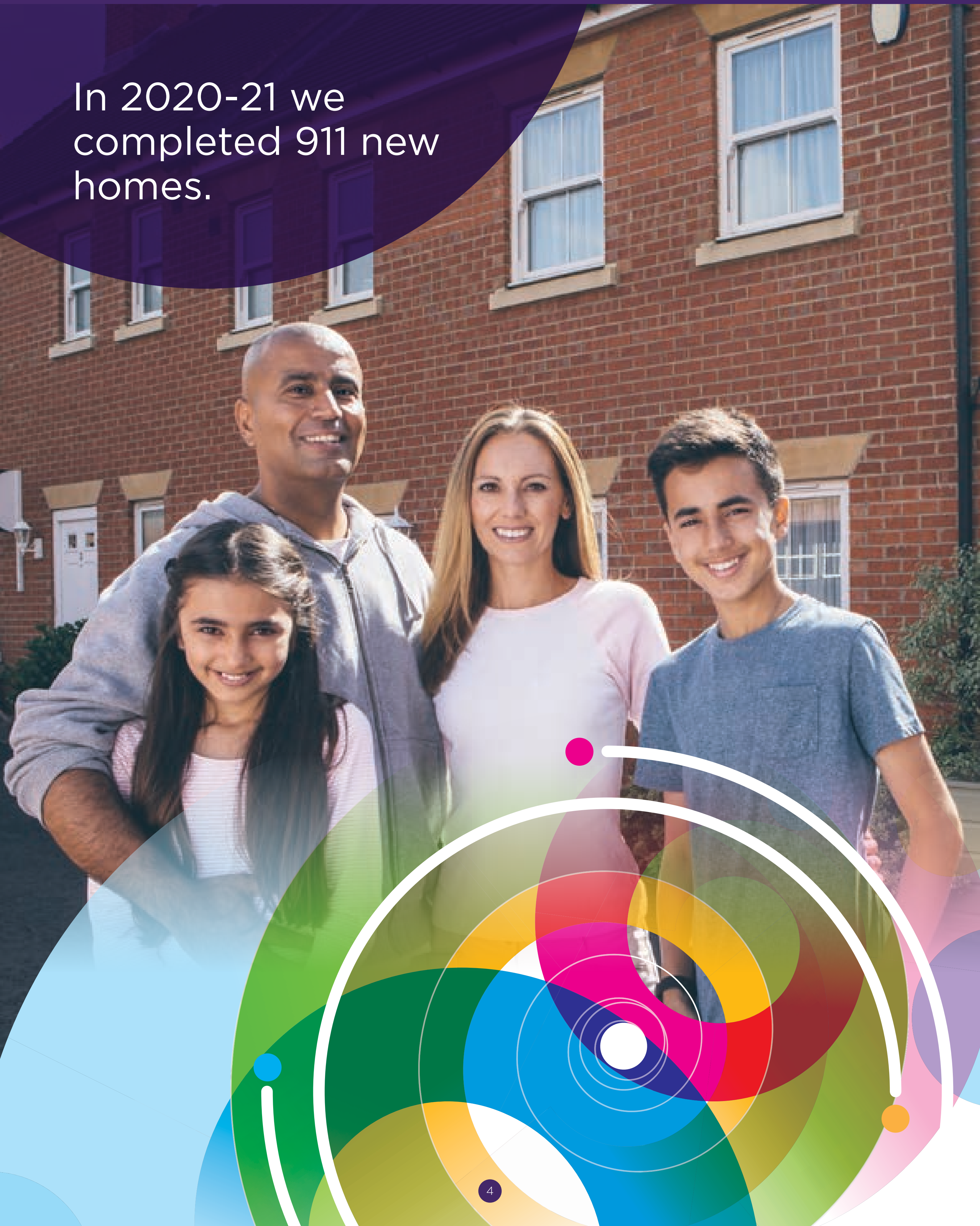
Executive Directors

Elizabeth Froude	8 July 2019	Group Chief Executive
Rosemary Farrar	17 March 2020	Chief Financial Officer
Jon Cocker	1 October 2018	Chief Information Officer
Marion Duffy	1 October 2018	Chief Operating Officer
Clare Durnin	1 October 2018	Executive Director (Corporate Resources)
Dennis Evans	1 October 2018	Executive Director (Property Management)
Gerraint Oakley	15 June 2020	Executive Director (Growth and Development)
Catherine Dass	Left 6 April 2020	Business Improvement Director
Clare Jackson	Left 7 August 2020	Regional Operations Director (West)

Company Secretary

Andrew Bush	11 December 2018

In 2020-21 we completed 911 new homes.



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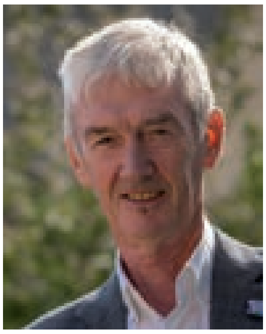
Chair's Report



This is my first report since I became Chair of Platform in July 2020. It has been a challenging year for many – our customers, our staff and our communities. I have been immensely proud of the hard work, dedication, commitment and passion of our staff at Platform who have continued working tirelessly through an exceptionally challenging period. For most of the year business has continued to operate 'as usual' with office based staff working at home and our maintenance, estate and communities staff continuing to support customers and communities within the restrictive guidelines.

Early on we put in place an emergency Hardship Fund and were able to support our customers and communities who were worst affected by the economic fallout from the pandemic and to make a number of donations to community run initiatives such as food banks, providing laptops and delivering much-needed Christmas essentials.

The Board has now increased the resources available for supporting our customers and communities by putting aside a further £1.4m into the Wellbeing Fund with the intent that the Fund will become a long term commitment.

Despite the challenging market conditions our financial results for the year are strong and we continue to perform with some of the best financial metrics in the sector. Total Group Surplus reduced to £56.1m, down from £57.9m in 2020. However, our core operating surplus, excluding all sales activity, increased to £96.6m compared with the 2020 result of £90.6m. Surplus on sales of private homes and shared ownership first tranches held steady at £6.1m, despite the lockdown in the first quarter of the year.

Our overall Operating Margin saw only a marginal decline from 41.7% to 40.8%. No impairment has been necessary of our housing stock but we have incurred a write down of our offices portfolio of £5.9m and there was a slight gain on investment properties, which increased to £16.5m from £15.8m.

Our liquidity position has been deliberately robust throughout the year as the Board prepared for uncertain financial market conditions. We held over £188m in cash and cash equivalents at the end of March 2021, with £530m in undrawn bank facilities and the £50m retained bond. This reflects the difficult and uncertain conditions we are operating in, but also allows us to move quickly and increase our housing investment when the operating environment improves.

During the year we launched our debut bond in the capital markets raising £350m (£50m retained) for a 35 year issue which achieved a record breaking interest rate. Later in the year we completed the set-up of our EMTN programme so that we can raise funds efficiently to support the building of new homes in the next four years.

Chair's Report (continued)

Our financial strength means that we will be able to continue to tackle the housing crisis by building new homes and to deliver social and affordable housing in the most value-added way. We delivered 905 new homes in 2020/21, slightly behind our target due to the restrictions of Covid-19 but as partners of Homes England we have an ambitious development target for the next five years and continue to offer a programme with a higher proportion of social homes than the rest of the sector.

During the last quarter of the year we underwent an In Depth Assessment carried out by the Regulator for Social Housing which confirmed our regulatory status as G1, V1.

The Board is committed to continuing to reduce our carbon footprint and have pledged substantial resources to upgrade our existing housing stock in our Long Term Business Plan. We are proud to be an early adopter of the Sustainability Reporting Standard – set out on pages 37 to 39 – and ESG is a central strand of our new Corporate Strategy which we recently launched.

Thanks to great teamwork, we have progressed well with our post-merger integration process which allowed us to launch our new housing operating model during the year. We are committed to offering a high quality customer service and are focused on improving our customer experience over the next period. During the year we launched our One Transformation process which will be supported by our digital investment programme.

I would like to take this opportunity to thank a number of board members who retired during the year having led Platform into a successful merger. Our former Chair, Dennis Sleath and former Chair of Audit Committee, Philip Dearing retired at the AGM in July 2020 along Jeff Sharnock. Steve Dyson and Jennifer Wood our former Chair of the Asset and Development Committee retired at the end of March 2021. I would like to thank them for their many years of commitment and calm, assured approach. For our governance report please see page 44.

As a result we have a largely new Board that has quickly had to get to grips with the challenges we have faced in the last year and I would like to thank them for their support and the way they have adapted.

I would like to thank Elizabeth and her Team for their leadership during this period. They have worked tirelessly to ensure that Platform continues to deliver its social responsibilities bringing dedication and passion to what makes Platform a "Truly Modern Housing Association"

And finally our staff. They have been truly outstanding during this period continuing to deliver exceptional service to our customers and communities while supporting each other. Thank you.

John Weguelin
Chair

Report of the Chief Executive

In March 2020 none of us anticipated the impact of Covid-19 continuing until we were publishing our 2021 statutory accounts. During this period we at Platform have continued to maintain our focus on protecting our core business and services and pushing forward towards building the Truly Modern Housing Association. We have built our new 2021-26 Corporate Strategy around this.

We have kept a strong focus on maintaining the strong and stable finances of the organisation, a tight control on costs and the delivery of as many new homes as possible. We retained our strong financial metrics delivering an Operating Margin of 40.8% (42.9%, Social Housing Lettings Margin) and a net surplus of £56.1m, only £1.8m down on the previous year. The underlying performance is even better as we have this year impaired office buildings by £5.9m and moved forward with our strategy of reducing the amount of office accommodation we own.

Inevitably like so many we saw the loss of a short period of development activity and have completed 909 affordable homes, which has meant about one third of our programme is delayed until next financial year for delivery. That said we still featured in the Inside Housing Top 10 for delivery of social rent, new homes started and pipeline in construction which reflects our business as usual approach. As in previous years we have maintained our commitment to developing affordable housing for the communities we work in and again this year our only sales exposure was Shared Ownership homes, which we still see strong demand for with prices holding.

We worked hard throughout the year to maintain good and compliant homes and to stay close to and engaged with our residents. During the year we provided a Hardship Fund which enabled us to step in and provide much needed financial support to those most badly affected by the impact of lockdown, as well as supporting charities and foodbanks across our region. This ongoing engagement enabled us to generate £5.2m of additional income for our residents as they coped with the unexpected changes and also to close the year with our arrears at 2.7%. Hopefully this support will enable customers to come through this event in a more stable position to cope with whatever comes next.

Although customer satisfaction has been a volatile and disappointing area for us we have maintained complete transparency of our profile and worked proactively to deal with complaints, to learn lessons and to work with our Customer Experience Panel to ensure we deliver improvements aligned to the needs and wants of our customers. This is work has a strong focus in the new financial year and the launch of a new customer feedback tool will enable us to truly get to the heart of issues and to resolve them more quickly.

Despite the ever changing lockdown environment we managed to continue to deliver a high level of compliance work and property maintenance through having our own internal maintenance business. We have been able to carry out two thirds of our planned works programme and we have used this period to start the development of our longer term green plan as the next step following on from our first publication of an ESG report this year.

As part of this work we have carbon baselined our whole business and will be setting some tangible deliverables for the remainder of our strategy period and working to roadmap our journey to carbon neutrality. We have also moved forward with many of our existing energy improvement plans including the new heating system at De Montford House in Leicester, which will by the end of this year run on a Hydrogen Gas mix and reduce the heating costs for 270 of our residents as well as the carbon footprint of the building.

All in all despite many unforeseen changes of direction we have maintained a clear and forward direction of travel and I hope the fuller report gives insight in to a stable but progressive business, which is still protecting its historic financial strength in order to allow it to provide more in the future.

Elizabeth Froude
Group Chief Executive

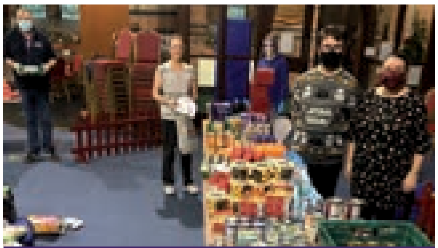
Strategic Report

The Group Board presents its report and the audited financial statements of Platform Housing Group Limited ('the Association') and its subsidiary undertakings, together forming the Platform Housing Group ('the Group'), for the year ended 31 March 2021.

Our Year at-a-glance

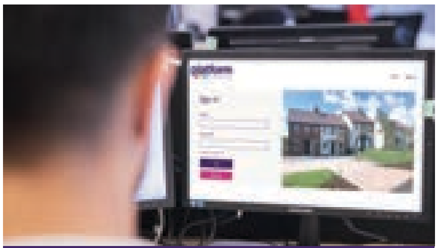
And what a year it has been. Since the pandemic first hit in March 2020, Covid-19 has taken an unprecedented toll on individuals, communities and societies across our localities. In a time of unexpected challenge we stepped up to support those people and places most in need, to maximise benefit and services we provide and to provide the support that customers wanted and needed from us.

We have worked hard to help mitigate the risks and impacts of lockdown - declining mental health, social isolation and financial pressures – and as a result, have seen some amazing achievements.



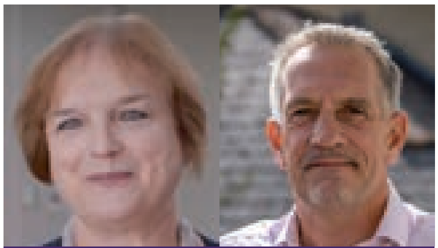
April 2020
Helping to Feed our Customers

Foodbanks were an essential part of the nationwide response to the pandemic. Recognising this very early on, we donated £16,000 to foodbanks and other frontline community organisations across our localities.



May 2020
Increasing Customer Choice

Our self-service portal for customers – Your Platform went live! Accessible from any laptop, tablet or mobile device, 24 hours a day, 7 days a week, it makes it easier for customers to access a range of services including booking repairs, making payments and updating their details.

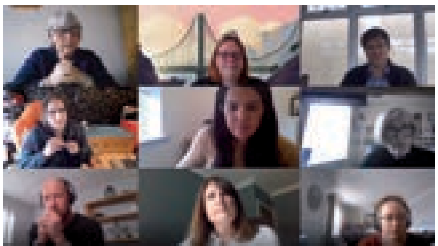


June 2020
Building Expertise

We were delighted to give a very warm welcome to the Platform fold to new Chief Finance Officer Rosemary Farrar and new Executive Director of Growth and Development Gerraint Oakley.

July 2020
Funding for New Homes

We successfully placed our debut debt capital markets transaction, a £300 million bond issue with a 2055 maturity and a fixed coupon of 1.625%. The funding will expand the availability of new affordable homes across the Midlands.



August 2020
Connecting with Customers

The opportunity to engage with customers virtually exploded onto our screens in the wake of lockdown. Virtual engagement has delivered more customer choice and allowed us to gather a more diverse range of service-shaping experiences, views and opinions.

September 2020
Board Boost

Work to strengthen our governance concluded with the announcement of four new Non Executive Directors. These latest appointments further strengthened our governance by adding to the Board's existing diverse and robust commercial experience.

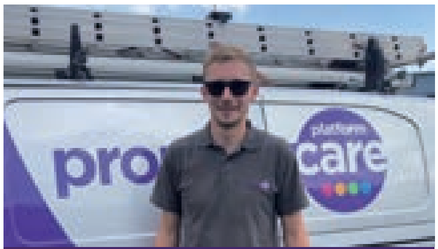
Our Year at-a-glance (continued)

October 2020
Customer and Community Heroes

Our locality wide scheme launched giving Platform customers the opportunity to nominate individuals and groups who have had a positive impact on their local community.

November 2020
Communities Week

Our annual Communities Week took a different turn this year. Not to be deterred by lockdown we reached out to customers, colleagues and communities virtually with a wellbeing focussed programme that offered everyone the chance to get out and get involved.



December 2020
And the award goes to...

Platform Property Care (PPC) were awarded the UK Housing Awards 2020 accolade of Direct Labour Organisation of the year. It was a well earned reward for PPC's ambitious growth and customer service improvement programmes.

January 2021
Helping Customers into Work

We partnered with Stay Nimble, a digital career coaching platform, to help get customers into work. The programme saw customers enjoying up to six months of free access to the platform which is designed to help build confidence and inspire belief in a brighter future.

February 2021
Improving Customer Services

Celebrations all round as Platform Property Care picked up ISO 9001, ISO 14001 and ISO 45001 accreditations. The standards offer reassurance to customers and other stakeholders that our work is undertaken safely with attention to detail.

March 2021
Green Homes Grant Success

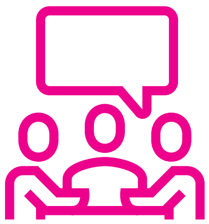
Green Homes funding to the tune of almost half a million pounds helped boost our home investment programme to over £1.1 million. The cash scheme aims to improve the energy efficiency of low income and low EPC rated homes and help tackle fuel poverty.

Our Vision, Mission and Values

During the year we reviewed our strategic plan and launched our Corporate Strategy for 2021-2026. Our ambition, to be a truly modern housing association, remains our key focus. Our objective for the coming strategy period is to build on our strengths to become an organisation that will be fit for the future needs of our customers and communities and continues to support those already part of our existing wider community.

Our key themes are:

Our Customers



Our customers will be at the heart of everything we do.

- Our people will fully understand who our customers are and why we deliver the services that we do.
- Each team and every person across Platform Housing and our partners will understand what it means to deliver impressive **'People Matter'** customer experiences.
- We will strive for excellence in customer related activities.
- Effective data will enable us to be continually responsive and understanding of the impact of our delivery.

Culture of People and Continuous Improvement

Our people are crucial to our success.

- Platform culture will be developed through demonstrated values and behaviours with empowered individuals and teams built through clear accountability.
- Enable continuous learning and improvement of delivery across all functions and collaboration areas.
- To make housing a career choice with Platform being an employer of choice for apprenticeships at all levels and all employees that want to work in our sectors.
- Platform is a flexible employer in terms of how, where and when people work.
- We will understand the demographics of our communitites and where social mobility could be promoted.
- The environment will make people feel physically and psychologically safe.
- Third party organisations representing Platform will deliver in line with our values and behaviours.

Sustainability, Environmental and Social Value Creation

Sustainability, social and environmental value creation will improve lives in our communities.

- Reduce cost to our customers through design and build and strong relationships with partners and supply chains that maximise our impact.
- Reduce our carbon footprint in all services and products seeking access to government funding where available.
- Innovation in use of modern methods of construction (MMC) sustainability and design.
- Development of prioritised, targeted and measured social and environmental value creation activities that demonstrably improve our communities.
- Lifelong customers and development of community ownership and social networks.
- Creation of skills and employment opportunities that directly serve the needs of the community.
- Use of data and intelligence to be increasingly predictive rather than reactive in our approach.

Our Vision, Mission and Values (continued)

Economic Value Creation

Further develop our commercial approach to improve the lives of people in our communities.

- Increase our ability to leverage capacity for growth.
- Increased efficiency and growth through commercial partnerships/joint ventures and acquisition.
- Data led economic value related decisions that safeguard economic value and maximise return on investment.
- Well controlled financial processes that strongly maintain financial metrics.

Digital and Intelligence

Ensure compliance and develop accessible, high quality systems with greater understanding of our impact through data.

- Digitally enabled workforce and stakeholders with increased effectiveness and productivity.
- Digitally enabled customers with choice on multi-channel options for accessibility.
- Information-led decision making and activities with a data analytics strategy that supports operational and customer-related problem solving.
- Smart asset management and maintenance.
- Project governance and delivery framework.

Leader, Partner and Influencer

Be advocates for our organisation, the sector and Midlands landlords and resident groups in the national political agenda.

- Ensure consistent high standards through supply chain and delivery partnerships (a Platform standard).
- Develop new approaches to partnerships dependent on impact sought and maximise impact on partnerships.
- Have a voice on influential committees/policy makers and increase engagement with Think Tanks.
- Strengthen relationships with Local Authorities and governmental bodies.
- Provide support to community based SMEs and supply chain.
- Consistent approach across the organisation with effective use of employee input at every level.
- Measurable innovation.

Our Values are part of our DNA

They inspire and guide us through everything we do.

They reflect the important shared attitudes, beliefs and behaviours that we want to see, feel and hear in Platform.

Our people values are

People Matter

The way we treat each other

We put colleagues and customers at the heart of everything we do. Valuing difference, we are free to challenge each other and are open and honest in our relationships.

Own It

The way we want to work

We say what we'll do and then we do it. We listen, understand and are empowered to make decisions. We look for our own ways to learn and adapt and focus on what we can do.

One Team

The way we deliver our services

We are connected, collaborative and in it together. We want everyone to reach their potential and be the best they can be. We actively support each other to make this happen.

Be Brave

The way we look towards our future

We are curious and courageous. We look for better ways to do things, are comfortable trying them and learn quickly. We are not afraid to stand out from the rest and celebrate our successes.

Our People Values are underpinned by a set of behaviours which outline the actions and ways of working that all our colleagues must all work to demonstrate.

Our Performance Highlights

£56.1m
Net surplus after tax

40.8%
Operating margin

£2.6bn
Value of properties

41.9%
Gearing ratio

£772m
Available liquidity

911
Homes completed

1,373
Colleagues FTE

G1/V1
Regulatory Rating

A+(stable)
Standard & Poors Rating

A+(stable)
Fitch Rating

£208.5m
Investment in new and existing homes

£269.9m
Group Turnover

About Platform Housing Group

The Platform Housing Group (The Association), is a Community Benefit Society, a charitable registered provider of social housing and is the parent undertaking of the Group which consists of the parent and four subsidiaries:

- Platform Housing Ltd is an asset-holding charitable registered provider and is a Community Benefit Society;
- Platform Property Care Limited (PPC) is a company limited by shares and provides a full range of maintenance services to the Group as well as operating in a Cost Sharing Group (CSG) with local partner Rooftop Housing;
- Platform New Homes Ltd (PNH) (formerly ESHA (Developments) Ltd) is a company limited by shares and provides construction and development services to the Group;
- Platform HG Financing Limited is a public limited company limited by shares and is a funding vehicle for the group; and
- Waterloo Homes Limited is a dormant company.

We have experienced an exceptional year, which has amplified the socio-economic gaps that exists for our customers and across our wider society. Our social purpose continues to be important to us and we keep this at the heart of our new Corporate Strategy. Early on in the pandemic, we recognised that our communities would need additional assistance so colleagues were re-deployed to provide support to our customers.

Various assistance packages were deployed from providing shopping services to our customers in our retirement and older adult homes to the payment of one off grants to assist with immediate expenses. As the pandemic has continued, Platform launched a £1.4m Wellbeing Fund in March 2021, which can source and supply items such as white goods, retail vouchers or provide one off grants to support our customers and leaseholders through the challenges they face.

Putting Customers First
Wellbeing Fund

This year saw the official launch of our £1.4million Wellbeing Fund.

Originally introduced as a Hardship Fund in response to Covid-19, the newly boosted cash pot offers practical help to those most in need.

It can help cover the cost of food, essential items such as school uniforms, energy and utility costs as well as helping to bridge the gap between a benefit application and the first payment.

Chief Executive Elizabeth Froude said:

"The fund is flexible and is designed to recognise that customers have many needs that go beyond the homes we provide, focussing on financial and emotional support that makes a tangible difference, impacting positively on local lives."

In 2020 the then Hardship Fund provided more than £173,000 of immediate and practical help in the form of payments to cover fuel and water costs, benefits delays and other essentials. It also supported local foodbanks and Christmas toy and gift appeals with donations of more than £57,000.

The fund also offers support packages for employment and training, household furniture, digital inclusion and health and wellbeing.

Wellbeing Fund
emerge better

About Platform Housing Group (continued)

Platform is a strategic partner to Homes England and has a capital grant allocation under the Affordable Homes Programme (AHP). Despite some challenges in the construction sector from the pandemic and Brexit, we continue to supplement the limited grant received with surpluses generated by our activities in order to provide as many new homes, in the right mix, as we can to continue to address the housing crisis.

The Group is registered with, and regulated by, the Regulator of Social Housing (RSH) and works within the regulatory framework for social housing. Platform recently collaborated with an In Depth Assessment (IDA) from the regulator and the latest Regulatory Judgement, received in 2021, again confirmed that the organisation is properly governed and managed (G1), and continues to be financially viable (V1).

The Group provides a varied range of housing including general needs, housing for older people and retirement living schemes, as well as supported housing schemes for young people, disabled people and homeless families. Complementing this core activity, a limited number of intermediate, student and market rent properties are also provided.

The recently refurbished Foyer in Malvern - a supported houisng scheme for young people.

Performance against Objectives

Group Key Performance Indicators

The key performance indicators are set at Group level and are used to assist the Board in monitoring progress against delivery of the Corporate Strategy. The results as at the end of March 2021 are shown below. The table shows performance against target, and also against appropriate benchmarking data widely available in the sector.

Where the benchmark shows Platform in Q3 or Q4 we have set a target to improve backed by a detailed plan of action.

Measure	Benchmark	Sample*	Source	Target	Actual
Performance against Affordable Homes Programme				100.0%	130.6%
Sales against monthly target				100.0%	148.4%
Number of new homes completions	Ranked 2nd	27	Global Accounts	1,148	911
Operating margin	Ranked 2nd	27	Global Accounts	38.7%	40.8%
Current tenant arrears	Q4	149	Housemark	3.9%	2.70%
Former tenant arrears	Q2	147	Housemark	1.5%	1.42%
% Shared Ownership arrears				1.0%	1.59%
Average re-let time	Q4	147	Housemark	25.0	57.4
Number of available voids at year end	Q3	145	Housemark	220	216
Overall satisfaction with the service provided (STAR)	Q4	14	Housemark	75.0%	55.4%
Complaints responded to within targets	Q1	104	Housemark	95%	88.8%
% of properties with a valid gas safety certificate	Q4	146	Housemark	100.0%	99.7%
Employee satisfaction	Q4	33	Housemark	85.0%	72.0%
Employee turnover rate (Voluntary only)	Q3	90	Housemark	12.0%	8.5%
Average number of days lost to sickness	Q3	130	Housemark	7.0	6.3

* Sample size is the number of organisations either included, or who supplied data for the KPI.

Financial

Platform reported an underlying surplus for the year 2020/21 of £56.1m. All of this will be re-invested into the provision of new homes and in improving our services. Our operating margin of 40.8% has declined slightly from the previous year (41.7%) but remains amongst the highest in the sector. Operating margin without disposals is also high for the sector at 37.2%, which maintains our strong position to face the continuing economic uncertainty.

All our surplus will be reinvested in homes and services.

Arrears

It has been reported nationally that across the social housing sector arrears have increased significantly during the pandemic, with an estimate of an additional 1 million tenants falling into arrears (Housemark). Whilst some social landlords adopted different approaches to arrears cases, with some choosing to cease all arrears actions (NSP & Courts) for a period of time, we monitored cases more closely and increased support led contact with customers and Local Authority partners to mitigate the potential financial impacts. We continued our existing arrears escalation process in the main part, with additional support interventions and enhanced contact frequency with customers a key focus.

We continued to serve legal Notices in line with enhanced criteria throughout Covid-19, but with the caveat that no action would be taken until clear communication had been established with customers. Court action (where legally permitted to do so) was taken as an exception and only instigated where absolutely necessary in circumstances where every other alternative had been explored and failed to achieve reasonable debt recovery or successful customer contact.

We attended court user groups more frequently and liaised with our legal representatives to ensure all legal changes were communicated and fed back to staff and continued to make alterations to our arrears process to comply with the changing legislation.

Our year end current tenant arrears figure for 2019/20 was 2.87%. For the 2020/21 financial year, despite the huge impact of the pandemic and restricted court action, we achieved a reduction in arrears value, producing a current tenant arrears figure of **2.70%**.

The suspension on eviction action will continue until restrictions are lifted, however there are some exceptions to this, specifically for the income team where we are able to apply for a warrant if the customer has accumulated arrears over the value of 6 months rent. We are continuing to submit cases to obtain court orders for those customers that are not engaging, despite our best efforts to support them and make affordable agreements. We will continue to review processes to improve our arrears position.

Putting Customers First
Stepping Up

It's been a tough year for everyone, more so for our customers. In response our Welfare and Tenancy Sustainment team have stepped up, reached out and supported **5,123** customers through tough times as referrals escalated sharply and welfare provisions were slow to materialise.

As well as implementing training relating to new welfare provisions and initiatives, the team also introduced an online Self Assessment income and entitlement calculator to help customers with benefit eligibility checks and other schemes to help them maximise household income.

Working with customers, the team were able to deliver both longer term financial stability as well immediate support needs:

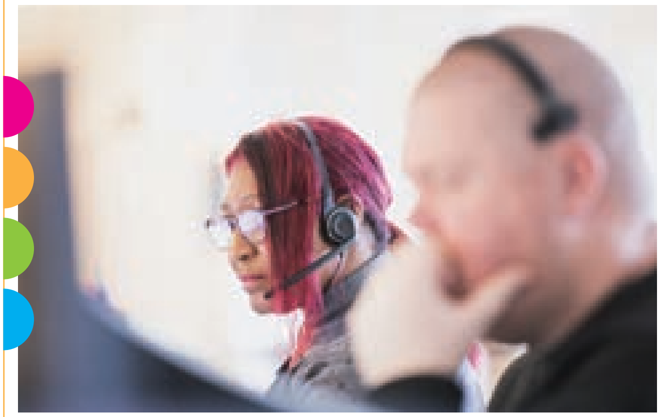
£2,217,098.28
Assistance with Universal Credit applications

£1,007,736.20
Assistance with Housing Benefit applications

£384,787.54
Discretionary/Backdated payment assistance

£2,217,098.28
Assistance with Universal Credit applications

£2,217,098.28
Assistance with Universal Credit applications



Universal Credit (UC) Performance Overview

Platform has 12,530 UC Claimants as of 31st March 2021, which equates to a 43% increase in the number of new claimants over the last 12 months. Arrears levels for UC claimants at 31/3/21 are 3.64%

A review of the new UC customer process early in 2020/21 identified efficiencies to be made at first point of contact, as a result we have seen a 7% increase in the number of requests made to the Department of Work & Pensions for housing costs to be paid direct to landlord (otherwise known as an APA). We are aiming to maximise the opportunity to secure income when claimants meet the criteria for direct payments and additional staff training on new processes has improved our ability to secure more UC income direct to landlord.

We also have existing measures in place to assist customers via the Welfare Reform & Tenancy Sustainment Team;

- Triage each contact to identify what support is required in order to direct them to the correct in-house services as quickly as possible;
- Work with individuals to maximise customer income;
- Provide support in making and completing benefit claims and hardship applications; inclusive of Wellbeing Fund launch;
- Identify vulnerable customers to provide appropriate support and refer to agencies where necessary;
- Compile income and expenditure assessments;
- Provide money management, advice and guidance; and
- Sign post to employment support opportunities.

In addition to the listed support options available to customers above, we entered into a new partnership with social enterprise Stay Nimble. This is a pre paid subscription for employment support and training advice, with a 90 minute coaching session included for customers referred. We recognise that some industries have been more adversely impacted over the last 12 months and customers may need to retrain or change sectors to increase their employment prospects and earning potential.

Raising the profile of the Welfare team via website and social media channels has been a priority to ensure customers know that extra help is available. Customers can now self refer into the Welfare Support team should they need follow up advice and support.

Void Properties

At the end of March 2021 the number of our properties that were void was 216, which is slightly better than the Group target of 220. However, relet times for all tenures remained substantially above the 25 day target at 57.4 days. We recognise that this is the result of the impact of the Covid-19 pandemic with void turnaround times taking much longer due to working restrictions combined with a high turnover of customers wanting to move home following the lockdown period. The improvement of our voids turnaround continues to be a focus of attention during 2021/22. Notwithstanding the void period and restrictions over the year, a total of 517 new homes were let at an average of 0.59 days against a target of 3 days.

Complaints and Compliments

In December 2020, we amended our complaints procedure to ensure that we were compliant with the Housing Ombudsman Complaint Handling code. The main changes that we made were to reduce the timescales for responding to formal complaints from 15 working days to 10 working days and to increase the time to respond to Final Review complaints from 15 working days to 20 working days. This continues to be an area of focus for improvements.

A copy of our self-assessment against the Complaints Handling Code is published on our website.

During the year we investigated 530 formal complaints and 105 of these went to the Final Review stage of our procedure. We also received 406 compliments from customers about Platform Services.

Of all the complaints investigated 88.9% of formal complaints were investigated within the Housing Ombudsman Complaints Handling Code timescale of 10 working days.

Performance against Objectives (continued)

Customers

Overall customer satisfaction ended the year at 55.4% which is well below where we would like it to be. We have a put number of processes in place to improve our customers' experience during 2021/2022 and this issue is a key focus for the Board, Executive Team and for all colleagues across the Group. Our target for customer satisfaction for 2021/2022 is set at 75%.

There have been a number of changes agreed as a result of customer feedback during the year including:

- The restructure of the Customer Experience Team agreed with a clear focus of early resolution and a 'Business Partnering' approach to embed learning properly from customer feedback;
- The completion of a Service Charges review for Ground Maintenance service for customers living in Extra Care;
- The agreement of a new Group process for Mutual Exchange;
- A new Customer Alteration process;
- Agreement of a Group approach for Home Contents Insurance; and
- A review of roofing repairs process.

During the year the CRM element of our new Dynamics 365 system Platform One went live in our Platform Hub (contact centre). The Platform One project is continuing to roll out across the business allowing us to access all customer data in one place.

Our new Customer Portal was launched to customers offering them the opportunity to self serve at a time that suits them. During 2021/2022 we will continue on our journey to becoming a truly modern housing association and to focus on what matters to our customers.

Despite offering only emergency contact from the end of March 2020 to 15 May 2020, due to the lockdown, our staff had the instant ability to work from home and the Platform Hub answered 218,463 customer calls and responded to 118,505 digital contacts throughout the year. This represents an increase of almost 40,000 digital contacts but a decrease of nearly 37,000 phone contacts.

Putting Customers First
Specialist Support

Within our Retirement Villages and Retirement Living properties, many of our older customers live alone and welcome interaction and support from the colleagues they have regular contact with.

Throughout the pandemic our Specialist Housing Teams adapted, revised and rethought services to ensure the very best for customers.

They:

- Made 296,778 welfare calls/visits to customers;
- Home delivered 18,628 meals;
- Remotely supported and made 3,601 wellbeing contacts;
- Kept our much-valued 200+ volunteers up to date and to check in on them too;
- Made Christmas Day calls to make sure no one was alone, sent cards and gave the promise of post-lockdown celebrations; and
- Delivered a programme of activities to help manage isolation, including virtual events, remote quizzes, outside entertainers and regular newsletters.

They also shopped and collected prescriptions for those self-isolating and marked momentous occasions like the 75th anniversary of VE day and also Remembrance Day.

Customer Experience Panel (CEP)

During this year we have seen the development of the Customer Experience Panel (CEP). This group of customers sit at the heart of our engagement structure and play a pivotal role in the governance of Platform, representing the customer voice at a strategic level. The CEP meet every 6 weeks with members of our Board and senior leaders to review performance and the services we provide to all customers and to challenge and discuss areas of improvement. The Chair of the CEP has led the panel to oversee our approach to customer and community engagement and represents the panel periodically at Board meetings.

Members of the CEP represent a number of localities within our operating areas and the move to virtual engagement, due to Covid-19 restrictions, has accelerated their ability to get involved and influence a broader range of services. The CEP have reviewed fourteen policies and strategies collectively. Individual members of the CEP have undertaken special projects and work streams and have worked with a range of project groups to influence a range of topics including our newly developed Wellbeing Fund, a review of the Social Housing White Paper, our Domestic Abuse Strategy and our Safeguarding Strategy.

We are committed to supporting the development and influence of the CEP and will work closely with its members to progress their twelve month road-map which sets out their plan to develop their role in representing the customer voice at a strategic level.

Customer engagement

Despite the challenges posed by the pandemic we have continued to engage with customers and communities to gather valuable insight and feedback to shape the services we deliver and the communities we serve. The challenges posed by lockdown have restricted our ability to engage with customers through traditional face-to-face approaches however we are pleased with the range and volume of engagement that we have been able to undertake virtually enabling us to engage with customers on 380 occasions through a range of meetings, events and projects.

Through virtual and digital engagement we have conducted a range of activities from governance related engagement including scrutiny investigations and policy reviews by the Customer Experience Panel, to local community consultations for regeneration and development projects.

The following provides a snap-shot of the range of activity we have offered over the year:

- An in-depth scrutiny investigation conducted through online engagement;
- Six customer consultations - through three virtual focus groups and three surveys;
- Fourteen policies and strategies reviewed by the Customer Experience Panel through use of Teams and email;
- Twenty four individual Mystery Shops were carried out through two investigations by email and online questionnaires;
- One hundred and sixteen responses from the Customer Sounding Board in four separate reviews;
- Software Testers conducted twenty eight activities across three digital exercises.

We have continued to develop our menu of involvement we offer to customers of a flexible range of roles and activities so that they can get involved in shaping the services we offer. We have harmonised our Scrutiny Panel into one group, with representation from across our operating areas, including a mixture of new and experienced panel members. Our Mystery Shopper, Software Tester and Customer Sounding Board roles have been harmonised and launched providing engagement opportunities to customers with lower time commitments.

We have also launched our Community Champion role that provides a locally-focussed role for customers to take the lead as ambassadors in their community, working closely with us to assess the services we deliver locally and to identify potential improvements or initiatives. Despite the challenges of the last year we are pleased to report that we have continued to successfully recruit customers and have welcomed customers into 112 roles across our menu of involvement.

We will build on the success that we have achieved through virtual engagement and plan to increase our level of face-to-face engagement, when the lifting of restrictions allow, to widen the range and volume of engagement opportunities for our customers and communities.

Satisfaction with completed repairs remained consistently high throughout the year, despite the Covid-19 pandemic and the first lock down and satisfaction with completed repairs ended the year at 86.4%. However we continue to focus on the quality of this service despite the compliments we received from customers.

Performance against Objectives (continued)

Maintaining our Homes

The Group operates a '3-star' service contract for all gas and fuel burning appliances. The number of properties with a valid landlord's gas safety certificate failed to reach the target of 100% at year-end predominantly caused by properties for which access could not be gained to service gas components. In these cases legal action is under way to access these properties. During the year the Covid-19 restrictions impacted our ability to operate in this area. Despite this the team has worked hard to ensure our engineers take all available precautions to protect themselves and our customers. Risk assessments have been carried out to ensure customers' safety during any period of self-isolation or shielding.

The Group has further developed the use of our in house property care services in line with our overall strategic objectives. The expansion plan for responsive repairs, void works and gas servicing and repairs to the Central and East areas of operations has been completed in full during the year. Our property care team were awarded DLO of the year (Direct Labour Organisation) during 2020 at the UK Housing Awards.

The Group's Asset Management Strategy is to achieve a SAP rating of at least 69 points (energy performance rating of C) for all our residential stock and to aspire to a standard above Decent Homes. Some non-essential planned works have been postponed during this year due to Covid-19 but we are expecting to be in line with our business plan during 2021-22 for these works. We will be investing in our existing stock to improve all our homes by two ratings above the current level.

Culture and Employees

We saw a decline in employee satisfaction from March 2020 to March 2021 from 82.2% to 72%. The challenges presented by the onset of the Covid-19 pandemic have transformed the modern world of work. Our employees have been faced with change on an unprecedented scale and have adapted to new ways of working and new ways of communicating and collaborating. Employee wellbeing has become increasingly prominent putting a greater focus on both employees' mental health and the need for more flexible working strategies. Engagement data collected in January 2021 found that 92% of the most engaged employees reported positively to being able to be flexible between their home and work life.

Our transformational approach to employee engagement is laid on a bedrock of listening to staff and workshops, focus groups, surveys, conversations and meetings have been held with our employee group, People Platform, and with a wide range of additional colleagues. We are endeavouring to discover what is driving staff engagement and where we need to improve. We also engaged with employees to help us develop new Group People Values and Behaviours.

Our year end results for both employee turnover and average number of days lost to sickness were within target despite the impacts of the Covid-19 pandemic.

We are working to improve the rating of all our homes.

Performance against Objectives (continued)

Providing New Homes

During 2020/21 Platform has continued to concentrate on delivering a programme of predominantly affordable homes in areas where they are needed the most. We completed 905 new homes during the year which places us once again as one of the largest developers of affordable housing in the country and the largest in the Midlands. We purchased four additional ESD units and two buyback units, which delivered a total of 911 additions to unit numbers this year.

	Developed	Properties purchased	Total properties
Affordable Rent	282	1	283
Social Rent	251	4	255
Shared Ownership	372	1	373
Total	**905**	**6**	**911**

The 911 completions fell slightly short of our target of 1,148 due to a delay in the handover of schemes caused by the effects of the Covid-19 restrictions.

Despite the pandemic, the Group's aspiration for growth remains strong and we continue to focus on acquiring good quality sites with the necessary risk mitigations in place. These sites are backed by Homes England funding of over £80m through the Strategic Partnership and SOAHP programmes and are being developed together with our key local authorities. We will continue to bid for future Homes England grants and other sources of grant funding to support our growth plans.

Our revised Corporate Strategy details our ambition to have a portfolio growth of 12,000 new homes over the next five years.

We are also introducing a model to create 'a home for life and a great community to live in' that is supported by a new aspirational Platform Standard. In addition we are developing a new approach to modern methods of construction (MMC) that supports our approach to decarbonisation and future-proofing our development pipeline. We expect to be delivering 20% of our new build properties through MMC by 2024.

Putting Customers First

Homes for Key Workers during Covid-19

Between April and June, 2020 over 25% of all our shared ownership sales and reservations were to key workers.

Rachael in South Hykeham, Lincolnshire tells her story…

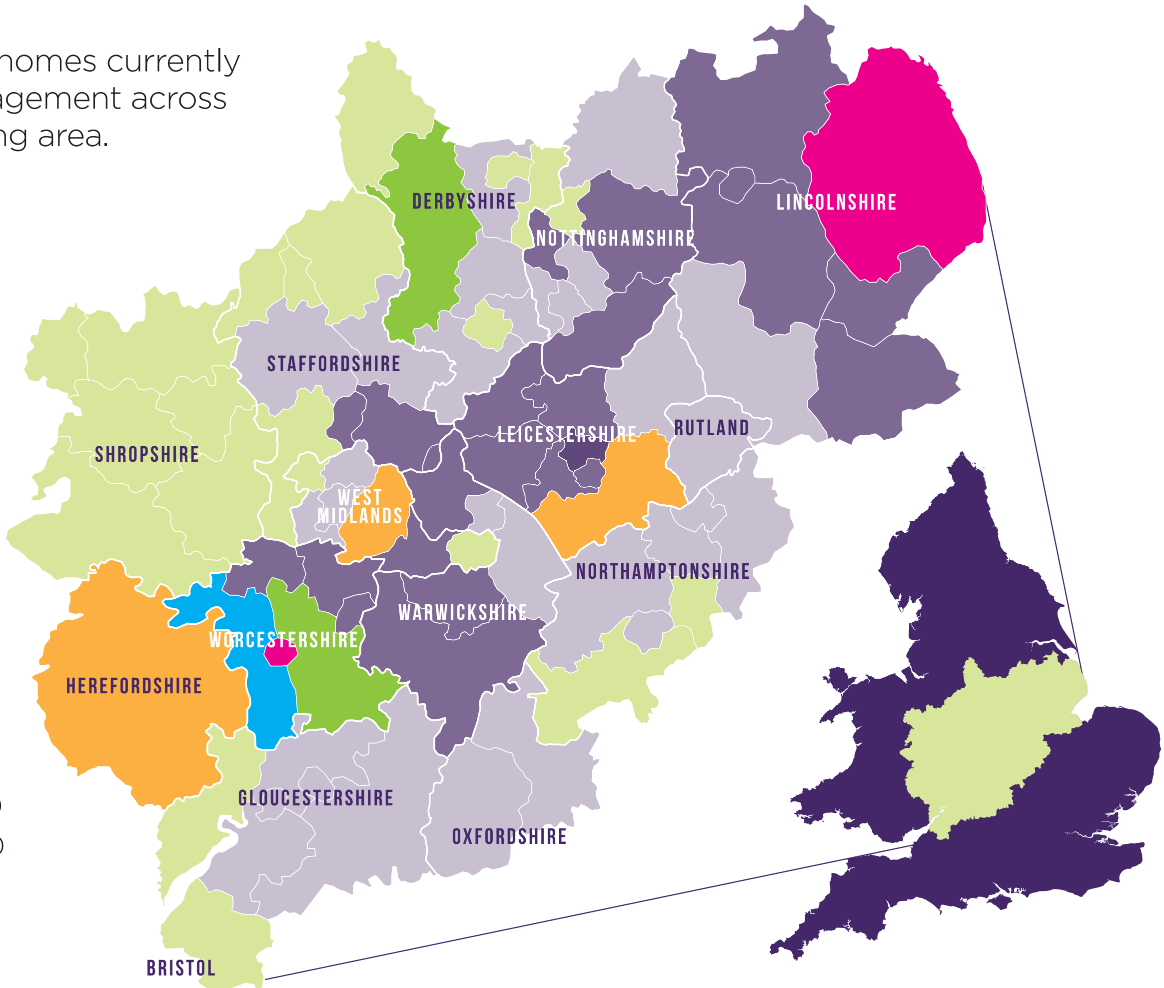
"I am currently working in a primary school as a reception teacher. I have recently returned to work from maternity leave. We chose this property because of the area and local facilities. We already liked Platform as we had previously heard good things about them from a friend. We were also impressed with the initial contact that we had with them. The affordability of the house was also a key factor. As new parents the part ownership scheme was very attractive to us and all of the information that was provided to us made us feel confident that this was the right choice for our family's current situation. If we hadn't purchased this property we would still be living in our rental property, and likely trying to save more money to buy a house."

We believe that the continued supply of new Shared Ownership homes fills a very much needed gap in the market. Our **"ask"** of the Government is to recognise the importance and value of shared ownership tenure and continue to support key workers by increasing the Grant levels to assist the continued development of new homes.

This will ensure we can increase the number of new shared ownership homes we will build in areas of the Midlands, where they are needed the most.

Our Operating Area

Number of homes currently under management across our operating area.



- No stock
- 1-200
- 201-1000
- 1001–2000
- 2001–3000
- 3001–4000
- 4001–5000
- 5000+

Total properties owned **46,151**

28,244 General needs housing

6,897 Affordable rent

5,600 Shared Ownership

1,118 Leasehold in management

407 Non social leased

3,315 Supported housing and housing for older people

458 Intermediate rent

112 Non Social rented

Chief Finance Officer's Report

I am pleased to present the financial report for Platform Housing Group Limited. During 2020/21 we generated a healthy overall surplus before tax of £56.1m with an operating margin of 40.8%.

Results

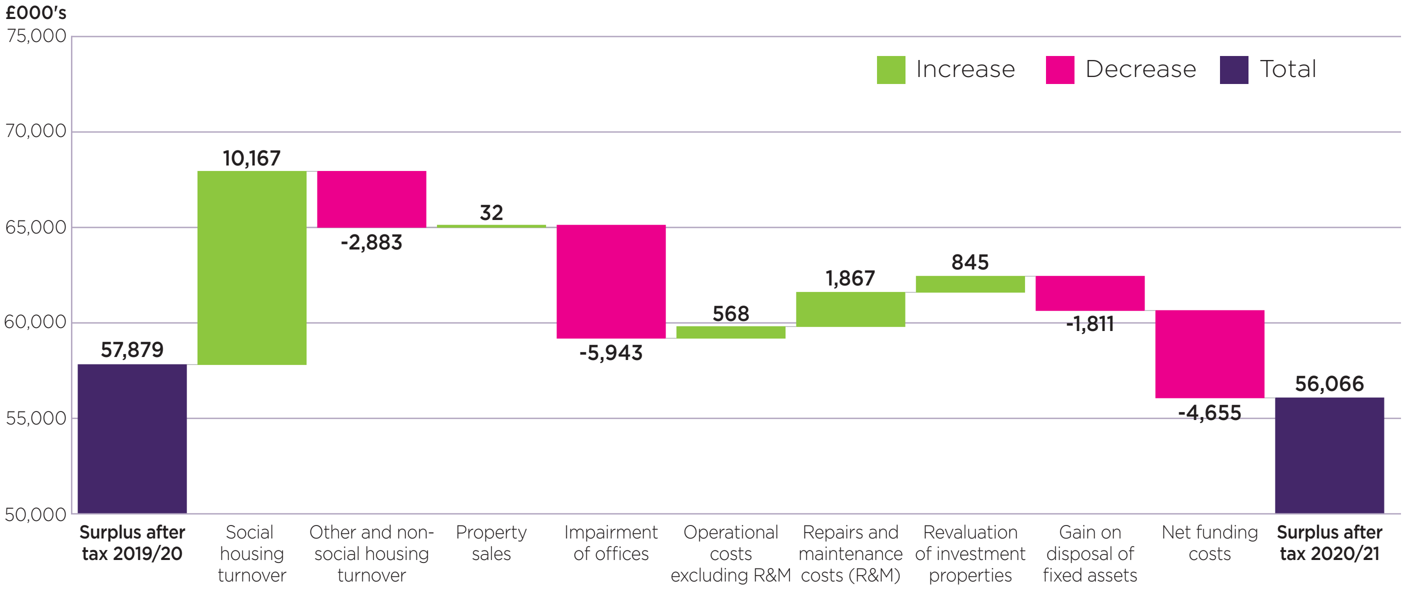
Overall Group turnover increased from **£257.1m** in 2019-20 to **£269.9m** in 2020-21.

Social housing rental increased by 4.7% to **£225.3m** (2019-20 £215.1m).

A further **£32.1m** was generated by Shared Ownership first tranche sales, **£5.8m** from the delivery of non Platform maintenance contracts by Platform Property Care and **£6.7m** from a number of other activities.

The underlying operating performance continues to be strong with an Operating Surplus of **£110.2m** and an operating surplus before all sales activities of **£101.2m**. Most of this surplus will be reinvested in new and existing housing stock and the balance retained to secure an increase of loan finance for future growth.

The movement in surplus between 2019/20 and 2020/21 is shown by the chart below.



The change between the years principally arose for the following reasons:

- A full years increase has been applied on rent charges.
- Non social housing turnover has decreased partly due to the restrictions in place from the pandemic but also due to the ending of a care and repair contract with a local authority.
- Operating costs were higher primarily due to growth in most areas with additional expenditure on services due to safety and fire risk works and reclassification of c£0.25m of repair costs from core repairs and maintenance to rechargeable service costs.
- Major repairs costs reduced due to access restrictions in place from the pandemic and a reclassification of some costs from repairs to rechargeable service charges in the year.
- The carrying value of investment properties is reviewed annually and this has increased in line with the market.
- The Group continues to assess property assets and has a disposal program for those that no longer meet the criteria for our return on assets. The sale of these assets was lower than the previous year and generated a smaller surplus this year. Shared Ownership staircasing sales have increased this year.
- Net funding costs increased during the year primarily due to a reduction in the amount of interest that could be capitalised as a result of the inevitable impact on development activity and also due to the write back of interest previously capitalised on a small number of schemes.

New housing in Warndon, Worcester.

Business Health: Trend Analysis

The Group's results over the last five year is shown in the table below. Figures for years 2017 to 2018 have been derived from the sum of the results from Waterloo Housing Group Limited and Fortis Living Group Limited.

	2021	2020	2019	2018	2017
	£m	£m	£m	£m	£m
Turnover	269.9	257.1	273.6	243.5	230.8
Operating Surplus	110.2	107.3	109.2	112.4	103.1
Net Surplus	56.1	57.9	66.9	73.5	79.9
Operating Margin	40.8%	41.7%	39.9%	46.2%	44.7%
Net margin	20.8%	22.5%	24.4%	30.2%	34.6%
Housing & other net assets	2,701.3	2,507.6	2,493.8	2,240.2	2,127.3
Creditors after more than one year	(1,673.6)	(1,534.9)	(1,579.8)	(1,398.9)	(1,360.3)
Pension Provision	(65.8)	(47.9)	(65.9)	(45.3)	(53.4)
Other Provisions	-	(0.1)	(0.1)	(0.2)	(0.2)
Net Assets	961.9	924.7	848.0	795.8	713.5
Income & Expenditure Reserve	744.7	703.8	626.6	574.1	491.2
Revaluation Reserve	217.2	220.9	221.4	221.8	222.3
Total Reserves	961.9	924.7	848.0	795.8	713.5
Return on Net Assets	11.5%	11.6%	12.9%	14.1%	14.4%

The Group's turnover and operating surplus by social housing activity is shown below.

	2021	2020	2021	2020	2021
	Turnover £m		Surplus £m		Margin
General Needs Housing	185.8	177.9	84.7	77.5	45.6%
Supported Housing	19.7	19.3	1.7	3.6	8.6%
Shared Ownership	19.8	17.9	10.2	9.5	51.5%
Social Housing	**225.3**	**215.1**	**96.6**	**90.6**	**42.9%**
Other Activities	12.5	14.2	(2.2)	(0.0)	(17.6%)
Shared Ownership Sales	32.1	27.8	6.1	6.1	19.0%
Total	**269.9**	**257.1**	**100.5**	**96.7**	**37.2%**
Gain on disposals/revaluations	-	-	9.6	10.6	
Total	**269.9**	**257.1**	**110.1**	**107.3**	**40.8%**

The overall social housing margin was **42.9%** for the year, operating margin net of disposal of property, plant and equipment was **37.2%** and including sales was **40.8%**, which is an excellent result for the Group and demonstrates that the core financial performance is complemented by, but not dependent on, property sales.

Chief Finance Officer's Report (continued)

Business Health: Trend Analysis (continued)

The following table compares the Group's performance using a number of financial indicators, benchmarked against the 2020 Global Accounts for the sector with a sample of associations with stock holding of over 30,000 homes. The total sample size for comparison is 27 organisations including both LSVT's and traditional HA's. The sample was chosen in order to benchmark with larger organisations and to ensure that the sample was sufficiently large to enable a balanced comparison. Figures for year 2017/18 have been derived from the sum of the results from Waterloo Housing Group Limited and Fortis Living Group Limited.

Key Financial Ratios:	Benchmark 2019/20	2020/21	2019/20	2018/19	2017/18
Operating Margin*	22.5%	37.2%	37.6%	37.6%	42.9%
EBITDA Interest Cover	1.9	2.3	2.3	2.8	3.1
EBITDA (MRI) Interest Cover*	1.4	2.2	2.0	2.4	2.7
Cost of funds	3.9%	3.4%	3.8%	4.0%	4.1%
Gearing Ratio*	48.0%	41.9%	43.5%	43.5%	42.6%
Return on Capital Employed*	3.2%	4.1%	4.3%	4.4%	5.0%
Void Rent Loss/Turnover	1.3%	1.5%	1.2%	1.3%	1.1%
Bad Debts/Turnover	1.0%	0.6%	1.1%	0.8%	0.8%

* Calculated in accordance with Sector Scorecard / VFM metrics methodology.

Business Health: Ratio Analysis

Operating margin overall has decreased to **40.8%**. After excluding the surplus made on the sale of housing fixed assets and the disposal of investment properties to benchmark with our peers, this reduces to **37.2%**. This is considerably better than the benchmark.

Core operating margin on social housing activities remains strong at **42.9%**, and shared ownership first tranche sales generate a margin of **19.0%**. Margins on property sales are expected to be lower than margins on social rented housing lettings.

The interest cover ratio has remained static when compared to 2019/20 and the average cost of funds, which is calculated on drawn funds, has improved. All are favourable in comparison to benchmark. The Group has taken advantage of the current low interest rate environment to secure bank facilities and bond finance at attractive rates and the cost of funds will further improve as variable rate facilities are drawn.

The Group has invested in the development of new social housing in the year, developing 905 new properties for rent and sale and has purchased four additional homes and two buyback properties taking total new units to 911.

Return on capital employed (ROCE) of 4.1% has reduced against the prior year figure of 4.3% but is over the benchmark figure of 3.2%. ROCE is calculated as operating surplus divided by net assets at the end of the year. A full year of income is not generated by properties completed during the year on which the full capital cost has been added to assets.

We continued to invest in new social housing.

Building New Homes

Lady Manners, Bakewell

This site, previously part of an historic chert mine, provided the first affordable housing seen in the town for over 10 years. Located in the Peak National Park Conservation Area meant tackling strict planning laws and restrictions on building materials. We used traditional timber frame and locally sourced stone cladding from a nearby quarry to create the development. The land was purchased from a local school which we funded new facilities for with proceeds from sales.

Tenure Mix 30 homes – 27 affordable rent; 3 affordable home ownership
Architects - Pelham Architect
Contractor - Lindum Group
Completion date - June 2021

Effective Asset Management

The following table sets out the level of investment in existing and new stock. Figures for year 2017/18 have been derived from the sum of the results from Waterloo Housing Group Limited and Fortis Living Group Limited.

	Benchmark	2020/21	2019/20	2018/19	2017/18
Major Works Revenue £M	7.4	6.9	11.9	12.4	8.8
Major Works Capitalised £M	35.4	9.6	12.7	14.9	13.8
Total Investment £M	42.8	16.5	24.6	27.3	22.6
New Homes completed	1,004	911	1,449	1,598	1,354
New Homes Investment £M	217	198	208	201	182
Reinvestment*	7.3%	8.0%	9.2%	9.4%	9.0%

* Sector Scorecard measure

The investment in existing homes shown above represents larger items of expenditure on replacing key structural components such as kitchens and bathrooms. When added to the routine and planned expenditure of £39.2m a total of £55.7m was spent on maintaining properties (£60.8m in 2019/20).

The Group is committed to investing in both existing stock and in the provision of new homes. This is demonstrated by the reinvestment rate of 8.0% (a Sector Scorecard measure), which is higher than the benchmark sample as a percentage of total housing properties at cost, shown in Note 11, but has decreased on the prior year due to the limitations in the working conditions of our maintenance team caused by the pandemic.

The Group is regularly reviewing and updating stock condition data and component costs and these planning future work programmes inform the long term business plan. This work assists in the Group's objective of internalising maintenance activity where it can be demonstrated that efficiencies can be made.

The number of new units completed as a percentage of total units which is a Sector Scorecard measure, was 2.0%, which is lower than the global benchmark but is greater than the benchmark group values shown in the VFM metrics table below. It is also lower than the previous year of 3.2% as the Covid-19 lockdown reduced the number of new properties that were planned to complete during the year.

Efficiency: Social Housing Cost per Unit (SHCPU)

These benchmarks are taken from the sector global accounts 2019/20 with a sample comprising associations with more than 30,000 homes, using the average values for comparison.

	Benchmark	Platform Housing Group				
	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24
	Benchmark					
	Actual	Actual	Actual	Budget	Plan	Plan
	£	£	£	£	£	£
Total social	4,298	2,458	2,463	2,797	2,854	2,879
Management	1,025	595	619	643	656	662
Service charge	736	371	477	531	542	547
Maintenance	1,211	821	881	924	942	950
Major repairs	901	561	371	559	571	576
Other social	425	110	115	140	143	144
Specialist units:						
Supported Housing	3.2%	0.8%	0.8%	0.7%	0.7%	0.7%
Housing for Older People	10.0%	6.8%	6.7%	6.5%	6.2%	6.0%
Total Social Units	47,425	43,898	44,533	45,974	47,820	49,310

The group outperforms the benchmark in each category of spend delivering a total SHCPU of £2,463 for the year. In comparison to the prior year, SHCPU has increased by only £5. In the budget and business plan the outputs show that SHCPU is forecast to have a stepped increase in 2021/22 due to major works being anticipated to return to pre Covid-19 levels together with new supply and 'catch-up' demands and then increase again slightly in the following two years as we carry out our planned sustainable stock investment programme.

The RSH has identified that one of the drivers for lower CPU's across the sector is the percentage of supported and housing for older people stock. Only 7.5% of the Group's total units are of this type which is considerably lower than the benchmark of 13.2% and could partly explain why the Group outperforms the benchmark average.

The Group also owns and manages 5,606 shared ownership homes, 12.3% of the total social units, where management costs are less than General Needs rented homes and where maintenance costs are the responsibility of the shared owner.

The Group regularly reviews and updates the stock condition data across all of its homes and will be reviewing its asset investment assumptions during 2021/22 particularly in relation to carbon neutral targets.

Any increase in requirement will factor into future business plan reviews and will be incorporated into the cost forecasts shown above.

Future Focus

Our new Corporate Strategy places a clear focus on sustainability and sets ambitious carbon neutral targets. It crystalises our vision to have a fully developed and implemented long-term Green Philosophy and Plan and dictates all our delivery and development will be sustainable, while proactively preserving the environment – not only in the present, but for future generations.

Our carbon neutral targets are ambitious.

Value for Money (VFM)

The Group regularly reviews the Value for Money strategy to ensure that it remains fit for purpose and continues to underpin the current Strategic Plan. The VFM strategy was reviewed in 2021 alongside the Corporate Strategy. Achieving VFM in all that we do is an essential part of achieving our charitable objective of providing affordable housing and ensures we make the best use of our resources.

The Group Board recognises its responsibility for meeting the requirements of the RSH's Value for Money standard and in particular, to take a comprehensive approach that achieves continuous improvement in the Group's performance on running costs and the use of our assets.

Costs and performance continue to be benchmarked against relevant external sources making use of tools provided by Housemark and the Housing Quality Network (HQN) and by referencing data published by the RSH such as the global accounts and cost per unit reports. Benchmarks have been selected to compare data with a sample of similar organisations in terms of size and activity.

Targets are set for improved financial and operational performance through the annual budget and business plan and a standard set of performance indicators. Board members review performance on a quarterly basis and revise the targets on an annual basis or following a significant change in the operating environment.


Moving in to Meadow Court Retirement Village in Worcester.

VFM Metrics

The RSH has defined seven VFM metrics which enable us to compare ourselves against the whole global accounts sample and also against the benchmark group of organisations with more than 30,000 homes. Both samples are taken from the sector global accounts 2019/20 published by the RSH.

		Metric	2019/20 Global UQ	2019/20 Benchmark UQ	2019/20 Actual	2020/21 Actual
1		**Reinvestment**	12.1%	7.3%	9.2%	8.0%
2	a	**New Supply SH**	3.4%	1.7%	3.2%	2.0%
	b	**New Supply Non SH**	0.6%	0.4%	0.0%	0.0%
3		**Gearing**	23.9%	48.0%	43.5%	41.9%
4		**EBITDA MRI**	269%	135%	203%	218%
5		**Headline Social Housing Cost per Unit**	£3,020	£4,298	£2,458	£2,463
6	a	**Operating Margin – SH**	37.1%	30.0%	42.1%	42.9%
	b	**Operating Margin – Overall**	32.5%	22.5%	37.6%	37.2%
7		**Return on Capital Employed (ROCE)**	5.1%	3.2%	4.3%	4.1%

Value for Money Achievements 2020/21

Group performance when compared to the benchmark is significantly better in most of the metrics of measurements. Gearing is lower than the global measure despite the Group having a long history of design and build developments and has reduced since last year. The Group is firmly committed to the development of affordable homes and is 5th in the top 50 Housing Builders for the supply of new homes at social rents. The Group is not currently developing non-social units as the focus has been on the supply of social housing however in future years we are likely to develop non-social housing as part of overall developments as we move to a land-led approach.

The Group has a clear idea of the capacity available for its future investment, as demonstrated by our gearing, interest cover and operating margins and has an excellent track record of investing in both new supply and in the improvement of existing assets.

As well as showing a commitment to new investment, the Group's efficiency continues to be clearly demonstrated by its strong margins and low unit costs.

VFM highlights for the year are listed below:

- Achieving an operating margin of 37.2% which was boosted to 40.8% by £8.9m surplus on disposals of non-core stock and £0.7m increase in the value of investment properties.
- Achieving a social housing operating margin of 42.9%.
- Improving our year end position on current tenant arrears to 2.70%.
- Achieving a net surplus after tax of £56.1 million, achieved through business growth, effective asset management and tight cost control.
- Reinvesting free cash surpluses to deliver 911 new homes across a range of types and tenures, representing growth of 2.0%.
- Invested £16.5 million in major works to our existing housing stock.
- Maintaining a realistic level of reinvesting surpluses in both development and existing assets.
- Managed void losses at 1.5%.
- Achieved a social housing cost per unit of £2,463 for the year (Sector Scorecard measure).

Building New Homes

Chevenham Close, Colwall

Originally a sheltered housing site that was badly in need of regeneration. As part of the project, we made efforts to rehome the previous customers in better accommodation, including sourcing improved homes for those who were confined to their property due to their condition. Built in an area of outstanding natural beauty, a detailed approach to design and planning was required, resulting in a development very much in keeping with the local area.

Tenure Mix 18 homes – **10 Shared Ownership and 8 Affordable Rent**
Architects - **SJD Architects**
Contractor - **J Harper & Sons**
Completion date - **Dec 2020**

Future VFM Priorities

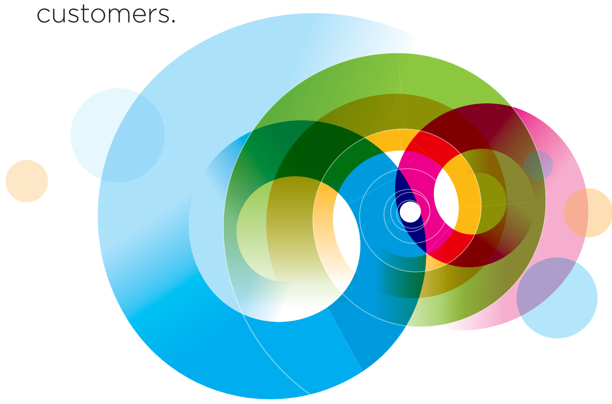
Our VFM strategy for the next 5 years will build on our current culture and support more data driven and analytical decisions around best VFM ensuring high quality services and homes for our customers.

The Board continues to monitor the delivery of the merger business case which will achieve savings of £12m a year by 2023/24. 80% of this saving will be invested in the new homes programme which will provide completions of 2,000 homes per year by 2023/24.

Key VFM projects are supported by a central project management team.

VFM will be driven through the following:

- **The delivery of merger efficiencies**
  The Board recognises that the full benefits of the merger between Waterloo and Fortis in 2018 can only be achieved by integrating the two legacy businesses into a coherent single Group. The merger business plan identifies savings of £12m a year by 2023/24.
- **Pension review**
  The Group is undertaking a review of all pension provision to ensure best value for the group and its employees is maintained.
- **The new operating model**
  The new operating model (NOM) for service delivery to our customers sets out VFM benefits which will be measured for effectiveness as the model is implemented. The project is underway as part of the One Transformation programme.
- **Digital efficiencies**
  Platform One is currently building a benefits tracker to measure the efficiencies captured by introducing more streamlined systems and shared data.
- **Procurement Strategy**
  Our procurement strategy will leverage our scale and size to procure products and services, generating commercial benefit coupled with the highest levels of service and compliance. We will develop and measure social value as it is created within the supply chain.
- **Treasury Strategy**
  The detailed treasury will protect and enhance our credit quality as reviewed by each rating methodology by understanding the relevant key indicators. We will further review our existing portfolio and look to replace existing debt that is costly or security hungry.
- **Revised assumptions for new and existing home investments**
  We are improving our appraisal methodology for new investments and asset management strategy decisions in order to increase the amount of new housing we provide and improve the quality of our existing housing stock.
- **A new budget strategy**
  We carried out a zero based budget for the 2021/22 financial year in order to analyse the cost of providing services to our customers and will use the information as a baseline to ensure the decisions we make provide the best VFM.
- **Expansion of Platform Property Care**
  During 2020/21, PPC continued to replace external contractors with an in-house service in order to reduce costs and improve the quality of our maintenance service. We will continue to appraise the contracts that PPC provides for the Group in order to ensure they offer VFM and identify any future works that can be provided.
- **Offices Strategy**
  We have strategically reviewed our office portfolio and will re-invest any savings made into the remaining office space and back into services for customers.



Overall VFM Assessment

The information provided in this strategic report demonstrates that Platform Housing Group complies with the Regulator's VFM standard.

We have:

- VFM embedded in our Corporate Strategy;
- Robust decision making on the use of resources;
- An understanding of the costs and outcomes of delivering our services; and
- Commentary included within the financial statements against elements of the Value for Money Standard.

The added value that we achieve is used to improve services and support the delivery of more sustainable homes for our communities.

Chief Finance Officer's Report (continued)

Treasury Management

The Treasury Management Policy and Treasury Strategy are reviewed on an on-going basis by the Finance Committee and Board. Treasury activities are also supported by independent professional advice from Centrus Treasury Advisors. The Group maintains a risk-aware approach to its loan portfolio and seeks to ensure that sufficient liquidity is available to meet foreseeable needs, whilst minimising interest on borrowings.

Covenants are calculated at subsidiary level (Platform Housing Limited) and continue to maintain significant headroom. There are two corporate based covenants, interest cover and gearing. In addition minimum asset cover is required on each individual facility. The Group monitors compliance against the most stringent covenants. The business plan is very resilient to these covenants with a significant degree of headroom forecast throughout the life of the plan.

Year-end corporate covenant performance	Covenant	Actual	Met
1. **Interest Cover:** To demonstrate by how much net interest costs are covered by operating surplus net of capitalised repairs	1.1	2.4	Yes
2. **Gearing:** To show the ratio of debt to the value of housing properties	60%	38%	Yes

Our year end interest cover of 2.4 and gearing of 38% in comparison to covenant requirements of 1.1 and 60% demonstrate that the Group has the borrowing capacity to fulfil its ambitious development objectives. In addition to covenant headroom the Group had uncharged housing assets with an estimated value of £480m at the end of March 2021. The Group's financial business plan models the utilisation of this uncharged asset base going forwards as more units are charged to raise debt in support of further development and this new housing adds to the asset base. The plan shows that the Group maintains sufficient uncharged assets to support its strategic development objectives and at the same time maintains headroom to provide further security to existing borrowing should there be any unforeseen deterioration in the asset values.

The Group maintains the parameters in which it operates to ensure its activities remain within the risk appetite of the Board. These 'Golden Rules' act as a buffer over and above financial loan covenant thresholds.

Our bond finance will accelerate affordable housing development across the Midlands.

Loan Facilities	Facility	Drawn	Available	Fixed	Variable
	£m	£m	£m	£m	£m
Bond Finance	707	657	50	707	-
Bank Finance	1,166	636	530	620	546
Total Facilities	**1,873**	**1,293**	**580**	**1,327**	**546**
Funding Mix				**70.8%**	**29.2%**

Treasury Management
(continued)

The Group is financed through a mixture of bank and bond finance. To mitigate potential heightened liquidity risks arising from the Covid-19 pandemic, the Group accessed £100m under the Bank of England’s COVID Corporate Financing Facility during the first quarter of the year. This was supplemented in July 2020, when the Group completed a very successful inaugural own name bond issue for a 35 year issue of £350m (£50m retained). The 1.625% coupon and 1.706% yield achieved represent all time record lows for both the social housing sector and all single ‘A’ rated issuance by corporates in the long-dated sterling bond market.

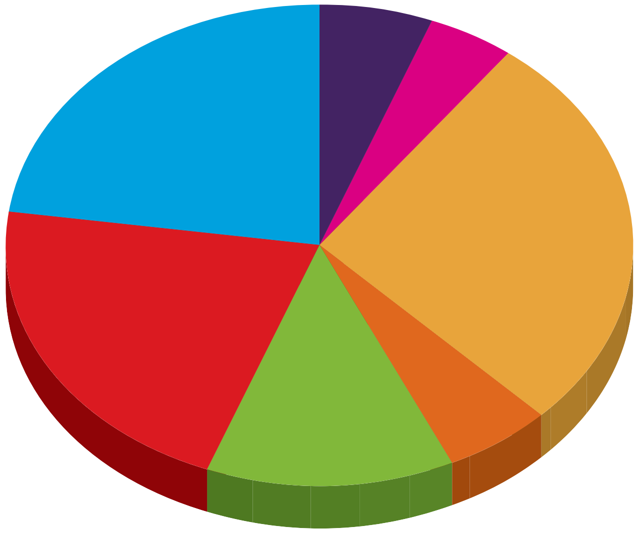
During quarter four of the year the Group successfully implemented the next stage of its debt capital markets strategy, establishing a £1bn multi-currency, ESG enabled Euro Medium Term Note Programme (EMTN).

The Group’s rating with Standard & Poors was reaffirmed as A+ (stable) and a second external credit rating was obtained with Fitch during the year, which has recently been reviewed at A+ (stable). The ratings will help the Group to continue to access the debt capital markets through its new EMTN programme, enabling it to raise funding at the most competitive cost.

Refinancing risk is managed through the Group’s Treasury Management Policy, which ensures maturities are not concentrated into similar periods for repayment:

Facility

TOTAL: £1,873m



0-1 years
£113m

1-2 years
£83m

2-5 years
£508m

5-10 years
£103m

10-20 years
£240m

20-30 years
£401m

30+ years
£425m

Interest rate risk is managed by limiting exposure to floating rate, inflation linked and callable debt facilities as detailed within the Group’s Treasury Management Policy.

Chief Finance Officer’s Report (continued)

Sustainability Reporting Standard

Platform are delighted to be an **early adopter of the Sustainability Reporting Standard** (the Standard). The Standard will complement our ESG objectives and provide an opportunity to articulate both our activities during the last year and lay out our ambitious plans for the years ahead. The table below summarises our performance against many of the metrics within the Standard as at 31 March 2021. A full report against all metrics within the Standard can be seen on the Investor Centre section of our website.

Theme	Indicator	Target	Outcome
Affordability	Average rents/average market rent	65%	**63%**
Affordability	Proportion of affordable tenures - at start of year	95%	**99%**
Affordability	Proportion of affordable tenures - developed in year	90%	**100%**
Security	Proportion of homes with at least 3 year fixed tenancy	100%	**90%**
Building safety	Proportion of homes with gas safety compliance	100%	**99.7%**
Building safety	Proportion of homes with Fire Risk Assessment	100%	**100%**
Building quality	Proportion of homes that met the Decent Homes Standard	100%	**100%**
Resident voice	Customer satisfaction	75%	**57%**
Resident voice	Complaints upheld by the Housing Ombudsman		**2**
Climate change	EPC ratings of C and above - start of year	100%	**95%**
Climate change	EPC ratings of C and above - homes developed in year	100%	**100%**
Governance	Registration with the Regulator of Social Housing (RSH)	Yes	**Yes**
Governance	Registered as a 'for profit' provider	No	**No**
Governance	Most recent viability and governance ratings from the RSH	G1/V1	**G1/V1**
Governance	Maximum tenure of Group Board	9	**1**
Governance	Proportion of Group Board that are non-executive directors	90%	**90%**
Governance	Length of service of external auditors (years)	10	**1**
Staff well-being	Gender pay gap	5%	**2%**
Staff well-being	Average number of sick days per employee	7	**6**

Affordability

As a social landlord we are committed to managing and developing homes that are affordable to those in the areas in which we operate. Over the 2 years to March 2020 we built more social and affordable homes in England than any other social housing provider. At March 2020 99% of the homes we owned were let for a social purpose and all of those developed in the year were for a social purpose.

We let homes at rents that are below the private rented sector (PRS) to help those most in need to rent a home. The discount to PRS rent will vary depending on the area, with areas of higher rents experiencing a larger difference. Overall we have rents that are on average 63% of PRS rents.

Sustainability Reporting Standard (continued)

Security

Platform is committed to offering its customers tenancy agreements that do not have a fixed term. On this basis all new tenancy agreements are without term. There are a number of legacy agreements that are being phased out over time. A summary of tenancies are shown below:

	Tenancies	Percentage
< 3 years	4,513	10%
> 3 years	6,161	13%
No term	36,228	77%
Total tenancies	**46,902**	**100%**

Building Safety

The safety of our customers is our number one objective. As at March 2021 100% of our homes had an in-date Fire Risk Assessment. Gas safety compliance was 99.7%, with some customers not comfortable to provide access due to the on-going pandemic. All of our homes met the Decent Homes Standard.

Resident Voice

It has been an incredibly challenging year for our customers and we have worked closely with our Customer Experience Panel and involved customers to help support many during these difficult times. This has been achieved in many ways, ranging from support and advice for those in hardship, to direct financial support to help those who can’t afford food, clothing and heating. We intend to carry this support forwards into the new year, committing £1.4 million to a Wellbeing Fund to help support those most in need.

Our customer satisfaction levels are below our target and as a priority we are working hard to address this. A Customer Experience Team is being set up to work closely with other teams to improve customer satisfaction and we are driving towards raising the levels of satisfaction and target in the next year.

During the year we had two complaints that were upheld by the Housing Ombudsman and as a result improvements were made to our services. As a consequence, our correspondence to customers who are moving from one Platform home to another was enhanced and a new brochure created, setting out improvements customers are able to make to their homes.

We are working hard to improve customer satisfaction.

Sustainability Reporting Standard (continued)

Climate Change

Platform has an ambitious programme to move all of our existing homes to an EPC rating of C or better by 2028. As part of this process we will target less efficient homes and reduce fuel costs for our customers. Moving to EPC C will be achieved by investing over £50 million in our homes, including:

- Retrofitting ground and air source heat pumps, replacing gas and sold fuel systems.
- Adding external wall insulation to our homes.
- Installing photo-voltaic panels to our homes.

A summary of all surveys held prior to the last financial year is shown below. EPC certificates were available for approximately 25,000 of our homes. We have begun to assess our remaining homes and will have certificates for all of our homes by March 2022. Based on our initial findings we expect the overall ratings to be in line with those shown below.

Rating	Homes with certificate	Percentage	Cumulative percentage
A (92+)	83	0%	0%
B (81-91)	8,567	34%	34%
C (69-80)	9,491	38%	72%
D (55-68)	5,831	23%	95%
E (39-54)	1,073	5%	100%
F (21-38)	80	0%	100%
G (1-20)	12	0%	100%
	25,137	**100%**	

During the year we built 905 homes all for affordable tenures. It is our objective to develop homes that are SAP rated B and above and this was achieved for 99% of our homes.

Rating	Homes with certificate[2]	Percentage	Cumulative percentage
A (92+)	9	1%	1%
B (81-91)	876	98%	99%
C (69-80)[1]	5	1%	100%
D (55-68)	1	0%	100%
	891	**100%**	

[1] All of these properties had a score of 79 or 80.
[2] Excludes units that have been developed for Local Authorities (who assess energy efficiency when handed over).

In the year ahead we plan to develop a further 1,500 homes with a target of EPC B or better.

We are aiming to move all existing homes to an EPC rating of C or better before 2028.

Putting Customers First

Steps to Sustainability

We are leading the way in innovative ways of reducing our carbon footprint and reducing fuel poverty with a £2.9million project to install a combined heat and power system (CHP) at De Montfort House tower block in Central Leicester.

The 272 flats have, up until now, been heated by storage heaters using 1970's technology, making them difficult to programme and expensive to run.

Five years in the making, the project has been part funded by National Grid's Warm Homes Fund as part of their work to address some of the issues affecting fuel poor households. The new heating system will be installed in all the flats as well as the communal areas. It features energy efficient technology that generates electricity and captures the heat that would otherwise be wasted to provide useful thermal energy – such as steam or hot water - for space heating and domestic hot water.

This project is expected to reduce central heating costs for each flat by £200- £300 per annum while also generating around 30% less carbon emissions. So, not only does it support our social, environmental and economic ambitions, it will also leave a legacy for future generations.

Sustainability Reporting Standard (continued)

Governance

Platform is committed to maintaining the highest standards of governance. During the year the RSH carried out an In-depth Assessment (IDA) of our governance and financial viability. This was part of the RSH's cyclical programme of undertaking IDA's for registered providers with more than 1,000 homes under management. The IDA re-affirmed the highest ratings for both governance and financial viability, G1 and V1. Platform is also rated A+ by both Standard and Poors, and Fitch.

During the year we tendered both internal and external audit services. KPMG were appointed as external audit provider and Mazaars as internal auditors. These firms have an excellent reputation and track record for providing assurance services and will strengthen our risk management.

Further information on our governance arrangements can be seen in the Corporate Governance section on page 44.

Staff Wellbeing

Platform have a gender neutral approach to reward and recognition. Pay is set for a given role and the role is then recruited for. This has helped provide gender pay equality across our employees. Our pay gap is currently 2% for both the median and mean difference, which is considerably lower than the national mean of 6.5% and median of 15.9%. The gap has been calculated based on pay as at April 2021, which incorporates the effect of recent restructuring.

We have a number of policies and procedures in place that provide both support and guidance to managers and colleagues on a range of issues that can affect a person's mental and physical health, these include Domestic Abuse, Alcohol and Substance Misuse and Bullying and Harassment.

We also have a number of established wellbeing practices and support such as comprehensive occupational health services, EAP provision, health care cash plans, a team of mental health first aiders, a number of trained internal coaches, mandatory health and safety training, regular health checks for our workforce and opportunities for flexible working. The Group holds regular wellbeing events throughout the year for colleagues and is in the process of recruiting a dedicated resource for wellbeing and developing a Group wellbeing action plan.

Events after Year-End

No event that has taken place after year end will have a material impact on the financial statements. The continuing impact of the Covid-19 pandemic has been further examined below on page 34 but it has been concluded that this will not cause a material adverse effect on the financial health of the business.

Going Concern

After making all appropriate enquiries the Board has a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason the Board continues to adopt the going concern basis in preparing the Group's financial statements. More information can be found on page 50.

Colleague wellbeing is a priority for us.

Risk Management

Risks that prevent the Group achieving its objectives are considered and reviewed regularly by the Executive Team, the Boards and Group Audit and Risk Committee as part of the corporate planning process. The risks are assessed in terms of their impact and probability. The key corporate risks for the Group are considered below:

Business Area	Risk	Mitigation Strategies
Growth	Achieving Homes England programme and targets.	Effective business planning with an approved envelope of expenditure. Work closely with developers in relation to potential opportunities. Scheme identification, appraisal and monitoring. Retention of key development teams.
Income	Failure to collect income due in rents and service charges	Review of all rent collection processes and teams. Business Plan includes sensitivities to anticipate potential increase in arrears and bad debts. Increased resource deployed to assist customers moving to Universal Credit. £1.4 million pound Wellbeing Fund in place
Health and Safety	Failure to ensure property safety/ landlord Health and Safety compliance	Health and Safety policies and procedures are in place, risk assessments are carried out effectively, and employees are trained in H&S risk, backed up by an appropriate asset management strategy. All aspects of landlord compliance and asset management fall within a single directorate.
Economic Uncertainty	Continuing financial and economic uncertainty	Managers across the organisation have well-developed systems in place to keep them abreast of the impact of external changes affecting their areas of responsibility. High-level economic risk is modelled in business plan stress tests, which inform business planning. These are reviewed to take account of key sector issues such as economic impact of pandemic. Higher than normal cash balance is being retained.
Financial	Increase in Costs	Feasibility and appraisal process in place. Prudent selection of contractors through the procurement process and use of tenders. Robust contract management and budget monitoring. Monitoring through the BCIS figures. Ongoing monitoring at Development Programme meetings. Review by the Asset and Development Committee. Ongoing monitoring of potential impact on construction arising from Brexit.
Financial	Failure to attract and retain PPC employees.	PPC use the more attractive elements of the workforce remuneration package to attract the right calibre candidates. Grow your own – Apprenticeships. Use of appropriate mediums to advertise roles for example social media. Employee turnover monitored and reasons for leaving. Account is taken of local market rates. Adjust offer where there are skills shortages in certain areas. Benchmarking takes place.
Financial	Reduced ability to let vacant homes	KPI's in place and weekly/monthly void number monitoring. Void rent loss budget. Review of stock out of management to control long-term voids and loss of income.
Customers	Unable to deliver assurance and insight based on customer satisfaction survey feedback	New customer experience strategy Customer Commitments in place supported by a Customer Experience Panel which includes Board involvement. Business case completed for the future of how customer surveys will be undertaken in the future.
Integration	Successful implementation of Platform One	Transformation/Programme Board in place that fully oversees the project. Effective communications are utilised to demonstrate the benefits of the change. Implementation reviewed closely by business.

Risk Management (continued)

A dedicated Executive Risk Committee has been established which meets monthly and provides a key focus on risk, assurance and corporate compliance which in turn informs the Group Audit and Risk Committee.

Group wide at Leadership Group level there is a new second tier Performance and Risk Group consisting of senior managers which also ensures that operational risks are reviewed regularly and monitored. Responsibility for individual risk management is firmly embedded through the roles and responsibilities of the relevant Risk Leads and owners who each take responsibility for the control environment within their functions.

Further assurance of the adequacy of the Group risk register has been provided by Internal Auditors who attend each meeting of the Group Audit & Risk Committee and who provide an annual report on risk and controls assurance. Each Committee and Board now also reviews at the end of each meeting any risk impact and actions arising from the decisions or recommendations made at the meeting.

There remains a clear focus on ensuring that we deliver on our growth commitments arising out of our partnership with Homes England, and a sustained focus on ensuring that we collect income through having robust processes in place to let homes and collect rental and service charge income. The Group has a number of KPIs which are monitored closely by Boards and Executive Team.

The long term financial business plan is subject to a number of stress tests, each of which represents a combination of risks from the risk register, to determine whether they would cause 'significant financial distress' under the Regulator's Governance and Financial Viability Standard. The stresses are chosen to represent a range of extreme variations in the operating environment, and have been reviewed with the Group's Finance Committee and Boards to take account of the potential consequences of the current Covid-19 pandemic. A 'Perfect Storm' scenario is also analysed which combines a number of individual tests.

A series of mitigating activities have also been tested for their impact against the stress tests, but the most significant variable remains the Group's development programme. Mitigation actions can include changing the mix within the development programme and/or reducing the number of homes to be delivered.

Emerging Risk

The Board has noted and discussed extensively the potential economic consequences of the current pandemic, which in turn has informed the business planning process. In accordance with the Group Risk Management Policy, all reports to Boards include a context specific 'risk assessment' with commentary signposted to the relevant section(s) of the Corporate Risk and Assurance Framework. Boards, Executive Team and the Leadership Group have also all recently undertaken update briefings from an external provider on risk and assurance.

Covid-19

We continue to manage the impact of the current pandemic. The continual lockdowns have had a significant impact on our customers although the furlough scheme has mitigated the financial impact for some and has helped with the arrears performance for the year. Non emergency responsive, planned and cyclical repair services were suspended early in this financial year but were gradually re-instated with planned works only being undertaken where there was significant need.

Property developments have continued and property sales have increased back to expected levels with the use of digital marketing and virtual property tours continuing.

We continue to perform welfare checks, provide support to vulnerable customers, support local food banks and domestic abuse charities. We continue to provide support to customers and our £1.4m Wellbeing Fund will help to further empower customers to improve livelihoods with both practical and financial assistance.

Colleagues continue to use the appropriate PPE and maintain social distancing whilst undertaking their duties. Offices remain closed for the majority of colleagues at the moment and consultations have taken place with a number of colleagues to formalise a more flexible working contract with working from home as the preferred option.

The business plan continues to be regularly updated and stress tested and our financing plan to access capital markets and further funding is continuing.

Corporate Governance

The Group is governed by a common Board across Platform Housing Group Limited and Platform Housing Limited.

Although not directly part of the Common Board arrangements two Board members are also members of the Board of Platform Property Care Limited. Platform Property Care Limited has some independent members that do not sit on the Platform Housing Group or Platform Housing Limited Boards, as well as a member who represents the cost sharing vehicle partner association.

Board Terms of Reference are reviewed annually for the Board and its Committees.

A number of Board members have retired during the year:

During the year	
Dennis Sleath	28/07/2020
Philip Dearing	28/07/2020
Jeff Sharnock	28/07/2020
Steve Dyson	31/03/2021
Jennifer Wood	31/03/2021

The new Chair John Weguelin, took over from the outgoing Chair, at the AGM on the 28 July 2020. A new Group Audit and Risk Chair, Sebastian Bull took over from the outgoing Group Audit and Risk Chair, at the AGM on 28 July 2020. A number of additional board members were appointed during the year, bringing a range of skills from Finance through to Digital and the Customer Experience.

Board Members are non-executive and are Directors for legal purposes. They are drawn from a wide background, bringing together professional, commercial and local experience, and are remunerated for services performed for the Group. Insurance policies indemnify Board Members and Officers against liability when acting for the Group. In addition to the non-executive Board Members and shareholders, the Group Chief Executive is an Executive non shareholding member of the Common PHG/PHL Board.

The Executive Directors act as executives within the authority delegated by the Board, and the remuneration of the Executive Directors is reviewed by the People and Governance Committee and Parent Board.

During and at the end of the 2020/21 financial year, none of the Group's directors had an interest in any material transaction in relation to the Group's business and none have an interest in any presently proposed material transactions.

Building New Homes

The Coal Yard, Royton-under-Dinmore

A former brownfield site which sat on a former coal yard that the local authority wanted to bring back into use. Working with local partners, three Tree Protection Orders meant the site was adjusted to across two planning permissions to deliver the right mix of affordable tenures. As a consequence, we ensured that extra bird and bat boxes were added to the site before handover. A timber frame solution was used for the build and the overall finished project went on to be nominated at the Inside Housing Midlands Residential Property Awards.

Tenure Mix 21 homes – **11 Shared Ownership, 10 Affordable Rent**
Architects - **Robothams**
Contractor - **Deeley Construction**
Completion date - **Jan 2021**

Regulatory Compliance

The Regulatory Framework includes a requirement that all RPs remain compliant with the Governance and Financial Viability Standard, assess their compliance with the Standard at least once a year and certify compliance in their Financial Statements.

All Boards are fully aware of the principles of co-regulation and of the need to ensure the protection of social housing assets.

The Intra Group Agreement includes detailed information on the respective roles and Terms of Reference of the Group Board, subsidiary boards and individual roles such as that of the Chairs and Group Chief Executive. Clear lines of authority and delegations are included in the Group's Standing Orders, Financial Regulations and respective Committee Terms of Reference. The Intragroup Agreement was most recently reviewed by People and Governance Committee and approved by Boards in February 2021. The Group Standing Orders were reviewed and approved by the Parent Board in December 2020.

A detailed self-assessment against the Standard was considered by the Platform Board in July 2020 and the Board approved Platform Housing's compliance with all areas of the Standard. The Group also had an In depth Assessment (IDA) from the Regulator of Social Housing in February 2021 and maintained its G1/V1 assessment status as a consequence.

Governance G1

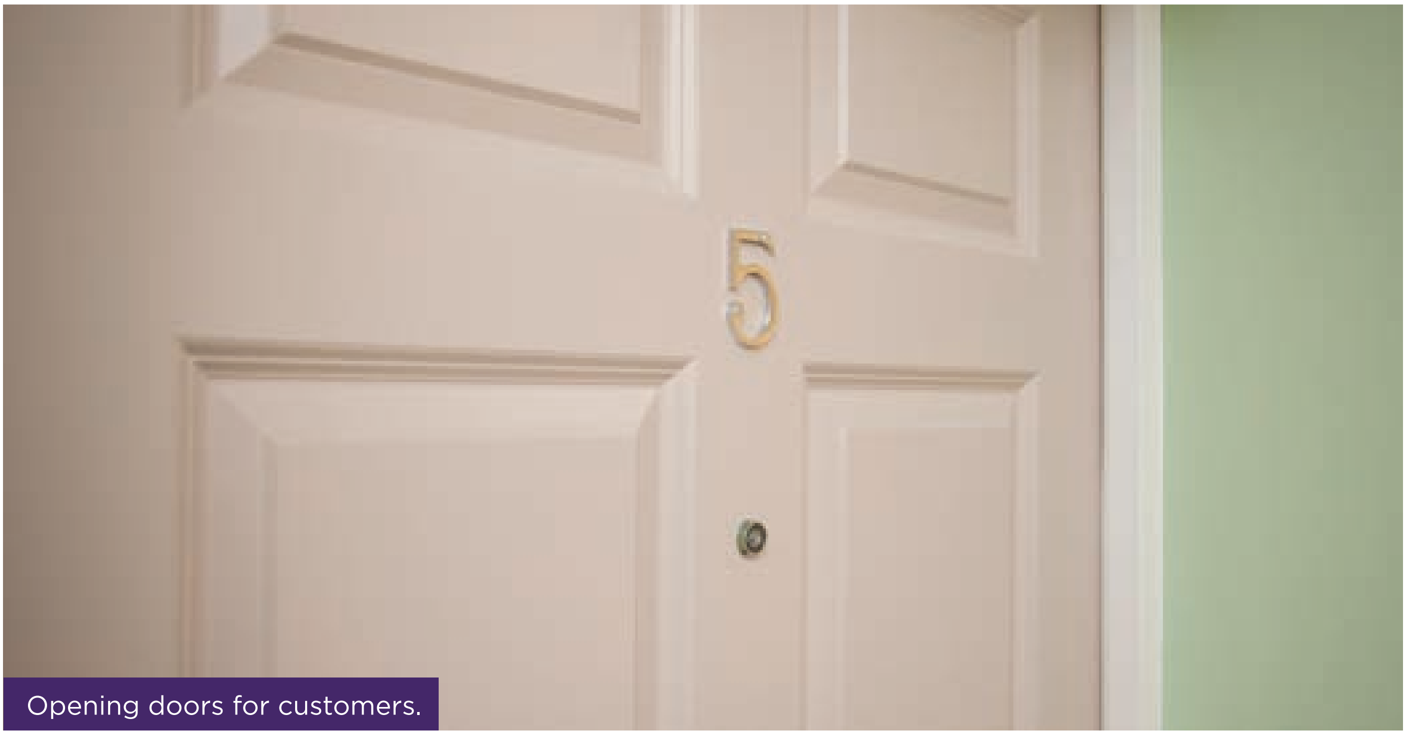
The provider meets the requirements on governance as set out in the Governance and Viability Standard.

Viability V1

The provider meets the requirements on viability set out in the Governance and Financial Viability Standard and has the capacity to mitigate its exposures effectively.

The Assets & Liabilities Register is constantly updated and has been reviewed as part of the Board Assurance Programme to confirm that the Register continues to meet the requirements of the Governance and Financial Viability Standard.

The Group considers that it has taken reasonable measures to assure itself that it meets the Standard.



Opening doors for customers.

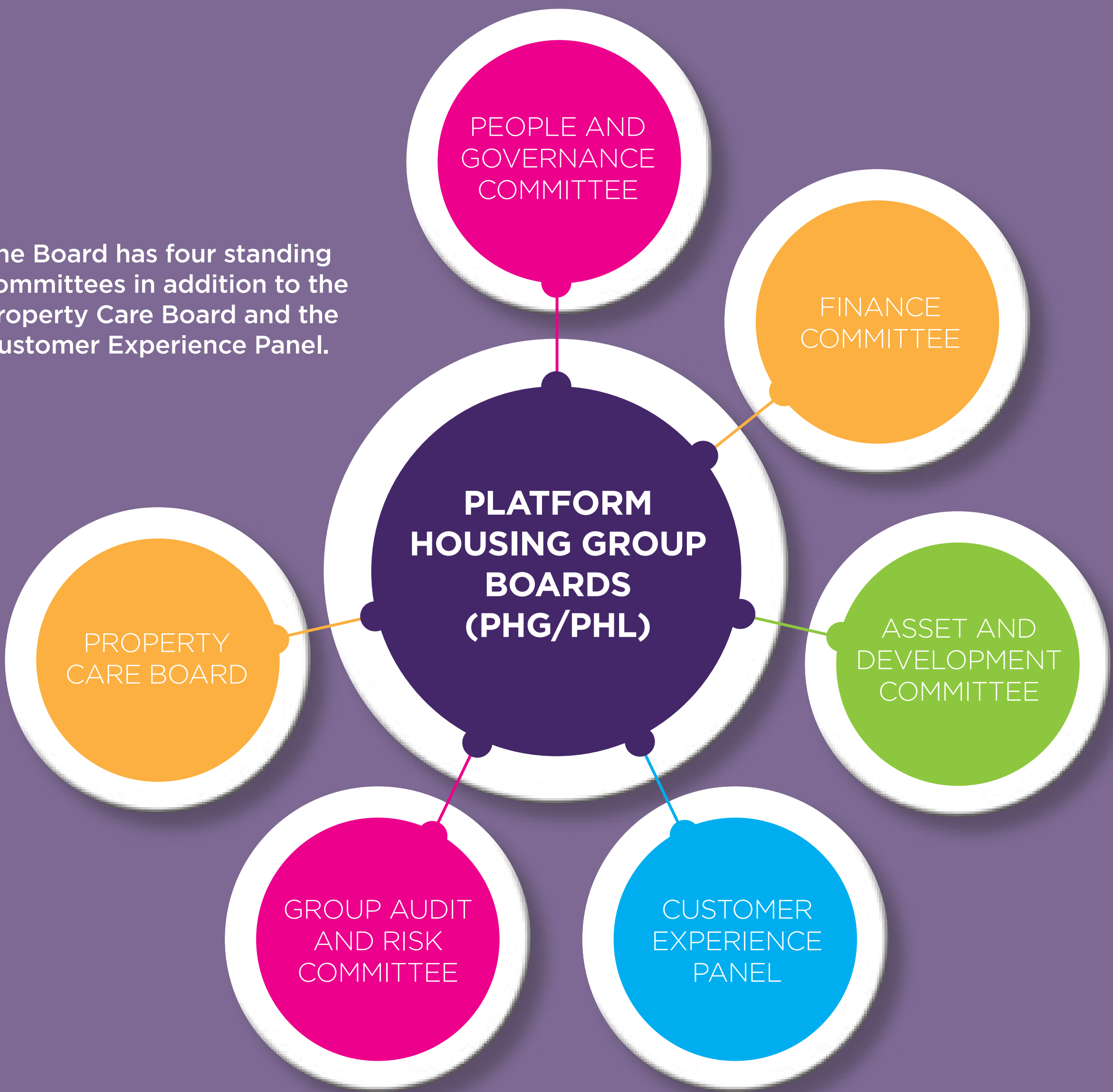
Code of Governance

The Regulatory Framework makes it clear that responsibility for meeting the regulatory standards lies with the Board and that the Board is under an obligation to adopt and comply with a recognised Governance Code.

The Board complies with the principal recommendations of both the NHF Code of Governance (2015) and Code of Conduct in all material respects except that the terms of office for a small number of Board Members was extended for a short period in order to maintain the continuity of key skills during the initial stages of merger. Recruitment of new Board Members has now been completed during the year however so the Group is now compliance with the 2015 Code.

Boards have adopted the revised NHF Code of Governance 2020 in December 2020 and completed an initial assessment against this. This identified a relatively small number of areas where the Group needed to make changes to ensure compliance and these are being implemented during the course of 2021/22 as outlined in the implementation expectations related to the new Code.

The Board has four standing committees in addition to the Property Care Board and the Customer Experience Panel.



Code of Governance (continued)

The Board has four standing committees in operation.

The Group Audit & Risk Committee's role is to monitor the Group's arrangements for internal control, risk management and assurance and to oversee the work of internal and external auditors. The Committee meets at least four times a year and is responsible for the review of the annual financial statements for all Group companies prior to consideration and approval by the Boards.

The People and Governance Committee's responsibilities include informing and reviewing the development and delivery of the Group's People strategy and associated policies, considering the composition of the Group's Boards and Committees, including succession planning, undertaking an annual review of the effectiveness of the Group's Boards and Committees; and making recommendations to the Board on remuneration for Board members and independent Committee members.

The Finance Committee is responsible for key treasury decisions in between Board Meetings, as delegated by the Board, as well as to facilitate good treasury management practice, primarily by enabling prompt decision taking on interest rate risk management transactions, as well as to support and advise the Platform Housing Board in relation to certain treasury activities.

The Asset and Development Committee's role is to support and advise the Platform Boards on the growth ambition and development strategy, critically evaluating at a programme level committed and uncommitted development, sales and commercial activity to monitor delivery performance; as well as the asset investment strategy.

We are committed to customer engagement and scrutiny of our services to ensure that there are even more ways for customers to share their views and feedback with us and get involved in ways that suit them. As a consequence the Group has established a Customer Experience Panel chaired by a resident member, with input and support from Board members who attend on a rotating basis to hear the customer voice and ensure this is fed back at each Board meeting.

Customer feedback is used in policy development and was specifically used for the review of our Complaints, Keeping Pets and Animals, Leasehold, Diversity and Inclusion, Arrears Recovery, Antisocial Behaviour and Hate Crime policies.

Internal Control Statement

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

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable, but not absolute, assurance that planned business objectives and expected outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial information and the safeguarding of the Group's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed and is consistent with good practice.

The Group Audit & Risk Committee is responsible for monitoring the risk management and internal control processes and updates the Group Board on the efficacy of the process.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

Identification and Evaluation of Key Risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Group's activities. Both the Executive Risk Committee and second tier Risk and Performance Group regularly consider reports on significant risks facing the Group and the Board and Group Audit and Risk Committee receive regular reports on changes affecting key risks.

Environment and Control Procedures

The Board retains responsibility for a defined range of issues covering strategic, financial and compliance issues including treasury management and new investment projects. There are governance arrangements in place, including policies and procedures, which cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection, and fraud prevention and detection.

Internal Control Statement (continued)

Information and Financial Reporting Systems

Financial reporting procedures include detailed annual budgets, detailed management accounts including forecasts for the year, and detailed treasury reports. These are reviewed in detail by the Executive Team and considered and approved by the Board each quarter. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Business Planning, Budgeting and Reporting

The Platform Housing Group Strategic Plan for the period 2021-26, which was approved by Boards in March 2021, sets out clear targets for the Group. This is supported by a 30-year financial plan which is updated at least twice each year and in response to extraordinary events. Economic assumptions are approved by the Boards and are subject to sensitivity testing. The plan is then subjected to comprehensive stress tests that are linked to the Group's risk register. The Boards have also considered mitigation strategies to deal with the materialisation of any stress factors.

Monitoring and Corrective Action

The internal control framework and risk management process is subject to regular review and is supported by internal and external auditors who are responsible for providing independent assurance to the Executive Team and Group Audit & Risk Committee and Board Members respectively. There is a formal process for the reporting and correction of significant control weaknesses. The Group Audit & Risk Committee considers internal control, risk and fraud at each of its meetings during the year.

The Group Audit & Risk Committee conducts an annual review and produces an annual report for the Board of the effectiveness of the system of internal control and considers any changes needed to maintain the effectiveness of the risk management and control process. The Board has received this report and confirms that there is a robust and on-going process for identifying, evaluating and managing significant risks faced by the Group. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

Statement of Board's Responsibilities in respect of the Board's Report and the Financial Statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for that period.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing.

It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

The Board Members who held office at the date of approval of this board report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware and each Board Member has taken all the steps that they ought to have taken as a Board Member to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

External Auditors

A review of external audit provision was taken in the year due to the length of tenure Beever and Struthers has completed with the legacy group organisation. A procurement process was undertaken and KPMG were appointed. A resolution to reappoint KPMG LLP, will be proposed at the Annual General Meeting.

Public Benefit Entity

As a Public Benefit Entity, the Group has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Statement of Compliance

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

The Strategic Report of the Board was approved by the Board on 28 July 2021 and signed on its behalf by:

JOHN WEGUELIN (Chair)

Independent Auditor's Report to the Members of

Platform Housing Group Limited

Regeneration works get underway at Tolladine in Worcester.

Opinion

We have audited the financial statements of Platform Housing Group Limited (**"Group and the Association"**) for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- Give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the Group and the Association as at 31 March 2021 and of the income and expenditure of the Group and the Association for the year then ended;
- Comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- Have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for Opinion

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

Going Concern

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

In our evaluation of the Board's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- We consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Association's ability to continue as a going concern for the going concern period.

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

Fraud and Breaches of Laws and Regulations – Ability to Detect

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

- Enquiring of the Board and the Audit and Risk Committee as to the Association's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Association's channel for **"whistleblowing"**, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Audit and Risk Committee and Finance Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet loan covenants /regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from property sales is recorded in the wrong period and may be overstated.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual and seldom used accounts.
- Sample testing of sales relating to the period prior to 31 March 2021 to determine whether income is recognised in the correct accounting period.

Identifying and Responding to Risks of Material Misstatement due to Non-compliance with Laws and Regulations.

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

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), distributable profits legislation, taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: GDPR, Health and Safety Legislation and Employment and Social Security Legislation, recognising the regulated nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor’s Report to the Members of Platform Housing Group Limited (continued)

Other Information

The Association’s Board is responsible for the other information, which comprises the Chair’s Report, Report of the Chief Executive, Strategic Report, the Chief Finance Officer’s report, the Corporate Governance statement and the Internal Control Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Matters on which we are required to Report by Exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Board’s Responsibilities

As explained more fully in their statement set out on page 40, the association’s Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 it 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

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

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

The Purpose of our Audit Work and to Whom we owe our Responsibilities

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.

SBrown

Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Statement of Comprehensive Income for the year ended 31 March 2021

		Group		Parent	
		2021	2020	**2021**	2020
	Note	**£000**	£000	**£000**	£000
Turnover	2&3	**269,873**	257,117	**10**	10
Operating Expenditure	2&3	**(141,077)**	(137,569)	**(6)**	(7)
Cost of Sales	2&3	**(28,286)**	(22,846)	**-**	-
Gain on disposal of property, plant and equipment	5	**8,929**	10,740	**-**	-
Increase/(Decrease) in valuation of investment properties	13	**720**	(125)	**-**	-
Operating Surplus		**110,159**	107,317	**4**	3
Interest receivable	6	**244**	543	**183**	-
Interest payable and financing costs	6	**(54,337)**	(49,981)	**(183)**	-
Surplus before tax		**56,066**	57,879	**4**	3
Taxation	8	**-**	-	**-**	-
Surplus for the year after tax		**56,066**	57,879	**4**	3
Initial recognition of multi-employer pension scheme	23	**-**	-	**-**	-
Actuarial (loss)/gain in respect of pension schemes	23	**(18,449)**	18,354	**-**	-
Total comprehensive income for the year		**37,617**	76,233	**4**	3

The Group's results all relate to continuing activities.

The financial statements on pages 55 to 104 were approved and authorised for issue by the Board of Management on 28 July 2021 and were signed on its behalf by:

John Weguelin
Chair of the Board of Management

Sebastian Bull
Chair of the Audit and Risk Committee

Andrew Bush
Secretary

The notes of pages 59 to 104 form an integral part of these accounts.

Statement of Financial Position at 31 March 2021

	Note	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Fixed assets					
Housing properties	11	**2,609,866**	2,471,698	**95**	96
Other tangible fixed assets	12	**11,359**	20,322	**-**	-
Intangible fixed assets	12a	**4,196**	-	**-**	-
Investment properties	13	**16,495**	15,775	**-**	-
Homebuy loans receivable	14	**8,220**	8,738	**-**	-
Fixed asset investments	15	**16,141**	15,389	**-**	-
Investment in subsidiaries		**-**	-	**50**	-
		2,666,277	2,531,922	**145**	96
Current assets					
Stocks: Housing properties for sale	16	**38,683**	35,419	**-**	-
Stocks: Other	16	**146**	147	**-**	-
Trade and other Debtors	17	**17,846**	19,679	**99,974**	-
Cash and cash equivalents		**188,603**	83,844	**-**	-
		245,278	139,089	**99,974**	-
Less: Creditors: amounts falling due within one year	18	**(210,279)**	(163,355)	**(100,019)**	-
Net current assets/(liabilities)		**34,999**	(24,266)	**(45)**	-
Total assets less current liabilities		**2,701,276**	2,507,656	**100**	96
Creditors: amounts falling due after more than one year	19	**(1,673,559)**	(1,534,945)	**-**	-
Provisions for liabilities					
Pension provision	23	**(65,842)**	(47,913)	**-**	-
Other provisions	24	**-**	(100)	**-**	-
Total net assets		**961,875**	924,698	**100**	96
Reserves					
Non-equity share capital	25	**-**	-	**-**	-
Income and expenditure reserve		**744,693**	703,790	**47**	43
Revaluation reserve		**217,182**	220,908	**53**	53
Total reserves		**961,875**	924,698	**100**	96

The financial statements on pages 55 to 104 were approved and authorised for issue by the Board of Management on 28 July 2021 and were signed on its behalf by:

John Weguelin
Chair of the Board of Management

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Andrew Bush
Secretary

The notes on pages 59 to 104 form an integral part of these accounts.

Consolidated Statement of Changes in Reserves

	Income and Expenditure Reserve	Property Revaluation Reserve	Investment Revaluation Reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2019	**626,582**	**221,233**	**200**	**848,015**
Surplus for the year	57,879	-	-	57,879
Actuarial gain on pension scheme	18,354	-	-	18,354
Valuation in the year	-	-	450	450
Transfer between reserves	975	(975)	-	-
Balance at 31 March 2020	**703,790**	**220,258**	**650**	**924,698**
Surplus for the year	56,066	-	-	56,066
Actuarial loss on pension scheme	(18,449)	-	-	(18,449)
Valuation in the year	-	-	(440)	(440)
Transfer between reserves	3,286	(3,286)	-	-
Balance at 31 March 2021	**744,693**	**216,972**	**210**	**961,875**

The notes on pages 59 to 104 form an integral part of these accounts.

Supported housing for older customers in Worcester.

Consolidated Statement of Cash Flows for the year ended 31 March 2021

	2021	2020
	£000	£000
Net cash generated from operating activities (see note i below)	**125,948**	114,716
Cash flow from investing activities		
Purchase of tangible fixed assets	**(173,240)**	(196,273)
Proceeds from sales of tangible fixed assets	**14,652**	30,822
Grants received	**69,169**	38,571
Interest received	**204**	717
Homebuy and Festival Property Purchase loans repaid	**518**	202
Investments	**-**	(5,891)
Cash flow from financing activities		
Interest paid	**(54,493)**	(51,598)
New secured loans	**418,119**	44,613
Repayment of borrowings	**(296,118)**	(44,834)
Net change in cash and cash equivalents	**104,759**	(68,955)
Cash and cash equivalents at the beginning of the year	**83,844**	152,799
Cash and cash equivalents at the end of the year	**188,603**	83,844
Note i		
Surplus for the year	**56,066**	57,879
Adjustments for non-cash items		
Depreciation of tangible fixed assets	**34,593**	33,751
Amortisation of grants	**(5,368)**	(4,686)
Impairment losses	**5,943**	-
Movement in properties and other assets in the course of sale	**(3,264)**	(5,959)
Decrease/(increase) in stock	**1**	(35)
Increase in trade and other debtors	**(2,564)**	(6,990)
(Decrease)/increase in trade and other creditors	**(1,100)**	1,124
Movement in investments	**(770)**	-
Increase in provisions	**1,693**	359
Adjustments for investing or financing activities		
Proceeds from sale of tangible fixed assets	**(8,929)**	(10,740)
Interest payable	**54,337**	49,981
Interest receivable	**(244)**	(543)
Movement in fair value of financial instruments	**(3,726)**	450
Increase in valuation of investment property	**(720)**	125
Net cash generated from operating activities	**125,948**	114,716

The notes on pages 59 to 104 form an integral part of these accounts

Notes to the Financial Statements 2021

Legal Status

Platform Housing Group (the parent company) is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 1700 Solihull Parkway, Birmingham Business Park, Solihull, B37 7YD.

Platform Housing Group (the group, referred to as 'the Group') comprises the following entities:

Platform Housing Group

Incorporation
Co-operative and Community Benefit Societies Act 2014

Registration
Registered

Platform Housing Limited

Incorporation
Co-operative and Community Benefit Societies Act 2014

Registration
Registered

Platform Property Care Limited

Incorporation
Companies Act 2006

Registration
Non-registered

Platform New Homes Limited

Incorporation
Companies Act 2006

Registration
Non-registered

Platform HG Financing PLC

Incorporation
Companies Act 2006

Registration
Non-registered

Waterloo Homes Limited (Dormant)

Incorporation
Companies Act 2006

Registration
Non-registered

1. Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP), the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 Update and Financial Reporting Standard 102 ('FRS 102'). Platform Housing Group is a Public Benefit Entity under the requirements of FRS 102. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

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 2019. Following the implementation of FRS 102, housing properties are stated at deemed cost at the date of transition and additions are recorded at cost. Investment properties are recorded at valuation. The accounts are presented in sterling and are rounded to the nearest £1,000.

As a Public Benefit Entity, The Group has applied the 'PBE' prefixed paragraphs of FRS 102.

Parent Company Disclosure Exemptions

In preparing the separate financial statements of the parent company, no cash flow statement has been presented for the parent company, taking advantage of the disclosure exemptions available in FRS 102.

Basis of Consolidation

The consolidated financial statements incorporate the results of Platform Housing Group and all of its subsidiary undertakings as at 31 March 2021. All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation.

The financial statements do not consolidate the results of Worcestershire Telecare or Central Housing Investment Consortium, as the Group has no direct rights to assets or surpluses of these companies and limited liability as regards debts or losses. Details of the arrangements can be found in note 29 to the Financial Statements.

Going Concern

The financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

The Board has prepared cash flow forecasts covering a period of 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the Group and Association will have sufficient funds to meet their liabilities as they fall due for that period. In addition, the Board prepares a 30 year long term financial plan which is updated and approved on an annual basis. The most recent business plan was approved in May 2021 by the Board.

As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. Following the outbreak of Covid-19 the Board has undertaken a series of further scenario testing including severe but plausible downsides in the worst-case assessment.

The Board, after reviewing the Group and Association budgets for 2021/22 and the Group's medium term financial position as detailed in the cash flow forecasts and 30-year long term financial plan, including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue to meet their liabilities over the going concern period. In reaching this conclusion, the Board has considered the following factors:

- The property market – budget and long term financial plan scenarios have taken account of delays in handovers and significant reductions in sales values;
- Maintenance costs – budget and long term financial plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and long term financial plan scenarios to take account of potential future reductions in rents;

1. Principal Accounting Policies (continued)

- Liquidity – current available cash and unutilised loan facilities across the group of £768.6m which gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period;
- The Group's ability to withstand other adverse scenarios such as higher interest rates, increases in the number of void properties and significant reductions in Social Housing Grant.

The Board believes the Group and Association have sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the Group and Association will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a. **Categorisation of housing properties.** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented property and student accommodation are investment properties. Following the implementation of FRS 102 and the merger with Waterloo Housing Group, housing properties have been stated at a 'deemed cost' at the date of transition based on the 2014 valuation or the date of the merger based on historic cost and additions are recorded at cost. Investment properties were subject to an external revaluation at the end of the period. Investment properties are stated at a value based on vacant possession which is annually determined by external valuers derived from the current market conditions.

   Due to the unknown impact of Covid-19 on the property market, the valuation has been reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global.

b. **Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 23.

   The Group also participates in a defined contribution pension scheme, in respect of which the charge to the Statement of Comprehensive Income represents the total employer liability for service received from the relevant employees in the year.

c. **Development expenditure.** The Group capitalises development expenditure in accordance with the accounting policy described on page 59. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment. The impact of Covid-19 on ongoing and contracted development projects was assessed but no evidence of impairment has been found.

1. Principal Accounting Policies (continued)

d. Impairment. The Group has identified a 'cash generating unit' (CGU) for impairment assessment purposes at scheme level. Following a trigger for impairment, the Group perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar CGU's or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement costs is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Group as the existing property. The cash flows are derived from the business plan for the next 30 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rated used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

The Group has estimated the recoverable amount of its housing properties as follows:

a. Determined that the recoverable amount will be assessed at the CGU;

b. Estimated the recoverable amount of the CGU;

c. Calculated the carrying amount of the CGU; and

d. Compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

Triggers for impairment include material changes to Government policy or the regulatory regime deem to cause material detrimental impact to the recoverable amount of housing properties, significant negative movement to the Nationwide Housing Property Index and long term sustained falls in GDP. Other factors such as obsolescence, change in demand or contamination may also trigger impairment.

Following an assessment of impairment which contained a full review of assets, for both housing properties and freehold offices, whilst no impairment losses were identified in the reporting period in respect of housing properties, a couple of freehold offices were identified as being impaired. Impairment losses amounting to £5.943m were identified and have been recognised in the financial statements as disclosed in note 12.

e. Financial Instruments. The Group has adopted the recognition and measurement requirements of IAS 39 plus the disclosure requirements of FRS 102 sections 11 and 12 for all of its financial instruments.

Other Key Sources of Estimation and Assumptions

a. Tangible fixed assets. Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

b. Revaluation of investment properties. The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine the value which was based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 13.

c. Impairment of non-financial assets. A review for impairment indicators of housing properties is carried out annually and any impairment loss is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use.

1. Principal Accounting Policies (continued)

d. Impairment of Financial Assets. Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately. The impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

e. Provision for Bad Debts. A provision is made for rent, service charges and other income based on the age and type of the debt.

Current Tenants	Provision
Average age of arrears	
Less than 30 days	0%
30 to 60 days	10%
60 to 90 days	25%
90 to 120 days	50%
120 to 150 days	75%
150 to 180 days	85%
Greater than 180 days	100%
Former Tenants	100%
Other Income	
Less than 30 days	0%
30 to 60 days	25%
60 to 90 days	75%
Greater than 90 days	100%

Property Care Apprentices.

Merger Accounting

Where merger accounting is used, the investment is recorded in the Groups Statement of Financial Position at the nominal value of the shares issued together with the fair value of any additional consideration paid. In the Groups financial statements, merged subsidiary undertakings are treated as if they had already been a member of the Group. The results of such a subsidiary are included for the whole period in the year it joins the Group. The corresponding figures for the previous year include its results for that period, the assets and liabilities at the previous Statement of Financial Position date and the shares issued by the Group as consideration as if they had always been in issue.

Acquisition Accounting

Where acquisition accounting is used, the Group statement of comprehensive income and statement of cashflows include the results and cashflows of the investment from the acquisition date. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Turnover and Revenue Recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from government, local authorities and Homes England, income from shared ownership first tranche sales and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Sales of properties developed for outright sale are included in Turnover and Cost of Sales.

1. Principal Accounting Policies (continued)

Service Charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme by scheme basis. Where variable service charges are used the income will include the surplus or deficit from prior years. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required a sinking fund or reserve fund may be built up over the years; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Apportionment of Overheads to Group Members

Central overheads are recharged at cost from Platform Housing Limited to Platform Property Care Limited using the apportionment methods detailed below:

Cost Category	Apportionment Method
Corporate Services	Time allocation
Finance and ICT	Time allocation
Human Resources	Employee headcount
Training	Historical spend
Office running costs	Floor area

Retirement Benefits

The cost of providing retirement pensions and related benefits is charged over the periods benefiting from the employees' services.

Leased Assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Statement of Comprehensive Income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Property Sales

Under shared ownership arrangements, the Group disposes of a long lease of shared ownership housing units to persons who occupy them, at a lease premium equal to between 25% and 75% of open market value. The occupier has the right to purchase further proportions at the then current valuation up to 100%. Subsequent tranches sold ('staircasing sales') are reflected in the Statement of Comprehensive Income as a surplus or deficit on sale of fixed assets.

Under right to buy arrangements the Group disposes of properties outright to qualifying customers and the resulting surplus is reflected in the Statement of Comprehensive Income.

There are clawback agreements with City of Worcester, Derbyshire Dales District Council, Malvern Hills District Council, Market Harborough District Council and Wychavon District Council, whereby the surplus or deficit is calculated by comparing the net proceeds received by the Group with the book value of the property sold.

1. Principal Accounting Policies (continued)

Financing Costs

Finance interest, transaction costs and associated premium or discount are charged to the Statement of Comprehensive Income using either the effective interest rate (EIR) method or on a straight line basis where not materially different. The EIR method spreads all associated costs over the life of the instrument by comparing the borrowing amount at initial recognition and amount at maturity.

Loan Finance Issue Costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Financial Assets

Financial assets are defined as cash or any asset that is a contractual right to receive cash or another financial asset from another entity, or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable, or an equity instrument of another entity. The group categorises its financial assets as:

- Loans and receivables; and
- Available-for-sale financial assets.

Loans and receivables are assets with fixed or determinable payments that are not quoted on an active market. These are initially recognised at fair value plus transaction costs and subsequently at amortised cost. Examples of loans and receivables include tenant arrears, unlisted investments, sundry debtors and cash at bank and in hand.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs, which is effectively historical cost. At each Statement of Financial Position date they are re-measured at fair value and movements are recorded in equity reserves and in the Statement of Comprehensive Income when the reserves are fully utilised. Listed investments are considered to be available-for-sale assets.

Financial Liabilities

Financial liabilities are defined as any liability that is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial instruments with another entity under conditions that are potentially unfavourable. The financial liabilities of the Group are classed as:

- Financial liabilities at fair value through profit and loss; and
- Other financial liabilities.

Other financial liabilities are all financial liabilities that have value to the supplying party, for instance debt finance, trade creditors, other creditors and accruals. They are valued at fair value at inception and then amortised cost subsequently.

Categorisation of Debt

The Group's debt has been treated as 'basic' in accordance with paragraphs 11.8 and 11.9 of FRS 102. The Group has some fixed rate loans which have a two-way break clause (i.e. in addition to compensation being payable by a borrower to a lender if a loan is prepaid where the prevailing fixed rate is lower than the existing loan's fixed rate, compensation could be payable by the lender to the borrower in the event that a loan is prepaid and the prevailing fixed rate is higher than the existing loan's fixed rate).

The Financial Reporting Council (FRC) issued a statement on 2 June 2016 in respect of such loans with no prescriptive direction as to whether they should be classified as 'basic' or 'non basic'. On the grounds that the Association believes the recognition of each debt liability at cost provides a more transparent and understandable position of the Association's financial position and that each loan still satisfies the requirements of paragraphs 11.8 and 11.9 of FRS 102, the Association has retained its 'basic' treatment of its debt following the FRC announcement.

1. Principal Accounting Policies (continued)

Taxation

a. Value Added Tax (VAT). The Group is registered for VAT and charges 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 recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

b. Deferred Taxation. Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- Deferred tax is not recognised on timing differences arising on revalued properties unless the Group and Company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- The recognition of deferred tax assets is limited to the extent that the Group and company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not disclosed.

Housing Properties

Tangible fixed assets are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction. Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred. Expenditure incurred on responsive and cyclical repairs to the housing stock is expensed to the Statement of Comprehensive Income in the year in which it is incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories. UELs for identified components are as follows:

Component	Useful economic life
Housing structure	100 years
Roofs	70 years
Bathrooms	30 years
Windows	30 to 40 years
Doors	30 to 40 years
Heating distribution	30 years
Electrics	30 years
Kitchens	20 years
Lifts	20 to 25 years
Photo-voltaic panels	20 years
Heating source	15 to 30 years
Fascia and cladding	25 to 40 years

The Group depreciates housing properties held on long leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Shared Ownership Properties

All completed properties are split proportionally between fixed and current assets in line with the expectation relating to the first tranche sale percentage. The expected first tranche proportion is classified as a current asset until the point of the first tranche sale. The current asset is then transferred to cost of sale and matched against sales proceeds to generate the surplus on disposal within the Statement of Comprehensive Income. The remaining element of the asset is classified as a fixed asset and included within housing properties and subsequent sales treated as sales of fixed assets in operating profit.

1. Principal Accounting Policies (continued)

Capitalisation of Interest and Administration Costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into its intended use.

Property Managed by Agents

Where the Group carries the majority of the financial risk on property managed by agents, all income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the majority of the financial risk, the Statement of Comprehensive Income includes only that income and expenditure that relates solely to the Group.

In both cases, the assets and associated liabilities are included in the Group's Statement of Financial Position.

Clarence Park Retirement Living Village in Malvern.

Other Tangible Fixed Assets

Depreciation is charged on a straight line basis, to write them down to their estimated residual values over their expected useful life. No depreciation is provided on freehold land. Component accounting has been adopted for freehold office premises on exactly the same basis as that used for housing properties as set out above. The principal annual rates used for other assets are:

Other tangible fixed asset	Useful economic life
Office premises	100 years
Office premises components	Between 15 and 50 years
Furniture, fixtures and fittings	Between 4 and 10 years
Computer equipment	3 to 4 years
Mobile office	7 years
Motor vehicles	Between 3 and 7 years
Plant and machinery	Between 4 and 30 years

Other tangible fixed assets under construction are stated at cost and are not depreciated.

Intangible Fixed Assets

Intangible fixed assets are stated at cost less amortisation which is charged on a straight line basis over the asset's useful economic life as shown below:

Other intangible fixed asset	Useful economic life
Computer software	5 years

Investment Property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

1. Principal Accounting Policies (continued)

Homebuy

Homebuy loans are treated as concessionary loans and are initially recognised at the amount paid to the purchaser and reviewed annually for impairment. The associated Homebuy grant from Homes England is recognised as deferred income until the loan is redeemed.

The Group operated this scheme by lending a percentage of the cost to home purchasers, secured on the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentage of the proceeds is repaid. The loans are financed by an equal amount of Social Housing Grant (SHG). On redemption:

- The SHG is recycled;
- The SHG is written off, if a loss occurs; and
- The Group keeps any surplus.

Festival Property Purchase (FPP)

Following the loss of Zone Agent Status the Group introduced its own equivalent Homebuy product, **Festival Property Purchase**. These transactions were generally not grant aided but provided opportunities to purchasers on a similar basis to the previous Homebuy product. In certain circumstances the loans were funded by local authority grant and where this is the case, these grants are recognised as deferred income until the loan is redeemed. The scheme was closed in 2009/2010.

The Group provided loans of 25% of the purchase price of a property, to qualifying individuals, and the loans are included in Homebuy Loans Receivable. No monthly repayments are made on the loan, however it is only available for a maximum of ten years or until the property is sold, whichever is the sooner. The Group is currently proposing to extend the scheme period for a further ten years.

These loans are secured by second charges on the properties and therefore, falls in the value could directly affect the recoverability of these loans. Because of this exposure, the loan balance is reviewed against property values annually and where required, a provision for losses is made in the Statement of Comprehensive Income.

Fixed Asset Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Investments held as current assets are stated at the lower of cost and net realisable value. Any investments listed on a recognised stock exchange are stated at market value.

Stocks and Properties Held for Sale

Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed and intended for outright sale are included in current assets, at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Stock Swaps

Where an agreement is entered into with another PRP to swap housing stock, the outgoing stock is treated as a disposal with a gain or loss recorded the Statement of Comprehensive Income. The incoming stock is measured at fair value.

Current Asset Investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Short-term Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenditure.

1. Principal Accounting Policies (continued)

Social Housing Grant (SHG) and Other Government Grants

Where developments have been financed wholly or partly by Social Housing Grant (SHG) and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income is included as part of turnover. Grants received prior to FRS 102 transition date have been recognised in the Income and Expenditure Reserve.

When grant in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover.

Grants for revenue expenditure are credited to the Statement of Comprehensive Income as they become receivable.

Recycling of Capital Grant Fund (RCGF)

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

Non-government Grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as turnover.

Haven Bond Premium and Affordable Housing Finance (AHF) Bond Premium

The premiums on the issue of the Haven Bond and AHF Bond are included in creditors and are being written off over the period of the loans.

Provisions

The Group will make a provision for contractual liabilities and where there is a reasonable probability for a potential loss.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken. In addition, the reserve contains any increase in the fair value of listed investments.

Our Ardley development in Oxfordshire.

2. Turnover, Cost of Sales, Operating Expenditure and Operating Surplus

Group	2021			
	Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)
	£000	£000	£000	£000
Social housing lettings	**225,291**	**-**	**(128,650)**	**96,641**
(see note 3)				
Other social housing activities				
Development services	53	-	(3,822)	(3,769)
Management services	153	-	(469)	(316)
Support services	366	-	(569)	(203)
Sale of Shared Ownership first tranche	32,099	(26,007)	-	6,092
Other	1,392	-	(296)	1,096
	34,063	**(26,007)**	**(5,156)**	**2,900**
Activities other than social housing				
Developments for sale	2,335	(2,279)	-	56
Student accommodation	9	-	(12)	(3)
Market rents	1,189	-	(635)	554
Other	6,986	-	(6,624)	362
	10,519	**(2,279)**	**(7,271)**	**969**
Total	**269,873**	**(28,286)**	**(141,077)**	**100,510**

Building New Homes

Pickersleigh Grove, Malvern

Built on the site of 42 non-traditional post war homes, which were demolished in 2016, we extended the size of the development following the purchase of adjacent land which made this the largest all affordable housing development in the town. This meant a larger amount of affordable tenures were possible and more people with a local connection, including some key workers, were able to live in the picturesque spa town of Malvern. A children's play area was built at the heart of the site, using repurposed timber from trees felled in the building process.

Tenure Mix 92 homes – **60 Shared Ownership, 32 Affordable Rent**
Architects - **Zebra**
Contractor - **Speller Metcalfe**
Completion date - **Aug 2020**

2. Turnover, Cost of Sales, Operating Expenditure and Operating Surplus (continued)

Group	2020			
	Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)
	£000	£000	£000	£000
Social housing lettings (see note 3)	**215,124**	**-**	**(124,495)**	**90,629**
Other social housing activities				
Development services	73	-	(2,526)	(2,453)
Management services	201	-	(184)	17
Support services	525	-	(631)	(106)
Sale of Shared Ownership first tranche	27,849	(21,770)	-	6,079
Other	2,915	-	(1,482)	1,433
	31,563	**(21,770)**	**(4,823)**	**4,970**
Activities other than social housing				
Developments for sale	1,113	(1,076)	-	37
Student accommodation	7	-	(54)	(47)
Market rents	1,159	-	(698)	461
Other	8,151	-	(7,499)	652
	10,430	**(1,076)**	**(8,251)**	**1,103**
Total	**257,117**	**(22,846)**	**(137,569)**	**96,702**

3. Turnover and Operating Expenditure for Social Housing Lettings

Group	2021					
	General needs housing	Affordable rent	Supported housing & housing for older people	Low Cost Home Ownership	Intermediate rent	Total
	£000	£000	£000	£000	£000	£000
Income						
Rent receivable net of identifiable service charges	133,331	37,971	13,686	16,030	2,430	203,448
Service charge income	5,628	1,201	5,783	2,743	3	15,358
Other grants	768	137	66	111	9	1,091
Amortised government grants	2,699	1,584	123	911	26	5,343
Other income	2	49	-	-	-	51
Turnover from social housing lettings	**142,428**	**40,942**	**19,658**	**19,795**	**2,468**	**225,291**
Operating expenditure						
Management	(17,327)	(4,109)	(3,067)	(2,791)	(272)	(27,566)
Service charge costs	(7,651)	(2,137)	(7,938)	(3,213)	(286)	(21,225)
Routine maintenance	(24,369)	(5,019)	(3,135)	(156)	(184)	(32,863)
Planned maintenance	(4,555)	(1,060)	(599)	(118)	(40)	(6,372)
Major repairs expenditure	(4,815)	(443)	(962)	(456)	(216)	(6,892)
Bad debts	(742)	(235)	(171)	(128)	(25)	(1,301)
Depreciation of housing properties	(19,475)	(7,868)	(2,105)	(2,668)	(315)	(32,431)
Operating expenditure on social housing lettings	**(78,934)**	**(20,871)**	**(17,977)**	**(9,530)**	**(1,338)**	**(128,650)**
Operating surplus on social housing lettings	**63,494**	**20,071**	**1,681**	**10,265**	**1,130**	**96,641**
Void losses	(1,387)	(416)	(435)	(934)	(165)	(3,337)

3. Turnover and Operating Expenditure for Social Housing Lettings (continued)

Group	2020					
	General needs housing	Affordable rent	Supported housing & housing for older people	Shared Ownership	Intermediate rent	Total
	£000	£000	£000	£000	£000	£000
Income						
Rent receivable net of identifiable service charges	129,187	34,936	13,478	14,502	2,476	194,579
Service charge income	5,452	1,146	5,663	2,777	3	15,041
Other grants	795	-	-	-	-	795
Amortised government grants	2,703	1,152	112	669	25	4,661
Other income	1	47	-	-	-	48
Turnover from social housing lettings	**138,138**	**37,281**	**19,253**	**17,948**	**2,504**	**215,124**
Operating expenditure						
Management	(17,079)	(3,725)	(2,041)	(3,061)	(201)	(26,107)
Service charge costs	(7,301)	(1,344)	(4,957)	(2,493)	(203)	(16,298)
Routine maintenance	(21,715)	(4,374)	(2,869)	(111)	(219)	(29,288)
Planned maintenance	(5,244)	(539)	(846)	(125)	(13)	(6,767)
Major repairs expenditure	(7,941)	(1,388)	(2,227)	(248)	(135)	(11,939)
Bad debts	(1,354)	(366)	(326)	(143)	(99)	(2,288)
Depreciation of housing properties	(19,991)	(6,968)	(2,315)	(2,270)	(264)	(31,808)
Operating expenditure on social housing lettings	**(80,625)**	**(18,704)**	**(15,581)**	**(8,451)**	**(1,134)**	**(124,495)**
Operating surplus on social housing lettings	**57,513**	**18,577**	**3,672**	**9,497**	**1,370**	**90,629**
Void losses	(1,101)	(331)	(301)	(689)	(129)	(2,551)

4. Units

Social housing properties in management at end of year

	2021					2020	
	Owned and managed Number	Managed not owned Number	Total managed Number	Owned not managed Number	Total owned Number	Total managed Number	Total owned Number
General Needs	**28,236**	**8**	**28,244**	**8**	**28,244**	28,041	28,062
Affordable rent	**6,897**	**5**	**6,902**	**-**	**6,897**	6,638	6,645
Supported	**284**	**-**	**284**	**58**	**342**	284	353
Housing for older people	**2,973**	**-**	**2,973**	**-**	**2,973**	2,973	2,973
Intermediate rent	**458**	**-**	**458**	**-**	**458**	457	525
Total	**38,848**	**13**	**38,861**	**66**	**38,914**	38,393	38,558
*Shared Ownership <100%	**5,600**	**6**	**5,606**	**-**	**5,600**	5,327	5,321
Social Leased @100% sold	**1,118**	**-**	**1,118**	**-**	**1,118**	1,100	1,100
Total social	**45,566**	**19**	**45,585**	**66**	**45,632**	44,820	44,979
Non social housing							
Non social rented	**112**	**-**	**112**	**-**	**112**	113	113
Non social leased	**378**	**-**	**378**	**29**	**407**	397	418
Total stock	**46,056**	**19**	**46,075**	**95**	**46,151**	45,330	45,510

* The equity proportion of a Shared Ownership property is counted as one unit.

Housing for older people.

4. Units (continued)

Analysis of movements of units owned in the year

	2020	Additions	Conversions	**Re-classification	Sold	Demolished	2021
General Needs	28,062	254	1	(21)	(38)	(14)	**28,244**
Affordable rent	6,645	283	2	(12)	(21)	-	**6,897**
Supported	353	-	-	(11)	-	-	**342**
Housing for older people	2,973	-	-	-	-	-	**2,973**
Intermediate rent	525	1	-	(68)	-	-	**458**
*Shared Ownership	5,321	373	(3)	-	(91)	-	**5,600**
Social leased	1,100	-	-	-	18	-	**1,118**
Non social rented	113	-	-	-	-	(1)	**112**
Non social leased	418	-	-	-	(11)	-	**407**
Total	**45,510**	**911**	**-**	**(112)**	**(143)**	**(15)**	**46,151**

* Shared Ownership sales represent units that were fully staircased.
** In addition to the units above, Platform owns 207 units leased to other registered providers, charities or local authorities where we are not considered to be the landlord and therefore we do not include these units in the regulators annual return. These units include the 112 units reclassified during this year.

Units under development/refurbishment at end of year

	2021	2020
	Number	Number
Social housing rented units	**1,383**	838
Shared Ownership	**720**	485
Commercial units	**15**	-
	2,118	1,323

5. Gain on Disposal of Property, Plant and Equipment

	Property developed for other PRP's	Shared Ownership staircasing sales	Others	2021	2020
	£000	£000	£000	£000	£000
Disposal proceeds	**-**	**9,723**	**6,950**	**16,673**	25,049
Cost of sales	**-**	**(5,198)**	**(2,212)**	**(7,410)**	(12,966)
Surplus	**-**	**4,525**	**4,738**	**9,263**	12,083
Grant recycled	**-**	**(310)**	**(24)**	**(334)**	(1,343)
Surplus for the year	**-**	**4,215**	**4,714**	**8,929**	10,740

6. Net Interest

Interest receivable and similar income	**2021**	**2020**
	£000	£000
On financial assets measured at amortised cost:		
Interest receivable	**244**	543
	244	543

Interest payable and financing costs	**2021**	**2020**
	£000	£000
On financial liabilities measured at amortised cost:		
Loans repayable	**43,860**	44,496
Loan breakage costs	**6,395**	6,783
Costs associated with financing	**3,735**	3,311
	53,990	54,590
On defined benefit pension scheme:		
Expected return on plan assets	**(3,955)**	(4,143)
Interest on scheme liabilities	**5,049**	5,655
	1,094	1,512
On financial liabilities measured at fair value:		
Interest capitalised on housing properties	**(747)**	(6,121)
	54,337	49,981

Interest has been capitalised at the rate of 3.4% (2020: 3.8%).

New homes get underway in Worcester.

7. Surplus on Ordinary Activities

	2021	2020
	£000	£000
The operating surplus for the year is stated after charging:		
Depreciation:		
Housing properties	**32,552**	31,946
Amortisation of grant	**(5,343)**	(4,661)
Other fixed assets	**2,711**	1,805
Impairment of office premises	**5,943**	-
Auditors remuneration:		
In their capacity as auditors	**144**	70
In respect of other services	**45**	29
Fees in respect of other services paid to predecessor auditor	**11**	-
Operating leases	**1,610**	1,384

8. Taxation

	Group		Parent	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Taxation charge for the period:				
Corporation tax	**-**	-		
Under/(over) provision in previous years	**-**	-	**-**	-
Total current tax	**-**	-	**-**	-
Deferred tax:				
Origination and reversal of timing differences	**-**	-	**-**	-
Under/(over) provision in previous years	**-**	-	**-**	-
Tax deficit on ordinary activities	**-**	-	**-**	-

	Group		Parent	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Surplus on ordinary activities before tax	**56,066**	57,879	**4**	3
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020: 19%)	**10,653**	10,997	**1**	1
Surplus relating to charitable entities	**(10,653)**	(10,997)	**(1)**	(1)
Expenses not deductible for tax purposes	**-**	-		
Capital allowances in advance of depreciation	**-**	-		
Utilisation of charges on income	**-**	-		-
Tax charge for the year	**-**	-	**-**	-

9. Directors and Key Management Personnel Remuneration

Key management personnel are defined as non-executive members of the Board, the Chief Executive and Executive Directors and the total costs are £2,167k (2020: £2,500k).

The aggregate emoluments paid to or receivable by Non-Executive Directors

	2021	2020
	£000	£000
D Sleath	**14**	30
J Weguelin	**39**	9
P Dearing	**6**	17
D Clark	**18**	17
S Dyson	**16**	11
J Sharnock	**4**	11
H Southwell	**16**	11
J Wood	**16**	11
D Thompson	**-**	9
M Davies	**-**	6
C Huntbatch	**-**	8
C Davis	**6**	6
P Fowler	**6**	6
A John	**6**	6
C Goodchild	**6**	6
G S Bull	**16**	-
P Smith	**11**	-
J Anderson	**11**	-
A King	**11**	-
H Prajapat	**9**	-
L Zonato	**9**	-
	220	164

Expenses for the year paid to Board members totalled £1k (2020: £4k).

Our Saxonfields development in Skegness.

9. Directors and Key Management Personnel Remuneration (continued)

The aggregate emoluments paid to or receivable by Executive Directors and former Directors

	2021					2020
	Basic Salary	Benefits in kind	Er's Pension Contributions	Compensation for loss of office	Total	Total
	£000	£000	£000	£000	£000	£000
E Froude	287	16	-	-	303	210
R Farrar	187	13	7	-	207	3
A Howarth (left 31/3/20)	-	-	-	-	-	346
R Grounds (left 31/3/20)	-	-	-	-	-	345
M Duffy	119	15	26	-	160	154
C Jackson (left 7/8/20)	43	4	8	133	188	159
J Cocker	135	14	27	-	176	138
C Durnin	118	15	31	-	164	135
D Evans	120	14	32	-	166	146
G Oakley (15/06/20)	141	13	13	-	167	-
C Dass (left 6/4/20)	-	-	-	-	-	218
D Pickering (left 30/9/19)	-	-	-	-	-	426
Total	1,150	104	144	133	1,531	2,280

Emoluments paid to the highest paid Director (excluding Pension costs) were £303k (2020: £426k).

Executive Director emoluments for the year ended 31 March 2021 include an amount paid as compensation of loss of office amounting to £133k for Ms C Jackson.

Elizabeth Froude, as Chief Executive, received remuneration for the year ending 31 March 2021 totalling £303k (2020: £210k). The Association has not contributed to any pension scheme in the period and no enhanced terms apply.

10. Group Employee Costs

Executive Director costs

	2021	2020
	£000	£000
Wages and Salaries	**1,283**	1,886
Social security costs	**316**	182
Other pension costs	**348**	269
	1,947	2,337

Employee costs excluding the Executive Directors

Other employee costs

	2021	2020
	£000	£000
Wages and Salaries	**40,655**	33,390
Social security costs	**3,755**	3,126
Other pension costs	**5,705**	7,337
	50,115	43,853

Average number of full time equivalent persons (including the Chief Executive, and where 1 full time equivalent is based on 35 hours per week) employed during the year was:

	2021	2020
Office staff	**750**	704
Site based employees	**623**	474
Total employees	**1,373**	1,178

The number of full time equivalent employees whose remuneration payable fell within the bands:

	2021	2020
£60,000 to £69,999	**17**	17
£70,000 to £79,999	**8**	3
£80,000 to £89,999	**7**	14
£90,000 to £99,999	**10**	10
£100,000 to £109,999	**3**	4
£110,000 to £119,999	**3**	3
£120,000 to £129,999	**1**	3
£130,000 to £139,999	**3**	3
£140,000 to £149,999	**-**	1
£150,000 to £159,999	**1**	2
£160,000 to £169,999	**3**	-
£170,000 to £179,999	**1**	-
£180,000 to £199,999	**2**	-

	2021	2020
£200,000 to £209,999	**1**	1
£210,000 to £219,999	**-**	1
£220,000 to £229,999	**-**	-
£230,000 to £259,999	**1**	-
£260,000 to £269,999	**-**	-
£270,000 to £329,999	**1**	-
£330,000 to £339,999	**-**	-
£340,000 to £349,999	**-**	2
£350,000 to £369,999	**-**	-
£370,000 to £379,999	**-**	-
£380,000 to £419,999	**-**	-
£420,000 to £429,999	**-**	1
	62	65

11. Tangible Fixed Assets – Housing Properties

Group	Housing Properties held for letting	Housing Properties in the course of construction	Completed Shared Ownership Properties	Shared Ownership Properties in the course of construction	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2020	2,215,034	105,768	368,702	55,483	2,744,987
Reclassification	2,273	(790)	(1,483)	-	-
Additions	596	107,893	381	89,250	198,120
Works to existing properties	9,626	-	-	-	9,626
Disposals	(3,876)	-	(5,541)	-	(9,417)
Fair value disposal	(91)	-	-	-	(91)
Transfer (to)/from current assets	-	(2,275)	408	(28,762)	(30,629)
Interest capitalised	-	(296)	-	1,043	747
Schemes completed	108,743	(108,743)	67,763	(67,763)	-
At 31 March 2020	**2,332,305**	**101,557**	**430,230**	**49,251**	**2,913,343**
Depreciation					
At 1 April 2020	256,268	-	17,021	-	273,289
Charge for the year	29,995	-	2,555	-	32,550
Disposals	(1,941)	-	(421)	-	(2,362)
At 31 March 2021	**284,322**	**-**	**19,155**	**-**	**303,477**
Net Book Value					
At 31 March 2021	**2,047,983**	**101,557**	**411,075**	**49,251**	**2,609,866**
At 31 March 2020	1,958,766	105,768	351,681	55,483	2,471,698

Works to existing properties that were capitalised in the year were £9.626m (2020: £12.697m). Works charged to income and expenditure were £7.825m (2020: £12.615m).

Additions to housing properties include development administrative costs of £5.715m (2020: £5.617m) which have been capitalised. A rate of 3.4% (2020: 3.8%) has been used to capitalise interest.

Fixed assets with restricted title or pledged as security for liabilities have a carrying value of £1,767m (2020: £1,684m) for the Group. The fixed assets of the parent company are not pledged as security for liabilities.

11. Tangible Fixed Assets – Housing Properties (continued)

Parent	Housing Properties held for letting	Total
	£000	£000
Cost		
At 1 April 2020	111	111
Additions	-	-
Works to existing properties	-	-
Disposals	-	-
At 31 March 2021	**111**	**111**
Depreciation		
At 1 April 2020	15	15
Charge for the year	1	1
Disposals	-	-
At 31 March 2021	**16**	**16**
Net Book Value		
At 31 March 2021	**95**	**95**
At 31 March 2020	96	96

Impairment Losses

Housing properties are assessed at each reporting date to determine whether an indicator of impairment exists. Where there is evidence of impairment, an assessment is carried out to estimate the recoverable amount of the asset. The recoverable amount is the higher of the fair value less costs to sell and value in use.

A full review of assets has been undertaken but no evidence of impairment has been found. At 31 March 2021 no impairment loss was incurred (2020: nil).

Socially distanced litter picking.

12. Tangible Fixed Assets – Other

	Freehold Land & Offices	Fixtures & Fittings	Computer Equipment & Software	Motor Vehicles	Plant & Machinery	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 April 2020	17,559	3,609	15,462	361	1,485	38,476
Reclassification	(333)	(427)	(949)	(2)	404	(1,307)
Transfer to intangible other fixed assets	-	-	(7,912)	-	-	(7,912)
Additions	479	699	1,793	14	117	3,102
Disposals	-	-	(433)	-	-	(433)
At 31 March 2021	**17,705**	**3,881**	**7,961**	**373**	**2,006**	**31,926**
Depreciation						
At 1 April 2020	3,102	2,788	10,838	296	1,130	18,154
Reclassification	190	(639)	(49)	-	435	(63)
Transfer to intangible other fixed assets*	-	-	(4,986)	-	-	(4,986)
Charge for the year	462	510	801	26	153	1,952
Impairment	5,943	-	-	-	-	5,943
Disposals	-	-	(433)	-	-	(433)
At 31 March 2021	**9,697**	**2,659**	**6,171**	**322**	**1,718**	**20,567**
Net Book Value						
At 31 March 2021	**8,008**	**1,222**	**1,790**	**51**	**288**	**11,359**
At 31 March 2020	14,457	821	4,624	65	355	20,322

Included in Freehold Offices is freehold land in respect of the offices amounting to £2.514m (2020: £1.517m), which is not depreciated.

* In accordance with our accounting policy software costs have been reclassified during the financial year to intangible other fixed assets.

12a. Intangible Fixed Assets

	Computer Software	Total
	£000	**£000**
Cost		
At 1 April 2020	-	-
Transfer from other tangible fixed assets	7,912	7,912
Additions	2,313	2,313
At 31 March 2021	**10,225**	**10,225**
Amortisation		
At 1 April 2020	-	-
Transfer from other tangible fixed assets*	4,986	4,986
Charge for the year	1,043	1,043
At 31 March 2021	**6,029**	**6,029**
Net Book Value		
At 31 March 2021	**4,196**	**4,196**
At 31 March 2020	**-**	-

* In accordance with our accounting policy software costs have been reclassified during the financial year from other tangible fixed assets.

13. Investment Properties

	2021	2020
	£000	£000
At 1 April	**15,775**	16,800
Additions	**-**	-
Disposals	**-**	(900)
(Loss)/gain from adjustment in value	**720**	(125)
At 31 March	**16,495**	15,775

	2021	2020
	£000	£000
Proceeds of sale	**-**	933
Less costs of sale	**-**	(905)
Total gain recognised in Statement of Comprehensive Income	**-**	28

Investment properties are stated at a value based on vacant possession which is annually determined by external valuers derived from the current market conditions. Due to the unknown impact of Covid-19 on the property market, the valuation has been reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global.

14. Homebuy Loans Receivable

	2021	2020
	£000	£000
At 1 April	**8,738**	8,940
Loans redeemed	**(518)**	(202)
Provisions against non-recoverable items	**-**	-
At 31 March	**8,220**	8,738

15. Fixed Asset Investments

	2021	2020
	£000	£000
Investments at valuation		
Listed investments	**4,467**	4,925
Unlisted investments	**11,674**	10,464
	16,141	15,389
Historic cost of investments	**15,927**	14,735

The valuation of the unlisted investments is the Board's best estimate of their fair value.

Unlisted investments include £10m held by counter parties for loans or financial instruments and are held separately to cash at bank.

16. Stocks

	2021	2020
	£000	£000
Properties held for sale		
Shared Ownership properties		
Completed	**15,610**	17,654
Work in progress	**23,073**	17,347
Outright sale properties		
Completed	**-**	-
Work in progress	**-**	418
Other stock (General materials)	**146**	147
	38,829	35,566

Stock valuations have been regularly re-assessed after the year end prior to the accounts being signed due to the impact of Covid-19. It is considered that there is no material difference between the replacement cost of stocks and the amounts stated above.

17. Trade and Other Debtors

	Group		Parent	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Amounts falling due within one year				
Rent and service charge receivable	**10,278**	9,706	**-**	-
Less: provision for bad debts	**(6,832)**	(6,042)	**-**	-
	3,446	3,664	**-**	-
SHG and other grants receivable	**415**	4,731	**-**	-
Trade debtors	**2,150**	2,109	**-**	-
Prepayments and accrued income	**11,080**	7,952	**-**	-
Amounts owed by group companies	**-**	-	**99,974**	-
Other debtors	**755**	1,223	**-**	-
	17,846	19,679	**99,974**	-

Amounts owed by group undertakings are repayable on demand. However the Group have provided confirmation that repayment of debt due from Platform Property Care Limited will not be sought within twelve months of the balance sheet date. Therefore of the above £99,974k, £8,472k is classified as due > one year.

18. Creditors (amounts falling due within one year)

	Group		Parent	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Bank loans - principal (note 31)	**113,396**	89,118	**99,969**	-
Bank loans - interest	**5,670**	7,468	**-**	-
Trade creditors	**7,764**	8,864	**-**	-
Accruals and deferred income	**32,470**	29,489	**-**	-
Amounts due to group companies	**-**	-	**50**	-
SHG and other grants received in advance	**29,375**	10,623	**-**	-
Rent and service charges received in advance	**10,323**	9,524	**-**	-
Other taxation and social security costs	**1,422**	168	**-**	-
Deferred Capital Grant (note 20)	**5,031**	4,590	**-**	-
Recycled Capital Grant (note 21)	**4,815**	3,203	**-**	-
Local authority RTB receipts	**13**	308	**-**	-
	210,279	163,355	**100,019**	-

19. Creditors (amounts falling due after more than one year)

	2021	2020
	£000	£000
Bank and other loans (note 31)	**1,169,609**	1,070,958
Festival Property Purchase	**507**	507
Sinking funds & Reserve funds	**3,146**	2,741
Deferred Capital Grant Fund (note 20)	**492,699**	449,722
Recycled Capital Grant Fund (note 21)	**5,864**	8,955
Other recycled grants	**402**	402
Other long term creditors	**1,332**	1,660
	1,673,559	1,534,945

20. Deferred Capital Grant

	2021	2020
	£000	£000
At 1 April	**454,312**	433,180
Grant received in the year	**50,590**	27,909
Grant disposed of in the year	**(1,805)**	(2,091)
Released to income in the year	**(5,367)**	(4,686)
At 31 March	**497,730**	454,312
Amount due to be released < 1 year	**5,031**	4,590
Amount due to be released > 1 year	**492,699**	449,722
At 31 March	**497,730**	454,312

21. Recycled Capital Grant Fund

		2021	2020
		£000	£000
At 1 April		**12,158**	10,516
Inputs	Grants recycled	**2,325**	3,450
	Interest accrued	**13**	76
Recycling	New build	**(3,817)**	(1,884)
At 31 March		**10,679**	12,158
Amount up to three years old		**10,154**	9,291
Amount three years or older where repayment may be required		**525**	2,867
		10,679	12,158

22. Disposals Proceeds Fund

		2021	2020
		£000	£000
At 1 April	Funds recycled	**-**	297
Use/allocation of funds	New build	**-**	(297)
Repayment of funds to RSH/GLA		**-**	-
At 31 March		**-**	-

23. Pension

The Association participates in 6 (2020: 6) funded defined benefit pension schemes. All schemes' assets are held in separate funds administered by the Trustees of each scheme. The schemes are as follows:

Scheme Name	**Employer contributions 2021**	**Member contributions 2021**
Lincolnshire Pension Fund (LGPS)	**28.20%**	**5.50% to 12.50%**
Leicestershire County Council Pension Fund (LGPS)	**34.70%**	**5.50% to 12.50%**
Derbyshire Pension Fund (LGPS)	**11.40%**	**5.50% to 12.50%**
Worcestershire County Council (LGPS)	**19.10%**	**5.50% to 12.50%**
The Pensions Trust 2016 Waterloo Housing Association Benefits Plan	**N/A**	**N/A**
The Social Housing Pension Scheme	**8.00%**	**7.10% to 14.50%**

Scheme Name	**Employer contributions 2020**	**Member contributions 2020**
Lincolnshire Pension Fund (LGPS)	26.00%	5.50% to 12.50%
Leicestershire County Council Pension Fund (LGPS)	25.59%	5.50% to 12.50%
Derbyshire Pension Fund (LGPS)	28.10%	5.50% to 12.50%
Worcestershire County Council (LGPS)	16.40%	5.50% to 12.50%
The Pensions Trust 2016 Waterloo Housing Association Benefits Plan	N/A	N/A
The Social Housing Pension Scheme	7.06% to 9.30%	7.30% to 14.50%

All of the funded defined benefit pension schemes that the Association participates in can be separately identified and therefore the Association recognises in full the Schemes' surpluses or deficits on the Statement of Financial Position.

23. Pension (continued)

Local Government Pension Schemes (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate funds administered by the relevant Local Authority. The total contributions made for the year ended 31 March 2021 were £2,218,000 of which employer's contributions totalled £1,840,000 and employees' contributions totalled £378,000.

Court of Appeal ruling (the Sargeant and McCloud cases)

The decisions of the Court of Appeal in the Sargeant/McCloud cases (generally referred to for the LGPS as **"McCloud"**) have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. The Government has accepted that remedies relating to the McCloud judgement are needed in relation to all public service pension schemes, and a consultation was published in July 2020 including a proposed remedy for the LGPS.

The key feature of the proposed remedy was to extend the final salary scheme underpin to a wider group of members for service up to 31 March 2022. This applies to all members who were active on or before 31 March 2012 and either remain active or left service after 1 April 2014 (including to those members who no longer have a benefit entitlement from the Fund).

Our results already include an allowance for McCloud that is substantially in line with the above. There are some minor areas where approaches may differ, but other than in exceptional circumstances we would expect the impact of these minor proposed changes to be nil. Based on our discussions with the fund actuaries, we believe that no further adjustments are required in relation to McCloud.

GMP Equalisation

UK and European law requires pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990 (the date of the "Barber" judgement). This includes providing equal benefits accrued from that date to reflect the differences in GMPs. Previously, there was no consensus or legislative guidance as to how this might be achieved in practice for ongoing schemes, but the 26 October 2018 Lloyds Bank court judgement has now provided further clarity in this area.

However, in response to this judgement HM Treasury stated that "public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgement". Therefore, the natural conclusion for the LGPS schemes, is that it is not appropriate for any provision to be included for the effect of the Lloyds Bank judgement, at least for the present time, so there is no direct allowance specifically for any additional liabilities relating to equalisation at this stage.

Other Legal Cases

We are aware of other recent rulings in relation to public sector pension schemes (Goodwin, Brewster and Langford). These each relate to a small proportion of members' benefits payable in certain circumstances. Each of these rulings is expected to have a small change to a small number of members' benefits. We have made no allowance for them on the grounds of materiality based on our discussion with the fund actuaries. An estimate may be required in future once more is known but we agree with a nil allowance at this time given the difficulty in obtaining appropriate data to produce a credible estimate, and the likelihood that the impact would be immaterial in all but very exceptional circumstances.

23. Pension (continued)

Sensitivity to Assumptions

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

Derbyshire and Leicestershire schemes

Change in assumptions at 31 March 2021	Approximate % increase to Defined Benefit Obligation	
	Derbyshire	**Leicestershire**
0.5% decrease in Real Interest Rate	**9%**	**9%**
0.5% increase in the Salary Increase Rate	**1%**	**0%**
0.5% increase in the Pension Increase Rate (CPI)	**8%**	**9%**

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, it is estimated that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by about 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

Lincolnshire scheme

Adjustment to discount rate	**+ 0.1%**	**- 0.1%**
Adjustment to long term salary increase	**+ 0.1%**	**- 0.1%**
Adjustment to pension increases and deferred revaluation	**+ 0.1%**	**- 0.1%**
Life expectancy	**+ 1 year**	**- 1 year**

Worcestershire scheme

Discount rate	**+ 0.1% p.a.**
Inflation	**+ 0.1% p.a.**
Pay growth	**+ 0.1% p.a.**
Increase in life expectancy	**+ 1 year**
Change in 2020/21 investment returns	**+ / - 1%**

Worcestershire County Council Pension Fund only

The FRS 102 valuation has been based on full membership data as at 31 March 2019, the date of the latest triennial valuation. The FRS 102 roll-forward methodology implicitly allows for inflation linked increases and membership movements in line with the FRS 102 assumptions around inflation, retirement patterns, mortality and other relevant decrements up to the balance sheet date.

There has been a change in the methodology of inflation. The RPI is to be set in line with market break even expectations less an inflation risk premium (IRP). For CPI, our actuary has proposed reducing the long term gap between RPI and CPI. The impact of the change in approach when setting the CPI assumption is expected to have been a c. £2m increase in the DBO at year end.

23. Pension (continued)

The Pensions Trust 2016 Waterloo Housing Association Benefits Plan

The Waterloo Housing Association Benefits Plan is a defined benefit scheme in the UK. On 31 March 2016, the scheme was closed to future accrual for all of its existing members but with those members still employed by the company retaining the final earnings link on their benefits. There were no contributions made to this scheme in 2021 (2020: nil) in respect of further pensionable service. The employer has agreed with the trustees that it will aim to eliminate the deficit by the payment of annual contributions of £831,000 payable in monthly instalments (£69,250 paid monthly) to March 2025. In addition, and in accordance with the actuarial valuation, the employer has agreed with the trustees that it will meet expenses of the scheme and levies to the Pension Protection Fund.

Change in Methodology of Discount Rate

At 31 March 2021, the methodology for calculating the discount rate has changed. The discount rate assumption has been derived using the UK Mercer yield curve, as opposed to the Bank of America Merrill Lynch's Sterling AA corporate bond yield curve used in the prior year end. The impact of change in methodology has resulted in a change in the liability of £0.6m as at the year end.

Change in Methodology of Mortality

We have updated our mortality assumption as at 31 March 2021 following analysis undertaken by the Scheme Actuary for the triennial funding valuation of the Plan as at 30 September 2020. In particular, the base table and adjustments for the Plan have been updated from 101% of the SAPS Series 2 S2PxA tables to 105% of the SAPS Series 3 S3PxA tables. These updates are selected to be equivalent to 100% of the Plan specific Club Vita tables and are in line with the best estimate assumptions indicated by the Scheme Actuary in the preliminary funding valuation results report as at 30 September 2020. Additionally, the allowance for future improvements has been updated from the CMI 2019 model to the CMI 2020 model to reflect the latest available industry data. The estimated impact of the change is to increase the year end DBO by £0.1m.

Sensitivity to Assumptions

The approximate effects of movements in the main assumptions on the value of liabilities are shown in the table below. Please note these figures are very approximate and not Scheme specific.

Movement in assumption		
Discount rate	**+ / - 0.1%**	**- / + 2%**
Inflation assumptions	**+ / - 0.1%**	**- / + 2% (of inflation linked liabilities)**
Life expectancy	**+ / - 1 year**	**- / + 2 -3%**

23. Pension (continued)

The Social Housing Pension Scheme (SHPS)

The Association participates in the Social Housing Pension Scheme (SHPS), a defined benefit multi-employer pension scheme administered by TPT retirement solutions (TPT).

The total contributions made for the year ended 31 March 2021 were £2,155,000 of which employer's contributions totalled £2,075,000 and employees' contributions totalled £80,000.

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

Sensitivity to Assumptions

The sensitivities shown are approximate. Each sensitivity considers on change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate

	Change in assumption	**Change in liabilities**
Discount rate	**Increase of 0.1% p.a.**	**Decrease by 2.1%**
Rate of inflation	**Increase of 0.1% p.a.**	**Increase by 2.1%**
Rate of salary growth	**Increase of 0.1% p.a.**	**Increase by 0.1%**
Rate of mortality	**Probability of surviving each year increased by 10%**	**Increase by 2.8%**

Common Approach on Mortality Applicable to all Schemes

The mortality rate is based on publicly available mortality tables for the specific country. Covid-19 has caused a short term increase in deaths in the UK but the excess deaths to date have not generally had a material impact on UK pension scheme liabilities. The future impact of Covid-19 on long term mortality improvements is currently uncertain with potential adverse implications of delayed medical interventions and **'long Covid'** along with potential positive implications if the surviving population is less "frail" or the pandemic causes improved healthcare initiatives and lifestyle changes. Overall the Group believes there is insufficient evidence to require an explicit adjustment to the mortality assumption for Covid-19 at this time.

Policy on Pension Assets and their Recognition

The policy on pension assets and their recognition will vary according to the scheme. LGPS schemes show the Employer's fair value of plan assets as a proportion on the Whole Fund's assets. In calculating the asset share as at the accounting date the Employer's share of assets calculated at the latest formal valuation date are rolled forward allowing for investment returns (estimated where necessary), the effect of contributions paid into the Fund (estimated where necessary), and estimated benefits paid from the Fund by its Employer and its Employees.

SHPS determines the fair value of employer's assets in the Scheme as the employer's share of the market value of the Scheme assets, split in proportion to the employer's share of the trustee's triennial funding liabilities at the accounting date. In order to obtain this fair value for an employer, the trustee's funding liabilities are calculated for all employers at the accounting date. Each employer's percentage share of the total funding liabilities is then determined. That percentage share is then applied to the market value of the assets of the scheme as at the accounting date.

The Waterloo Housing Association Benefits plan has its asset values provided by TPT Retirement Solutions in-house Finance Team. As required under FRS 102, the bid market value of the assets is generally used for the calculations in the disclosures.

23. Pension (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund updated to 31 March 2021 by qualified independent actuaries.

2021	Lincolnshire	Leicestershire	Derbyshire	Worcestershire	WHA benefits plan	SHPS
Future salary increases	**3.10%**	**3.35%**	**3.55%**	**4.20%**	**3.00%**	**3.87%**
Future pension increases	**2.80%**	**2.85%**	**2.85%**	**2.80%**	**3.10% (RPI) 2.05% (CPI)**	**3.12% (RPI) 1.99% (CPI)**
RPI					**3.25%**	**3.26%**
CPI	**2.80%**	**2.85%**	**2.85%**	**2.70%**	**3.00%**	**2.87%**
Discount rate	**2.00%**	**2.00%**	**2.00%**	**2.10%**	**2.20%**	**2.19%**
Commutation of pensions to lump sums (of max allowance)	**50% pre-2008 75% post 2008**	**50% pre-2008 75% post 2008**	**50% pre-2008 75% post 2008**	**Not disclosed**	**75%**	**75%**

2020	Lincolnshire	Leicestershire	Derbyshire	Worcestershire	WHA benefits plan	SHPS
Future salary increases	2.20%	2.40%	2.60%	3.60%	3.60%	2.6%
Future pension increases	1.90%	1.90%	1.90%	2.20%		
RPI					2.6%	2.6%
CPI					1.40%	1.6%
Discount rate	2.30%	2.30%	2.30%	2.40%	2.35%	2.37%
Commutation of pensions to lump sums (of max allowance)	50% pre-2008 75% post 2008	50% pre-2008 75% post 2008	50% pre-2008 75% post 2008	Not disclosed	75%	75%

23. Pension (continued)

Mortality Assumptions

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

2021	Lincolnshire	Leicestershire	Derbyshire	Worcestershire	WHA benefits plan	SHPS
Retiring today						
Males	**21.5**	**21.7**	**21.3**	**22.7**	**21.8**	**21.5**
Females	**23.8**	**24.2**	**23.9**	**25.1**	**24.2**	**23.3**
Retiring in 20 years						
Males	**22.5**	**22.6**	**22.5**	**24.4**	**23.4**	**22.9**
Females	**25.2**	**25.9**	**25.8**	**27.1**	**25.7**	**24.5**

Scheme Assets/(Liabilities) reflected in the Statement of Financial Position

	2021	2020
	£000	£000
Present value of employer assets	**191,225**	168,151
Present value of funded liabilities	**(256,978)**	(215,667)
Net underfunding in funded plans	**(65,753)**	(47,516)
Present value of unfunded liabilities	**(89)**	(397)
Net liability	**(65,842)**	(47,913)

Net Liability by Pension Scheme

	2021	2020
	£000	£000
Lincolnshire Pension Fund (LGPS)	**(9,413)**	(8,043)
Leicestershire County Council Pension Fund (LGPS)	**(1,105)**	(830)
Derbyshire Pension Fund (LGPS)	**(3,164)**	(1,652)
Worcestershire County Council (LGPS)	**(35,531)**	(28,276)
The Pensions Trust 2016 Waterloo Housing Association Benefits Plan	**(5,796)**	(4,414)
The Social Housing Pension Scheme	**(10,833)**	(4,698)
	(65,842)	(47,913)

23. Pension (continued)

Composition of Plan Assets

	2021	2020
	£000	£000
Equities	**92,814**	99,264
Other bonds	**60,924**	38,516
Property	**15,831**	14,452
Other	**21,656**	15,919
Total	**191,225**	168,151

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

Analysis of the Amount Charged to Operating Expenditure in the Statement of Comprehensive Income

	2021	2020
	£000	£000
Amount charged to operating surplus:		
Current service cost (net of employee contributions)	**(2,900)**	(3,704)
Past service cost	**-**	(195)
Expenses	**(177)**	(144)
Curtailments	**(145)**	(293)
Total operating charge	**(3,222)**	(4,336)
Amount charged to finance costs:		
Interest income on plan assets	**3,955**	4,143
Interest cost on defined benefit obligations	**(5,049)**	(5,655)
Total amount charged to finance cost	**(1,094)**	(1,512)
Amounts of gains and losses recognised in the Statement of Comprehensive Income		
Returns on plan assets excluding interest	**20,263**	(9,310)
Experience gains	**4,283**	7,889
Changes in financial assumptions	**(42,696)**	14,193
Changes in demographic assumptions	**(299)**	5,582
Effect on asset ceiling	**-**	-
Total remeasurement gains/(losses)	**(18,449)**	18,354
Total actuarial gain/(loss) recognised	**(22,765)**	12,506

23. Pension (continued)

Movement in Surplus/(Deficit) in the Year

	2021	2020
	£000	£000
(Deficit) in the schemes at 1 April	**(47,913)**	(65,908)
Movement in year:		
Employer service cost (net of employee contributions)	**(3,222)**	(4,141)
Employer contributions	**4,836**	5,489
Past service cost	**-**	(195)
Net interest/return on assets	**(1,094)**	(1,512)
Remeasurements	**(18,449)**	18,354
(Deficit) in the schemes at 31 March	**(65,842)**	(47,913)

Reconciliation of the Opening and Closing Balance of the Present Value of Scheme Liabilities

	2021	2020
	£000	£000
Opening defined benefit obligation	**(216,064)**	(239,167)
Current service cost	**(2,900)**	(3,704)
Past service cost	**-**	(195)
Expenses	**(38)**	(36)
Interest cost	**(5,049)**	(5,655)
Contributions by employees	**(458)**	(663)
Experience gains	**4,283**	7,889
Changes in financial assumptions	**(42,696)**	14,193
Changes in demographic assumptions	**(299)**	5,582
Effect of curtailments	**(145)**	(293)
Net benefits paid	**6,299**	5,985
Closing defined benefit obligation	**(257,067)**	(216,064)

23. Pension (continued)

Reconciliation of the Opening and Closing Balance of the Fair Value of the Scheme Assets:

	2021	2020
	£000	£000
Opening fair value of the scheme assets	**168,151**	173,259
Interest income on plan assets	**3,955**	4,143
Effect of asset ceiling	**-**	-
Return on plan assets (excluding interest)	**20,263**	(9,310)
Other remeasurement gains/(losses)	**-**	-
Contributions by employer	**4,836**	5,489
Contributions by employees	**458**	663
Net benefits paid	**(6,438)**	(6,093)
Closing value of the scheme assets	**191,225**	168,151

Projected Defined Benefit Costs for the period to 31 March 2022

The Association expects to contribute the following amounts to the defined benefit schemes during the year ended 31 March 2022:

	£000
Lincolnshire Pension Fund	**689**
Leicestershire County Council Pension Fund	**92**
Derbyshire Pension Fund	**64**
Worcestershire County Council Pension Fund	**912**
TPT 2016 Waterloo Housing Association Benefits Plan	**921**
SHPS	**2,155**
Total	**4,833**

Defined Contribution Scheme

The group joined the SHPS Defined Contribution scheme to satisfy its commitment to auto-enrolment, a government pension initiative.

The amount recognised in surplus as an expense for defined contribution plans for the year ended 31 March 2021 is £1,523k (2020: £1,570k).

24. Provision for Liabilities and Charges

	2021	2020
	£000	£000
At 1 April	100	100
Released in the year	(100)	-
At 31 March	-	100

25. Share Capital

	2021	2020
	£000	£000
At 1 April	8	10
Issued during the year	6	1
Cancelled during the year	(5)	(3)
At 31 March	9	8

The shares have a nominal value of £1 each and provide members with the right to vote at general meetings, but do not provide a right to dividends or distributions on winding up. The issue of shares is authorised as required throughout the year. Shares in issue cannot be repaid or transferred and when a shareholder ceases to be a member, the share is cancelled and the amount paid up becomes the property of the Group.

Sod cutting in Worcestershire.

26. Capital Commitments

Capital expenditure contracted for but not provided for in the Financial Statements

	2021	2020
	£000	£000
Capital expenditure		
Capital expenditure contracted for but not provided for in the accounts	**428,979**	182,937
Expenditure authorised by the Board of Management but not contracted	**770,960**	823,615
Total	**1,199,939**	1,006,552

The Association expects these commitments to be contracted within the next year and financed with:

	2021	2020
	£000	£000
Social housing grant	**93,921**	191,245
Proceeds from sales of properties	**146,733**	53,795
Surpluses and committed loan facilities	**959,285**	761,512
Total	**1,199,939**	1,006,552

The above figures include the full cost of shared ownership properties contracted for.

There are no performance conditions attached to the above commitments.

27. Operating Leases

The Group was committed to making lease payments as follows:

	2021		2020	
	Land and Buildings	**Other**	Land and Buildings	Other
	£000	**£000**	£000	£000
In less than one year	**181**	**626**	225	560
Between two and five years	**103**	**1,243**	336	892
In more than five years	**-**	**-**	-	-
	284	**1,869**	561	1,452

28. Grants

Total accumulated government grant receivable at 31 March:

	Group		Parent	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Held as deferred capital grant (note 19)	**497,730**	454,312	**-**	-
Recognised as income in Statement of Comprehensive Income	**146,206**	145,524	**15**	15
	643,936	599,836	**15**	15

29. Related Parties

In accordance with FRS 102 Related Party Disclosures, Section 33.1A, Platform Housing Group Ltd has not disclosed transactions entered into between two or more members of the Group, where each party to the transaction is 100% owned.

Transactions with Non-registered Elements of the Business

In accordance with the Accounting Direction 2019, transactions between private registered providers and other non-registered entities in the Group are disclosed as follows:

2021	Turnover	Operating expenses	Interest receivable	Interest payable	Other creditors	Other debtors
	£000	£000	£000	£000	£000	£000
Platform New Homes Limited	**54,420**	**(54,398)**	**-**	**-**	**8,357**	**-**
PPC Limited	**31,943**	**(31,943)**	**-**	**-**	**-**	**14,352**
Platform HG Financing PLC			**3,294**	**(3,294)**	**292,654**	**292,704**

2020	Turnover	Operating expenses	Interest receivable	Other creditors	Other debtors
	£000	£000	£000	£000	£000
ESHA Developments Limited	60,786	(60,761)	-	(11,265)	-
PPC Limited	20,201	(20,616)	-	-	1,771

During the year Platform Housing Limited received £1,000k for the provision of central services (2020: £1,016k), such as Finance and Human Resources, from Platform Property Care Limited, a non-regulated group member. Further detail on apportionment of overheads can be found on page 63.

A Gift Aid payment of £nil was made by Platform Property Care Limited to Platform Housing Limited (2020: £275k).

A Gift Aid payment of £19k was made by Platform New Homes Limited to Platform Housing Limited (2020: £23k).

29. Related Parties (continued)

Worcestershire Telecare

The Group is a shareholding member of Worcestershire Telecare, a Co-operative and Community Benefit Society. This organisation's core purpose is to provide community alarms and related services to people with support needs.

	Unaudited Accounts 2020	Audited Accounts 2019
	£000	£000
Income	**2,537**	2,250
Expenditure	**(2,373)**	(2,146)
Operating profit for the year	**164**	104

The above results have not been consolidated into the Group Financial Statements because the Group has no direct rights to assets or surpluses of the Co-operative and Community Benefit Society and limited liability as regards debts or losses.

Central Housing Investment Consortium Limited (CHIC)

Platform Housing Group is one of seven founder members of CHIC, a 'not for profit' company limited by guarantee. The principal activity of the company is based on a joint management arrangement to procure multi-client contracts for the provision of asset management works, services and materials. These contracts are available to the consortium's current and future membership, who can join the consortium to benefit from the efficiencies yielded through joint procurement and collaborative working.

The members have no direct rights to assets or surpluses of the company and the liability of each member is limited to £1. The following results have not, therefore, been consolidated into the Group Financial Statements.

	Management Accounts 31 March 2021	Audited Accounts 30 June 2020
	£000	£000
Turnover	**980**	1,221
Costs	**(918)**	(1,219)
Profit for the year	**62**	2

30. Financial Instruments and Risk Management

The Treasury function is responsible for controlling liquidity, interest rate and other risks associated with the effective management of day to day cash flows and longer term funding requirements of the Group. Other financial risks, for example tenant rental arrears, are overseen by other teams as part of the overall risk control framework within the Group. Treasury and other activities are governed in accordance with Board approved policies, and the management of associated risks is reviewed and approved by the Audit and Risk Committee. There is a further explanation of the approach to risk management in the Strategic Report of the Board.

The Group has been given the highest governance and viability ratings of 'G1/V1', by the Regulator of Social Housing.

An external credit rating of A+ (stable) from Standard and Poors was achieved during the year, making the Group one of the most highly rated credits in the sector.

Liquidity

The Group had total borrowing facilities of £1,873m (2020: £1,556m) available at 31 March 2021, of which £580m (2019: £394m) were undrawn.

Borrowings are broken down by lender and type:

	Facility	Drawn	Available	Fixed	Variable
	£000	£000	£000	£000	£000
Bond Finance					
Affordable Housing Finance Plc	77,000	77,000	-	77,000	-
Haven Funding (32) Plc	5,589	5,589	-	5,589	-
Private Placement	80,000	80,000	-	80,000	-
The Housing Finance Corporation	14,000	14,000	-	14,000	-
Platform Housing Limited Bond	350,000	300,000	50,000	350,000	
bLEND Funding Plc	180,000	180,000	-	180,000	-
	706,589	656,589	50,000	706,589	-
Bank Finance					
Barclays Bank Plc	260,000	260,000	-	258,500	1,500
Lloyds Bank Plc	295,874	110,874	185,000	99,456	196,418
European Investment Bank	63,000	63,000	-	63,000	-
Natwest Bank Plc	66,004	21,004	45,000	21,004	45,000
Corporate Covid Finance Facility	100,000	100,000	-	100,000	-
Nationwide Building Society	33,000	33,000	-	33,000	-
MUFG Bank, Ltd.*	75,000	-	75,000	-	75,000
National Australia Bank Limited*	100,000	-	100,000	-	100,000
Orchardbrook Limited	5,605	5,605	-	5,605	-
Santander UK Plc	167,848	42,848	125,000	40,000	127,848
	1,166,331	636,331	530,000	620,565	545,766
	1,872,920	**1,292,920**	**580,000**	**1,327,154**	**545,766**

* Include £25m of unsecured debt facilities in each, all of which were undrawn as at 31st March 2021.

30. Financial Instruments and Risk Management (continued)

Liquidity (continued)

The Group is financed through a mixture of bank and bond finance. During the year the Group arranged £450m debt facilities through Platform Housing Limited Bond and Corporate Covid Finance Facility.

Refinancing risk is managed through the Group's Treasury Management Policy, which ensures maturities are not overly concentrated.

With the exception of the £50m unsecured loan mentioned above, all borrowings are secured by specific charges on the Group's individual housing properties.

Maturity profile of outstanding borrowing at 31 March:

	2021	2020
	£000	£000
Loans repayable by instalments		
Within one year	3,396	4,266
In one year or more but less than two years	3,122	3,396
In two years or more but less than five years	13,613	12,465
In five years or more	107,089	111,359
Loans not repayable by instalments		
Within one year	110,000	84,852
In one year or more but less than two years	5,000	10,000
In two years or more but less than five years	39,250	189,250
In five years or more	1,011,450	746,450
Total repayable	1,292,920	1,162,038
Less loan issue costs	(11,242)	(9,936)
Adjustment for premium on issue	7,625	7,974
Discount **on Issue**	(6,298)	-
Total drawn borrowings (included in Notes 18 and 19)	1,283,005	1,160,076

Interest rate risk

Interest rate risk is defined as the risk that unexpected fluctuations in the levels of interest rates adversely impacts the cash flows of the Group, as a result of the Group failing to protect itself adequately. Interest rate risk is managed by limiting its exposure to floating rate debt facilities as detailed within the Group's Treasury Management Policy.

The interest rate exposure of the Group's debt at 31 March 2021 was:

	2021			2020		
	£000	Weighted average rate	Weighted average term	£000	Weighted average rate	Weighted average term
Fixed rate	1,277,154	3.44%	22 years	907,786	4.48%	23 years
Variable rate	15,766	0.61%	7 years	254,252	1.38%	4 years
Total drawn	1,292,920	3.40%	22 years	1,162,038	3.80%	19 years

30. Financial Instruments and Risk Management (continued)

Currency risk

The Group only trades in sterling, and holds no foreign currency denominated assets or liabilities, and is therefore not exposed to any currency risks. It has no overseas subsidiaries.

Credit risk

Credit risk applies to debtor balances, including treasury related assets and others, such as rental debtors.

Treasury related credit risk is the risk that a counterparty to a treasury asset fails to discharge an obligation to the Group. It is the Group's policy not to take, or place funds with any financial institution which is not accepted as a counterparty. Such counterparties are restricted to minimum credit ratings and maximum exposures as set out in the Group's Treasury Management Policy.

The majority of other debtors relate to the tenants of the Group. These debts are reported to the Board on a monthly basis and recovery of debts is coordinated through the Housing Operations function.

Covenant Compliance

Covenant compliance is monitored by the Treasury department on a monthly basis. There were no breaches in the year.

The following financial covenants are assessed on an annual basis at Association level:

	2021	2020
Interest cover	**239%**	257%
Gearing	**38%**	39%

Interest cover is calculated by dividing earnings before interest, tax, depreciation and amortisation (including capitalised repairs) by net interest payable. Gearing is calculated as total net borrowings divided by housing assets at cost.

The Group has thresholds in relation to interest cover and gearing as set within its debt facility arrangements. In addition, the Group has adopted 'Golden rules' which act as buffers to loan thresholds, to ensure it operates at a level of risk that is commensurate with the appetite of the Board.

31. Net Debt

		At 1 April 2020	Cash Flows	Non-Cash changes	At 31 March 2021
	Note	**£000**	**£000**	**£000**	**£000**
Cash and cash equivalents		83,844	104,759	-	**188,603**
Debt due within one year	18	(89,118)	(24,278)	-	**(113,396)**
Debt due after more than one year	19	(1,070,958)	(98,651)	-	**(1,169,609)**
Net Debt		(1,076,232)	(18,170)	-	**(1,094,402)**

32. Events after Year End

Disclosure of all events after year end have been made in the Strategic Report.