Mosscare St Vincent's Housing Group Limited

Report and Financial Statements

Year Ended 31 March 2023

Community Benefit Society (FCA) number: 7609

Registered Provider (RSH) number: 4857

Mosscare St Vincent's Housing Group Limited

Report and Financial Statements
for the year ended 31 March 2023

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Mosscare St Vincent's Housing Group Limited

Executives and Advisors
for the year ended 31 March 2023

Board		Appointed	Resigned
Gareth Hall	Chair	18 March 2020	
Ibrahim Ismail	Senior Independent Director	3 November 2021	
Tracy Neil		21 July 2017	1 July 2022
Susan Goodman		27 September 2018	
Ian Clayton		13 June 2019	
Kam Urwin		18 March 2020	
Tim Edwards		18 March 2020	
Luke Jno-Baptiste		12 May 2021	
Michelle Hill		12 May 2021	
Nick Byrne		12 May 2021	
Sally Webb		23 September 2021	

Executive Directors

Charlotte Norman	Chief Executive	21 July 2017
Helen Rourke	Executive Director – Finance & Business Support	7 October 2019
Matt Jones	Executive Director - Customers	18 December 2019
Fiona Creighton	Executive Director – Homes	21 July 2022

Secretary

Joanne Tucker	27 September 2018

Registered Office
7th Floor, Trafford House, Chester Road, Stretford, Manchester M32 0RS

External Auditors
Beever and Struthers, Chartered Accountants and Statutory Auditor, One Express, 1 George Leigh Street, Manchester, M4 5DL

Internal Auditors
RSM UK LLP, 3 Hardman Street, Spinningfields, Manchester M3 3HF

Principal Bankers
Barclays Bank PLC, 51 Mosley Street, Manchester M60 3DQ

Chair's Statement

I am delighted to provide my annual statement for what has been another challenging but rewarding year in equal measure.

We emerged strongly from Covid where our early investment and preparation served us well in terms of protecting our residents and staff as we continued to provide much needed services. Who could have foreseen how invaluable this approach to emergency preparedness and flexible resilience would be as the perfect storm of world events and Housing Sector problems and their consequences hit across this reporting year?

We have seen the impact of rising energy costs, the tragic situation in Ukraine, Brexit and the inflationary impact of sectors reopening following Covid leading to the now longstanding Economic and Cost of Living Crisis and its undeniable sharper impact on those folk with limited incomes and consequent reduced discretionary spending choices. Coupled with this, the tragic case of Awaab Ishak rightly shone a penetrating light on this sector in general and the need to focus on and improve housing conditions for our existing tenants.

I'm proud to say that MSV has, again, stayed true to ourselves, our customers and our plan (The MSV Way) tackling all of the issues head-on with vigour, compassion and the urgency needed to identify and prioritise those most in need of our support.

People

Our residents remain the key priority and, as we did with the Charter for Social Housing and its attendant Tenant Satisfaction Measures, we have been enthusiastic early adopters of the recommendations from the Better Social Housing review that emerged following the heartbreaking case of Awaab Ishak in Rochdale, continuing to ensure our operations align fully with the Regulatory expectations but also with the high standards we already set for ourselves.

Our approach to Damp and Mould in particular has seen a significantly increased focus with a comprehensive assessment of our current properties and additional investment budgeted to tackle any emerging issues.

We have invested further into our Hardship Fund in support of those residents with the greatest need and are absolutely delighted that we have been able to offer this additional support to so many as the economic crisis has taken hold.

Our commitment to both promoting and operationalising Equality and Diversity principles continues at pace, including the BOOST movement for change to support more BAME colleagues into leadership roles in Greater Manchester.

Additionally, I have joined up to the "Chairs' Challenge" the National Housing Federation's new Equality, Diversity and Inclusion commitment for Housing Boards and am very much looking forward to getting stuck into the initial benchmarking exercise proposed to establish a baseline to move upward from.

Place

We have maintained our property development programme, notwithstanding the rising building costs seen this year, but have also seen substantial additional investment in responding to unprecedented levels of Repair requests as we also strive in improving the standards across our existing stock, committed to the right of everybody to have a decent, warm, and secure home.

In terms of new homes headlines, we have seen the formal completion of two more fabulous HAPPI schemes in Manchester and Bolton (Based around 10 building principles with particular relevance to the full spectrum of older persons' housing needs) and have committed, in partnership with Manchester City council, to an ambitious re-development of the long-empty Chorlton Leisure Centre. This too will be built to the HAPPI scheme principles and provide some 40 apartments for the over 55s.

With regard to our partnership and community work, it is right to say that we continue to punch above our weight as a consequence of the many years of focused partnership working across our geography and I am delighted to report that significant progress has been made in respect of a major redevelopment programme in Moss Side

– seeing plans for more than 300 new homes, a celebration of the culture and heritage of the area including the famous Reno nightclub and redevelopment of the Greenheys Adult Learning Centre.

Planet

Decarbonisation expectations remain significant and we remain fully committed to ensuring our contribution is meaningful and valid, but also proportional as we continue to wrestle with the many other pressures on society, the sector and particularly our tenants.

We have maximised the matched funding available under the Social Housing Decarbonisation Fund and have robust plans to ensure, primarily, that our tenants see and feel the benefits of our ongoing work in this important area.

Performance

During a Board Strategy day earlier this year we refreshed our Corporate Plan, The MSV Way and acknowledged that to deliver upon our aspirations on People, Place and Planet we need to ensure we maintain the highest level of Corporate Governance and organisational achievement and have, therefore, introduced a fourth P into our plan – **Performance.**

We will use this additional pillar to monitor accountability on financial strength and resilience, statutory and regulatory requirements and the highest governance standards.

Merger Discussions

During the year we embarked in merger discussions with Great Places Housing Group. The environment in which we live and work has become increasingly difficult since those discussions began, and has thrown up new challenges that could not have been expected since we put forward the merger business case 18 months ago. As a result, sadly, we will no longer be taking the merger discussions any further. We will continue to work in partnership with Great Places, for example on the supply of repairs materials, but will do this as two seperate organisations. Our future plans will be set out in our new Corporate Plan which we will be launching in due course and which our customers will help to shape.

Finally

A tough year as we have faced into unprecedented external factors but our past financial prudence and capacity for adaptability have served us well as we have accommodated the new expectations of us.

We are hopeful of a return to some form of normality (albeit gradual) over the coming months and are fully committed to delivering on the pledges within our Corporate Plan.

My heartfelt thanks go out to all those at MSV who have worked so hard this year to combat what have been an exceptional set of UK and sector-wide circumstances.

Gareth Hall

Gareth Hall
Chair

The Board presents its Strategic Report and the audited Financial Statements for the year ended 31 March 2023.

Principal Activities

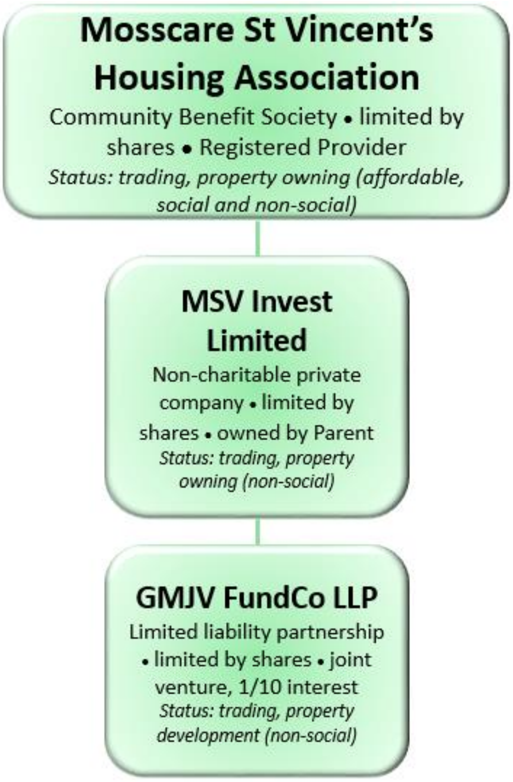
The Group’s principal activities are the management and development of affordable good quality housing for rent and shared ownership, the provision and management of supported housing, and social investment work.

Mosscare St Vincent’s Group Structure

Mosscare St Vincent's Housing Group Limited (“MSV”/” the Association”) was formed on 21 July 2017 as a result of the merger of Mosscare Housing Limited (“MHL”) and St Vincent’s Housing Association (“SVHA”).

The whole stock, property and other assets and all other engagements of MHL and SVHA became vested in MSV and MSV undertook all the obligations affecting SVHA and MHL and there was no dissolution or division of the funds of MHL or SVHA. All the subsidiaries of MHL and SVHA became subsidiaries of MSV from the date of the merger, 21 July 2017.

Details of the entities within the Group on 31 March 2023 are as follows:



Active Entities

Mosscare St Vincent’s HA continues to be a Community Benefit Society and is the Group parent. MSV is a Registered Provider and owns the majority of the social housing assets of the Group.

MSV Invest Ltd (MSVI) was formed to hold the Group’s commercial housing asset portfolio. It is the investing body in GMJV FundCo LLP on behalf of the Group.

GMJV FundCo LLP (FundCo) is an equal joint venture with nine other Registered Providers who, along with the Greater Manchester Combined Authority, created Hive Homes (Greater Manchester) LLP, the aim of which is to undertake property development for market sale. MSVI does not control FundCo.

Inactive Entities

There are no inactive entities within the MSV Group.

All the entities have a financial reporting date of 31 March.

MSV is clear that to achieve more, it is important to work with other organisations and has an interest in several formal and informal partnerships for a range of purposes, such as strategic housing management on a local, regional, and national level.

Vision, Strategy, Objectives and Values

We are an ambitious organisation with a strong social purpose, driven by our vision of creating an environment to flourish.

This year we launched our new Corporate Plan, The MSV Way 2022-2025. This Plan sets out our specific priorities over the next three years and is shaped around four distinct themes – People, Planet, Place and Performance.

Our focus on customers is at the heart of the Plan. The objectives which underpin delivery against the vision are as follows:

We have continued to deliver against The MSV Way throughout 2022/23, recognising the importance of working with customers to co-create services that meet their needs, expectations and aspirations.

First and foremost, we are a community-based landlord. We continue to work with customers and partners across the North-West to create thriving neighbourhoods, filled with opportunity and purpose. To achieve our strategic objectives and maximise our impact, we:

- **provide affordable homes** for people who need them.
- **help people** with work and life opportunities.
- **are a 'go to' organisation focusing on partnerships** – we do the decent thing with a personal touch.
- are genuinely **focussed on people.**
- **support independent living** and unlocking potential.
- are a **Placeshaper** organisation.
- are **helping those** with the **worst start** to get the **best future.**
- are **known for our strengths and values** – equality, neighbourhoods, helping the most vulnerable.
- are **local and regional** with a national reputation.

Under each of the four themes there are three objectives, and defined measures of success:

PEOPLE

OBJECTIVES...

Delivering Customer Service Excellence

- Work collaboratively with customers to deliver excellent customer service
- Listen to customers and encourage feedback to ensure the 'lived experience' of customers reflects our priorities
- Make it easier for customers to contact us by giving them more choice and developing better digital solutions
- Encourage customer voice and influence and ensure it's embedded in everything we do, and enable customers to scrutinise our work more effectively so they can help shape the way we do things
- Go further for customers who may be struggling by investing in tenancy sustainment, financial resilience, specialist support and by providing interventions to alleviate hardship
- Get to know customers better by using appropriate data and insight to anticipate customer needs and preferences and tailor our services
- Support customers via our commissioned services
- Expand and embed our community social investment offer
- Hold our contractors to account to ensure they share our values and deliver a great service to customers
- Provide high quality products and services that are a platform for better life chances
- Ensure we keep customers safe

Create an inclusive and diverse environment

- Champion equality and diversity for customers, colleagues and stakeholders
- Ensure our services reflect the diverse needs of the communities we serve
- Demonstrate leadership and actively advance the Equality, Diversity and Inclusion Strategy

Empower Colleagues

- Promote and embed our values and culture where everyone can contribute ideas, shape the way we do things and deliver the best possible customer service
- Create a great employee experience where people feel valued
- Develop skills, talent, knowledge and opportunities to enable customers and colleagues to succeed
- Promote and support the health and wellbeing of colleagues

We will measure this by

- Customer Standards fully embedded
- Increased customer satisfaction rates
- High levels of compliance against consumer regulatory standards
- Reduced level of complaints
- Reduction in number of customers facing hardship
- Increased online accessibility for customers
- Increase in number and diversity of customer's actively engaged with us
- More inclusive and diverse workforce that reflects the communities we work in
- Better insight and intelligence resulting in more tailored service for customers
- Embedded values and behaviours
- Employer of Choice
- Increased employee satisfaction levels
- Increase number of apprenticeships schemes
- Recruited high quality staff and reduced turnover

Planet

OBJECTIVES...

Support Customers in improving energy efficiency

- Improve the energy performance of customers' homes
- Engage with our customers and colleagues to raise awareness of the climate agenda and enable behaviour changes
- Support customers to minimise fuel poverty
- Provide sustainability advice on sign ups

Improve energy performance of the Built Environment

- Build new homes that are net zero carbon by 2025
- Bring all MSV existing homes up to EPC C standard
- Ensure newbuild development scheme meet a minimum of EPC B standard
- Continue our sustainable investment programme incorporating retrofit
- Take a fabric-first approach to the delivery of homes

Be a Responsible, Sustainable Organisation

- Work in partnership with local authorities in Greater Manchester and across the Northwest
- Take steps to minimise embodied carbon and energy requirements
- Play our part in environmental resources management
- Implement salary sacrifice electric car scheme for colleagues
- Minimise the level of carbon emissions generated by MSV's activities

We will measure this by

- Substantial progress towards decarbonisation
- Customer and colleague's awareness of climate crisis raised, and positive action taken
- Retrofit programme - a plan for every home
- Match funding achieved
- Reduced emissions
- Safer, greener homes
- Achieved all EPC targets
- Reduced fuel poverty
- Take up in electric car scheme

Place

OBJECTIVES...

Build Sustainable Homes

- Aim to build 200 new homes a year, focusing on a mix of tenures including social rent, affordable rent, market rent, shared ownership, specialist housing and housing for Later Living and HAPPI schemes
- Improve the efficiency costs and performance of homes through new construction methods
- Delivery of independent living homes and services that meet the National Expectation for Supported Housing

Invest in Customer's Homes

- Ensure our properties are safe secure and fully compliant with building safety requirements
- Invest in our properties over the next three years
- Ensure servicing and testing programmes fully implemented
- Focus on eliminating/reducing damp and mould in properties
- Working with customers on plans for their neighbourhoods
- Deliver a value for money repairs service, ensuring we maintain homes to a high standard
- Actively manage our assets making them safe and attractive places for our customers to live

Strengthen communities through partnership working

- Work in collaboration with our partners to identify and promote independence through services and accommodation
- Create skills and employment opportunity through our Positive Futures programme that empower individuals and communities
- Work with partners to support, invest and maximise capacity and impact on those that live there
- Promote a safe, healthy environment where homes and places will have a positive impact on the community
- Promote activities that create cohesion and safe places to live

We will measure this by

- Development plans achieved
- Increased customer satisfaction rates
- Decent home standards
- Achieving compliance targets
- Increased care leavers and step up accommodation provided
- Better employment and training opportunities for customers
- Reduced ASB levels
- Investment in existing homes and assets

- Self-assessment of National Expectation of Supported Housing
- Positive outcomes from partnership working
- Increased independent living accommodation and services

PERFORMANCE

OBJECTIVES...

Financially strong and assured business

- Achieve excellent standards of governance and ensure we meet our statutory and regulatory requirements
- Ensure we are financially strong and resilient and have long term viability
- Review our risk appetite and risk strategy and stress test the business

Service Improvements

- Maintain our focus on efficiency and value for money, looking for better and more cost-effective ways of doing things, whilst still delivering a quality service
- Improve and transform our services and processes whilst consolidating what we have achieved so far
- Monitor, review and report on our KPIs and drive through performance improvements
- Implement our Procurement strategy and ensure we drive social value for our customers and communities
- Improve the quality and transparency of our Service Charge process
- Rollout file migration and transfer to SharePoint
- Implement and monitor robust IT systems to reduce the threat of cyber attacks
- Exceed consumer and TSM standards

Create Stronger Influence through Partnerships

- Seek out collaborative opportunities/partnerships which maximise the impact on customers and make our business stronger
- Continue to have an influential voice in the housing sector and strengthen our relationships with local and national government and other policy makers
- Be a "go to", innovative organisation

We will measure this by

- Successful in retaining V1/G1 status
- Achieve all compliance/regulatory targets
- Top quartile metrics
- KPIs achieved e.g. rent collection and arrears
- VfM efficiencies delivered
- Constructive partnerships that add value
- Fit for purpose organisation
- Streamlined processes and systems
- Meeting Ofsted standards, inspection and requirements for care leavers commissioned services from 2024 onwards

Our values have served us well for several years and remain consistent. These values define who we are and how we work and are at the core of everything we do. They ensure that every individual working for MSV puts customers at the heart of everything they do. These values are well-embedded across the organisation and genuinely drive how we do things. They are the very essence of MSV and what it stands for.

We work across 18 local authority areas, including eight of the 10 areas within the Greater Manchester conurbation, and continue to be an anchor organisation in areas where we own a significant number of homes. We continue to be a leading supported housing provider across the North-West and a key developer of new housing across the region. As part of the MSV Way, at merger of Mosscare Housing Limited and St Vincent's Housing Association back in 2017, we committed to the development of 1,293 new homes and have made good progress with this – since the merger, at the end of 2022/23 we have delivered 625 new homes; 359 homes for social and affordable rent, 256 shared ownership, intermediate rent and rent to purchase homes, plus 10 market rent homes. 104 of these homes (17% of all new homes) were designed to provide tailored supported living environments for those who need them, including homelessness provision, housing for refugees fleeing persecution and specialist housing for adults with learning disabilities. Our commitment to delivering supported living solutions remains a strategic priority for MSV. But we build more than just homes – we build communities and places where people can thrive. Through our Community Investment Offer, in the last year we worked with 4,500 individuals to create opportunities to improve health and wellbeing, gain employment, upskill, and help to reduce social isolation and support those people who may be financially excluded.

During 2021/22 we undertook an extensive refinancing exercise, securing a new Private Placement facility of £140m to create capacity for further growth, as well as investing in existing homes and services. In January 2023 we undertook our second drawdown of £20m from this facility, bringing the drawn balance to £65m; the remainder will be drawn as planned in January 2023 and January 2024. Over the next seven years we plan to deliver c.1,293 new homes, meeting the original post-merger commitment and then continuing to deliver high-quality homes across our communities.

Each Group entity has its own 30-year Business Plan, including asset management, treasury and service delivery plans which are reviewed and revised annually. Each part of the business has a robust, healthy financial plan with capacity to continue to develop and grow into the future. Economic instability has been a prevalent feature of 2022/23, with rising inflation and interest rates, and in particular significant increases in utility costs which were then exacerbated by the war in Ukraine. These factors have led to a current cost of living crisis, with many households on low incomes feeling the impact most severely. Increases in costs during the year have been reflected in the revised forecasts in the Business Plan, along with revisions to forecast interest and inflation rates more than last year's Plan. We remain confident that we have sufficient financial resilience to weather the challenges ahead and continue to provide homes and services to our customers and communities, support those experiencing financial hardship, work with partners to achieve better outcomes, and develop and build new homes for the future.

Business and Financial Review

Overview of the year

This has been another year of strong performance, despite the significant economic challenges of significant and sustained increases in inflation and interest rates throughout the year. Our continued financial strength provides a strong platform upon which to continue to grow the value of the organisation and invest in our people, the services we provide and the development of new homes for rent and shared ownership.

As part of the Regulator of Social Housing's regular stability checks, in December 2022 we had our G1 rating reaffirmed, the highest possible rating for Governance. Our Viability rating was regraded to V2, along with many other RPs across the sector, as a direct result of economic uncertainty and, high inflationary rates putting pressure on investment and maintenance costs. The judgement report confirms the V2 grade is compliant , and that we have a fully funded business plan, sufficient security and can meet financial covenants. This confirms the Regulator's continued confidence in MSV and our ability to function with robust management and governance arrangements in place. Although the Corporate Plan states the aim of retaining the previous V1 rating, we are confident that the reasons for the regrade are due to the wider economic downturn, and that MSV remains a robust and viable organisation. We maintain a positive relationship with the Regulator and embrace the coregulatory approach to managing our affairs. Looking forward to 2023/24, we have put in place mechanisms to be able to report against the new Tenant Satisfaction Measures being introduced as part of the increased focus on Consumer Regulation, and believe we are well-placed to meet the requirements of the enhanced Consumer Standards.

Our financial results for the year have been positive. As a Group, we have made a net surplus of £2.7m (excluding pension movements), including surpluses of £1m from first tranche shared ownership sales at a margin of 21%, indicating that we are building high-quality homes where people want to live. The Group's operating margin is 15.4% (2021/22: 22.9%) and demonstrates that there is still capacity being created through our day-to-day activities. The split of operating and net surpluses across the Group is as follows:

	MSV Group	MSV Housing	MSV Invest
Operating Surplus*	8.2	8.1	0.1
Operating Margin*	15.4%	15.2%	67.7%
Net Surplus	2.7	2.8	(0.1)
Net Margin	5.1%	5.3%	(43.8%)

**Excluding fixed assets sales*

At the end of the year the Group has combined drawn funding of £185m from multiple facilities across four lenders and four investors (syndicated Private Placement). The group held cash balances totalling £3.7m.

The Group's Treasury Policy requires a minimum of £1.0m available cash to be always held by MSV and has sufficient available funding to cover two years' net cashflows. In addition, the Treasury Policy sets a 'Golden Rule' EBITDA-MRI Interest Cover requirement of 120% (relating to MSV Housing), and 115% excluding forecast property sales surpluses, to provide headroom against the tightest funder's covenant of 110%.

The economic environment continues to be very challenging; the UK continues to experience sustained high inflation, particularly with respect to food and utility costs, and corresponding significant increases to the Bank of England base rate to curb inflation. There continue to be post-Brexit supply chain and labour challenges, impacting property works and basic supplies. Many of our customers continue to face significant financial difficulties because of the cost-of-living crisis. At the end of 2022/23, our overall rent collection performance was 99.0% across the Group, falling below 100% for the first time in some years – a strong result given the challenges set out above, but an indication that customers are finding it increasingly difficult to meet basic living costs. Post year end, there are some signs of economic improvements, such as stabilisation of energy and fuel costs, although overall inflation, including food costs, remains stubbornly high, influenced in part by the ongoing war in Ukraine disrupting supply channels. Our focus has been to closely monitor rent collection and arrears whilst directing our efforts to proactively identify those customers struggling as soon as possible so that we can provide support, information around benefit entitlement and assistance where appropriate. For 2022/23 we ringfenced a Hardship Fund of £512k to support customers experiencing financial difficulties; on 31 March £336k of this had been allocated to customers, with the remaining £176k rolled forward to continue providing support into next year.

Delivering services to our customers

We are committed to delivering high-quality, cost-effective services to our customers. We regularly seek feedback from our customers to gain insight into what they think about the services we provide. During 2022/23 we continued to collect feedback using an independent company to conduct telephone surveys each month to obtain 'in-the-moment' information, rather than undertaking one big postal survey. Since adopting this approach in November 2019, we have spoken to over 6,500 customers, and are using their feedback to continuously refine and improve services. We have introduced new questions during 2022/23 aligned to the Regulator of Social Housing's Tenant Satisfaction measures, to start understanding performance and establishing a baseline against these measures and have joined local and regional benchmarking groups to understand how our performance compares to others. We also continue to undertake post-transactional surveys around anti-social behaviour and new tenant processes and continue to report internally against key performance measures in areas such as customer safety.

A significant proportion of our customers tell us they are happy with the quality of their home (80.6%) and feel safe (83.6%). Both measures remain consistent with lastyear's results of 79.3% and 84.7% respectively. Since the formation of MSV we have invested almost £95.2m in maintaining and improving our existing homes, and plan to invest around £48m over the next five years in component replacements and a further £20m (net of grant funding) on investment works to refurbish and improve the energy efficiency and carbon footprint of some of our most difficult to treat properties.

During the year we conducted 36,880 (2022: 35,386) repairs in our customers' homes, a 4% increase in volume on the previous year and maintaining a c.25% increase in volume post-pandemic. What was viewed last year as a 'spike' due to pandemic backlogs appears to be a sustained increase in demand for repairs and is being experienced across the sector. A further 1,270 (2022: 978) customers benefitted from improvements to their homes, such as roofs, windows, doors, etc.

In the early part of 2022/23, there were several media exposés linked to property conditions in social housing, focussing particularly on damp and mould in older social housing properties. In November 2022, because of the publishing of the Coroner's Report, we learned of the tragic death of Awaab Ishak in a social housing home in Rochdale, with the cause of death linked directly to the mould present within his home. Whilst this was not an MSV home, the tragic implications of this case were clear to us and the whole sector – namely, that we need to know more about the condition of our homes, and we need to ensure we listen to our customers when they tell us things are not right. We have responded positively and proactively to these reports; we have reached out to every customer who has reported any issues with damp or mould in their property in the last few years to check if the issue has been resolved; the whole organisation took part in a neighbourhood initiative to visit customers in their home to check for any issues; we have established a dedicated email and CRM channel for customers to report any damp or mould issues, and are actively marketing this to customers; we have established a dedicated Damp, Mould and Disrepair Team to focus solely on identifying, inspecting, remediating and preventing such issues; and this year we commenced a rolling programme of stock condition surveys to improve the data we hold on the condition of our homes, prioritising the oldest and most difficult to treat properties (i.e. those most likely to have these problems). We intend to survey every home on a rolling five-year programme, and this insight will inform future sustainability investment and improvement programmes.

At 71.0%, satisfaction with our responsive repairs service continues to be lower than we would strive for – although again remains consistent against last year's result of 71.2%. We are committed to ensuring we have the right resources in place to improve this service and address the challenges of delivering a consistent quality of service over such a broad geographic area. We launched the Repairs Improvement Plan and have agreed on a new Target Operating Model in line with sector best practices and a restructure of this area is underway with transformational changes forecast to be delivered in 2023/24 in terms of how the end-to-end service operates. Customers have been at the forefront of the redesign and have helped to shape help shape the new service model – the Scrutiny Panel has been instrumental in undertaking a deep-dive review into the repairs service, culminating in a series of recommendations to improve the customer experience which have fed into the Repairs Improvement Plan.

As a result of the cost-of-living crisis, rising inflation, interest rates, and in particular food and utility costs, many of our customers still face financial pressures. As a result, the need to provide support has never been greater.

At the start of 2022/23, a ringfenced Hardship Fund of £512k was created to provide financial support to customers. We have used the Fund to secure £113k of fuel and other vouchers and have so far issued £60k in fuel vouchers alone – a significant increase on last year. We have also used £146k of the Fund to provide rent credits to customers struggling to meet their living costs, to provide 'breathing-space' and alleviate some financial pressure. This is a direct consequence of the cost-of-living crisis, with many customers finding it increasingly difficult to meet the cost of basic needs. We have supplied £21k of white goods and £34k of carpets/flooring, second-hand furniture and other household goods to customers in need and have maintained our direct support to customers through effective use of the Hardship Fund, responding at critical moments in people's lives. The flexibility of the Hardship Fund means we can provide support in a way that best meets the individual needs and circumstances of customers on a case-by-case basis.

Our Money Management service has dealt with 1,288 direct referrals, and we have made 1,645 interventions in the early stages of rent arrears, proactively contacting customers, and supporting them through difficult financial times to get their finances back on track and able to make rent payments. We were able to secure £402k in support through Discretionary Housing Payments and bids to external trusts and support funds. Insight into our customers' experiences has led us to develop an affordable furniture project, partnering with The British Heart Foundation and Bolton Community Furniture Project.

During the Covid-19 pandemic, we experienced unprecedented increases in the number of UC claimants; over the 10 months before lockdown, we averaged around 45 new claimants per month; at the start of lockdown this grew to around 120 new claimants per month, an increase of over 160%. During 2021/22 this has slowed somewhat to an average of 26 new claimants per month, and in 2022/23 customers moving onto Universal Credit totalled 280, an average of 23-24 per month. We continue to experience high numbers of UC claimants in arrears, although this appears to have plateaued in 2022/23; of the c.2,700 claimants, 47% are in arrears with an average arrears value of c.£385. We have robust processes in place to both support people in this new way of managing their money and ensure we maintain strong rent collection performance.

In the current climate, we recognise that our overall satisfaction level of 72.9% is lower than we would want it to be, however recent benchmarking through the TSM groups indicates that this does benchmark well against our peers. We have set an aspirational target of 77% for the forthcoming year and 'consistently delivering excellent customer service' remains a top priority for the coming year. As well as targeted improvements to specific services, we have delivered a high-profile campaign to drive customer excellence, linked to team and individual objectives. The mantra of "repairs, respect and redress" is at the forefront of this work, and we have a dedicated email address whereby, tenants can directly provide feedback where they feel services have fallen short of expectations, particularly in respect to not feeling they have been treated respectfully, and any issues raised will be responded to within 48 hours. The Customer Voice activity discussed later in this report is designed to promote greater levels of communication, trust, and accountability.

MSV believe in communities and neighbourhoods, and we are proud of the initiatives that we have supported and funded directly, addressing matters such as social exclusion, isolation, health & wellbeing, and employment. In 2022/23 we spent £66,600 on various projects and initiatives. This figure includes what we commit annually from our resources and the kindness fund, plus what we receive in donations and grants. We have three hubs in Carrbrook, Bramhall and Bredbury. We support the volunteers to develop and deliver activities at the hubs from coffee mornings to dance sessions. 656 people took part across all sessions established at the three hubs generating a social return of over £400,000 on an investment of £32,000. Our Positive Futures hub in Moss Side, Manchester launched in April 2022, supporting customers into training and employment. Since opening we have had 2,947 visits from 811 community members, generating a social return of over £1.175m.

Strategic oversight of service delivery is undertaken by the Customers & Communities Committee, which receives regular reports around the customer agenda and customer services, with further reporting to the main Board of MSV. We also publish our performance through customer newsletters, on our website and in our annual reports to customers and wider stakeholders.

Customer voice and influence

MSV recognises that the customer voice and influence are invaluable in properly understanding what customers most value in our services, and where service improvement is needed, to ensure our homes are places people want to live. In 2022/23, 64.0% of customers said they felt listened to. We need to do better, not least given the increased emphasis on consumer standards and imminent changes to regulation. We will target our approach and engagement activity to increase our impact so more of our customers will feel listened to. By doing so, we will consistently demonstrate where customer voice and influence have resulted in changes to policies and service delivery whilst ensuring greater levels of accountability and transparency.

We have a broad range of well-established mechanisms for customers to engage with us, including customer representation on the Board, the Customers & Communities Committee, a database of over 300 involved customers, (this has more than doubled in the last year, 18 active tenant and resident groups across our areas of operation, and a diverse range of community projects and activities that are delivered in communities and through our locally-based hubs. We have a dedicated Social Investment Team that oversee our work in this area comprising of Community Project Officers, Resident Involvement Officers as well as dedicated officers for Skills and Employment and Funding/Grants. This work is led by our new Head of Customer Voice and Influence.

Truly embedding customer voice and influence within our operating model continues to be a high priority for MSV, as a social housing provider that puts customers at the heart of its service delivery and operations. We have welcomed the increased focus on customer experience, voice and influence through the Charter for Social Housing Residents and the changes to consumer regulation and we were an early adopter of the Nat Fed's Together with Tenants Charter

Our Customer Engagement Strategy 2020-2023 underpins the work we have been focused on, with a corporate leadership group established in 2021/22, to oversee the continued activity in this area. The key drivers for MSV's engagement with customers are as follows:

- A desire to shape services around customer's expectations, delivering services that are tailored to meet needs, and collaboratively developing Service Standards that matter to our customers.
- A desire to engage right across our diverse and geographically located customers.
- A desire to 'go the extra mile' whilst delivering authentic engagement that is inclusive, diverse, representative and aims to address inequality in service provision.
- Complying with legislation including all regulatory standards.
- Learning from within and outside the sector.
- Using business intelligence and day-to-day interaction as feedback and enabling us to use insight to truly shape services.

Following the TPAS review in 2021/22, a best practice action plan was formulated which focussed on specific activities in 2022/23 to enhance and improve customer voice and influence activity. We have successfully implemented changes across our customer involvement channels to improve the way we engage with customers, including:

- A full review of all engagement channels, now focusing on areas which have the most impact.
- Improvements to website and involvement pages.
- Offering small incentives for engagement to encourage participation.
- Increased face-to-face engagement by organising consultation events and attending existing groups and sessions.
- Improved digital contact and set up a digital lending library for involved customers, to enable them to access laptops/tablets if required. Training is also provided.
- Developed new digital channels to engage, including a dedicated social media group.
- Improved reporting and monitoring outcomes.
- Developing a 'You Said, We Did' page which can be accessed on the website and MSV newsletters.
- Review of our existing governance around customers including the Customer Committee.

In 2022 we worked closely with the Scrutiny Panel to improve the process, creating a pool of 15 customers who are trained and signed up to participate in exercises to scrutinise our services throughout the year. During 2022/23 they completed the repairs review, and now working closely with key officers to ensure recommendations are implemented. Following recommendations from the TPAS review, we will be working closely with panel members to evaluate the full process and look at further improvements before they start the next exercise.

In 2022, we began our 'WOW' campaign to improve satisfaction levels and at the same time created a recording system for all contacts with customers, named Customer Relationship Management [CRM]. The recording of all contacts reduced the number of instances where customers said they had not received a call-back after logging a service request. The 'WOW' campaign focused on the revised customer service standards and reinforced positive practice in the field of customer service as driving positive culture change based on 'customer service excellence principles. We have also introduced Nibble & Natter events that have been a great success, bringing senior leaders closer to customers and promoting both dialogue and accountability.

We continued to work towards full compliance with the Ombudsman's Complaints Code and have developed a customer complaints group to review the policy and complaints process. We have implemented policy, systems and process changes during the year, and next year we will implement mechanisms for learning from complaints, with the expectation of achieving full compliance during 2023/24. We will implement an updated model for how customers can be involved, such as high-level intensive involvement, special interest groups focussed on specific issues and services, and developing more effective analysis of data and insight from customers to improve service delivery. We will be focussing on how we gain the diverse views of a wider range of customers, including younger voices, and developing methodologies for reporting against tenant satisfaction measures introduced as part of the revised consumer regulation framework.

We are working on a future strategy of Customer Voice activities based on the TPAS pyramid modelwith the focus on the production of a new customer voice model including an enhanced Customer Committee.

The Customer Committee will have new terms of reference, paid members and representative involvement with increased customer representation, and influence training. We will also enhance the customer scrutiny and insight function in the organisation, to ensure a more coherent connection between customer feedback and business decisions. This is intended to fully embed the principles of co-design and co-production in policy development and ensure we report and publish performance data to our customers in a more meaningful transparent way at a local level.

Managing our housing assets

As a Group we currently own and/or manage 8,132 social and affordable homes for rent across 18 Local Authority areas, as well as 448 shared ownership homes, 157 market rent homes, 138 leasehold properties, plus a portfolio of commercial rent properties.

We recognise the importance of investing in our existing homes to ensure they remain good quality, safe places where people want to live. This year we invested £24.4m in maintaining and improving the quality of our homes. All our homes meet the Decent Homes Standard and are maintained in good condition. Decisions on how much to invest in our existing portfolio each year are based on an independent Stock Condition Survey, supplemented by our local and detailed knowledge of the assets. We are currently updating our property condition data through a new programme of rolling 5-year stock condition surveys.

Over the next five years, we intend to invest c.£68m in our existing housing portfolio, including a significant rolling programme of component replacements, a programme of sustainability works to improve the EPC ratings across the portfolio and improve fuel efficiency for our customers, and an ongoing programme to refurbish our sheltered housing portfolio. This year we have also introduced ringfenced funds to ensure we can respond quickly and effectively to issues of damp, mould and disrepair if they arise, totalling c.£2m per year for the next two years, and then reducing to an ongoing inflation-linked provision of c.£800k per year for the remainder of the Business Plan.

We are committed to reducing the carbon footprint of our property portfolio and have ringfenced a further c.£9m to bring all homes to at least EPC C by 2030. Our commitment to decarbonisation goes well beyond this target; we have been successful in securing Government funding through BEIS to match-fund spending to reduce the carbon footprint across some of our most difficult-to-treat properties, and we have allocated a provision of c.£86m across our 30-year Business Plan to focus on carbon-reduction investment in our homes.

As part of our proactive Asset Management Strategy, we have identified certain properties for disposal as and when they become void. During the year we sold 3 properties on the open market, generating capital receipts of £325k and a surplus of £23k.

New development and sales

During 2022/23 we invested £14.9m in the development of new homes and completed 158 new homes, bringing the total completions since the merger to 618. This equates to 48% of the 1,293 new homes commitment made at the merger. Following refinancing in 2022, we increased our development aspirations beyond the merger commitment. The latest Business Plan forecasts the development of 1,180 new homes over the next seven years, averaging circa 170 new homes per year. This is a slightly extended timescale than that originally envisaged; this is because we have taken a conscious decision to utilise some of the organisation's capacity to deliver against priorities such as building safety, sustainability of our existing homes, digitalisation, and enhanced support services.

This year's completion of 158 includes 61 homes for social and affordable rent, 90 homes for shared ownership and 7 market rent. At the end of 2022/23, we had committed schemes which will deliver 36 homes for social and affordable rent, and 134 homes for affordable home ownership over the next two years. We have a pipeline of schemes not yet on-site and forecast to deliver a further 514 homes over the next 3 years. The remainder of the development programme is forecast to be delivered by 2028/29.

In 2022/23 we sold 45 new build homes through first tranche shared ownership, generating proceeds of £4.9m and net surpluses of £1m. Across those properties the average proportion of equity sold at first tranche sale was 53%, outperforming the prudent scheme appraisal assumption of 35%, and delivering a profit margin of 21%.

Achieving targets and value for money

Value for money (VfM) underpins decisions made across all areas of the organisation and supports the delivery of our vision and strategic objectives. Our Corporate Plan, The MSV Way, provides the golden thread through the heart of everything we do, linking operational delivery and performance to strategic intent. It gives the organisation the focus for delivering VfM in all aspects of our work.

In September 2021, the Board approved MSV's comprehensive VfM Strategy, which sets out MSV's approach to managing, measuring and reporting VfM performance in line with the Regulator's Value for Money Standard.

Throughout the year we measure performance using a suite of KPIs and operational PIs, using a Balanced Scorecard approach to performance management. This methodology incorporates both the new Tenant Satisfaction Measures (TSMs - a regulatory requirement from 1 April 2023) and the VfM Metrics included within the Regulator's Value for Money Standard. Not all TSMs are reported here, although all are measured and reported internally. For 2023/24 the full suite of TSMs will be published on the MSV website, and we are considering how to share these with customers to ensure they are relevant and meaningful.

Previously metrics were categorised under six broad headings; following the adoption of the Balanced Scorecard Methodology, metrics are now categorised under four headings:

- People & Culture
- Customer Service & Outcomes
- Systems & Compliance
- Financial Viability

The actual KPIs measured and reported remain largely unchanged, with some amendments to definitions to align with the new TSM definitions and some additional measures added to the framework.

We compare operational KPI performance against targets and previous years' performance and use sector knowledge to assess and benchmark results. For VfM Metrics, we have obtained our benchmarking data from 2021/22 financial statements, using the Housing Quality Network RP list (as benchmarked since 2018/19 for consistency). During 2022/23 new benchmarking groups have been introduced specifically focussing on the new TSMs; data from these groups has been utilised where available, and the above datasets used for other measures where possible. We have compared our results to:

- Placeshapers: Registered Provider Members of both HQN and Placeshapers (21 RPs)
- Size: Registered Provider Members with between 5,000 to 9,999 homes (8 RPs)
- Location: Registered Provider Members with at least 50% stock in the Northwest (10 RPs), or the TSM benchmarking groups (as appropriate)

For other KPIs, we leverage the strength of our partnerships nationally and locally to benchmark our performance throughout the year, so that we can understand how our performance compares to that of similar comparator organisations and use this insight to set stretching targets. Wherever possible, we compare our results to traditional RPs with homes across a wide geographical range, including a proportion of supported and specialist accommodation. As a proactive member of Placeshapers we are part of a collective of over 100 like-minded organisations, and our involvement in the Greater Manchester Housing Partnership means we have strong relationships with RPs across the conurbation. Through various networks, we regularly discuss our performance and visit and meet with partners with strong performance results to learn about how this is achieved and how best practice can be applied at MSV. Benchmarking comparators are provided where results are available from three or more RPs.

a) People & Culture

	Median Benchmarks					
Measure	**Placeshapers**	**Similar Size RPs**	**Local RPs**	**Actual 2021/22**	**Target 2022/23**	**Actual 2022/23**
Other KPIs						
Staff Turnover	13.7%	Not available	15.7%	12.1%	10.0%	**16.3%**
Staff Sickness	3.8%	4.0%	3.6%	6.0%	4.0%	**7.1%**
RIDDORs	Not available	Not available	Not available	0	0	**2**

Other Metrics

Staff metrics have not been achieved in 2022/23, with both turnover and sickness higher than the target. Following the pandemic, staff resilience has been lowered across the country, and combined with an extremely buoyant employment market post-Brexit, this has led to higher than usual staff turnover. Merger discussions have also contributed to turnover, with some staff opting to seek new opportunities due to the inevitable uncertainty whilst discussions have been ongoing. We have in place several health and wellbeing initiatives and schemes in place to support staff and manage sickness sympathetically and fairly.

There have been two RIDDORs during the year – whilst the target will always be zero, this is not felt to be of concern, and incidents have been reviewed to ensure any learning has been implemented and refresher training provided where relevant.

b) Customer Service & Outcomes

	Median Benchmarks					
Measure	**Placeshapers**	**Similar Size RPs**	**Local RPs**	**Actual 2021/22**	**Target 2022/23**	**Actual 2022/23**
Tenant Satisfaction Measures						
Satisfaction with handling complaints	58.4%	Not available	33.4%	36.4%	50.0%	**41.5%**
Complaints responded to within timescales	93.7%	Not available	Not available	55.9%	100%	**60.5%**
Satisfaction views are listened to and acted upon	Not available	Not available	59.9%	63.6%	70.0%	**64.0%**
Satisfaction with repairs	87.2%	84.8%	75.4%	71.2%	75.0%	**71.0%**
Satisfaction with ASB	Not available	Not available	59.1%	69.5%	68.4%	**75.9%**
Homes are well maintained	Not available	Not available	71.0%	79.3%	82.0%	**80.6%**
Overall satisfaction	77.3%	72.6%	69.1%	73.6%	77.0%	**72.9%**
Other KPIs						
Neighbourhood satisfaction	Not available	Not available	Not available	82.5%	85.0%	**83.9%**
Emergency repairs % completed on time	91.7%	Not available	Not available	99.9%	100%	**99.9%**
% repairs appointments kept	97.0%	Not available	Not available	87.9%	100%	**99.9%**
Appointable repairs completion (days)	19.4	19.4	Not available	18	25	**29.9**

Tenant Satisfaction Metrics & Other Metrics

Our customer intelligence tells us that much of the customer dissatisfaction expressed in the results above is rooted in the level of dissatisfaction with the repair service, particularly the time taken to complete repairs. Although we have again delivered 99.9% of emergency repairs in line with timescales the overall service quality falls short of expectations and our systems and processes need an overhaul. We have seen a significant increase in demand for responsive repairs, and whilst we are keeping 99.9% of appointments, at 29.9 repair days it is taking longer than customers want to complete works. We have in place a detailed Repairs Improvement Plan, informed by customer feedback, that considers all aspects of service delivery, including people, systems, performance measurement, operating structures and the customer journey. Further detail is provided under Business Improvement below.

Complaints satisfaction at 41.5% also remains below target. It can be difficult to increase customer satisfaction where customers do not ultimately receive the resolution they are hoping for, however with only 60.5% of complaints responded to within timescales, we recognise this is an area where improvement is needed. We have seen a very significant increase in complaints volumes over the last 12 months, much of which is intrinsically linked to the need for repair service improvement. We are bringing in additional, dedicated resources to support complaints response processes in the coming year.

During 2022/23 we launched our WOW Campaign across the organisation. This was a targeted campaign aimed at improving customer satisfaction performance by being more visible within our communities, focussing on providing excellent customer services and seeking to improve how we do things to reduce bureaucracy and empower staff to provide responsive services and solutions tailored to meet individual customers' needs. The campaign continues and has been successful in reversing a small but sustained downward trend in satisfaction, with results showing improvement in the latter part of the year.

Following the announcement by the Regulator (RSH) of a new suite of Tenant Satisfaction Measures, we have been implementing frameworks to measure performance in line with these metrics during 2022/23, before them being formally required from April 2023. We have also joined two local benchmarking groups, comprising several RPs seeking to understand performance against these new measures – these results are reflected in the Local RPs benchmarks above. The RSH sets out specific guidance on how these should be measured, meaning there is consistency in benchmarking results across the groups. This has been a very useful exercise – we will always strive to improve our satisfaction results, but this new insight has demonstrated that we benchmark well against our peers, with complaint response times, feeling listened to, ASB satisfaction, maintenance of home, neighbourhood satisfaction and overall satisfaction all benchmarking higher than the median.

c) Systems & Compliance

<table>
<tr><th></th><th colspan="3">Median Benchmarks</th><th></th><th></th><th></th></tr>
<tr><th>Measure</th><th>Placeshapers</th><th>Similar Size RPs</th><th>Local RPs</th><th>Actual 2021/22</th><th>Target 2022/23</th><th>Actual 2022/23</th></tr>
<tr><td colspan="7">VFM Metrics</td></tr>
<tr><td>New supply delivered – social housing</td><td>1.1%</td><td>1.2%</td><td>0.8%</td><td>1.3%</td><td>2.6%</td><td>2.0%</td></tr>
<tr><td>New supply delivered – non-social</td><td>0.0%</td><td>0.0%</td><td>0.0%</td><td>0.0%</td><td>0.1%</td><td>0.1%</td></tr>
<tr><td colspan="7">Tenant Satisfaction Measures</td></tr>
<tr><td>Gas safety</td><td>99.9%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td></tr>
<tr><td>Fire safety</td><td>99.9%</td><td>100%</td><td>99.9%</td><td>100%</td><td>100%</td><td>100%</td></tr>
<tr><td>Asbestos safety</td><td>95.9%</td><td>93.2%</td><td>Not available</td><td>100%</td><td>100%</td><td>100%</td></tr>
<tr><td>Water safety</td><td>99.7%</td><td>100%</td><td>Not available</td><td>100%</td><td>100%</td><td>100%</td></tr>
<tr><td>Lift safety</td><td>100%</td><td>100%</td><td>Not available</td><td>93.5%</td><td>100%</td><td>97.6%</td></tr>
<tr><td colspan="7">Other KPIs</td></tr>
<tr><td>Electrical safety – communal certificates</td><td>99.5%</td><td>99.4%</td><td>Not available</td><td>100%</td><td>100%</td><td>100%</td></tr>
<tr><td>Void turnaround days – supported stock*</td><td rowspan="2">44.9</td><td rowspan="2">Not available</td><td rowspan="2">44.2</td><td>78</td><td>40</td><td>76</td></tr>
<tr><td>Void turnaround days – general needs stock*</td><td>17</td><td>13</td><td>41</td></tr>
</table>

** Benchmarks are overall – other providers do not split by tenure*

VfM Metrics

The results for new housing supply reflect our commitment to delivering new affordable homes. We benchmark favourably having delivered new social housing supply equivalent to 2.0% of total housing assets, plus a small number of non-social units. The benchmark data relates to 2021/22, therefore it is expected that MSV's ranking against peers will increase when 2022/23 figures are published. These results demonstrate MSV's commitment to continued, steady growth of social housing supply.

Tenant Satisfaction Metrics & Other Metrics

Keeping our customers safe is a top priority and is reflected in our results. Following difficulties experienced during the Covid-19 pandemic, services have now largely returned to normal, and we are no longer experiencing elevated levels of refusals due to shielding or concerns around Covid-19. We continue to adopt a firm approach to gaining access to properties through legal action where necessary, although in most cases customers recognise the importance of such checks and grant access. We always strive for 100% performance across all compliance areas. In 2022/23 we completed internal audits for 2 of our 'big 6' compliance areas of gas and electrical safety; achieving high levels of assurance across both audits and minimal recommendations, this has provided an additional layer of assurance that our approach to compliance is sound in terms of keeping customers safe in their homes.

Void turnaround days in supported housing have remained high during 2022/23, this is due to the nature of these schemes, which can mean it often takes time for partner agencies to identify suitable occupants for a scheme. In some cases, whilst the property is empty this does not result in rent loss, as many support contracts include provision for void rent loss. During 2022/23 we have also experienced an increase in void days within the General Needs portfolio. This is due to the competing demands and pressures on the Property Care service, with the number of responsive repairs jobs being raised increasing significantly during the year. This has impacted the capacity to undertake void works, with tenanted repairs being given priority to avoid a reduction in customer service. We have been outsourcing some void works during the year and are now looking at how to manage this in-house without affecting other parts of the service. Demand for properties remains high; the decline in performance is not due to the inability to let properties once they become available.

d) Financial Viability

	Median Benchmarks					
Measure	**Placeshapers**	**Similar Size RPs**	**Local RPs**	**Actual 2021/22**	**Target 2022/23**	**Actual 2022/23**
VFM Metrics						
Operating margin – social lettings only	21.6%	18.8%	20.4%	22.7%	24.1%	**13.4%**
Operating margin – overall	18.8%	19.1%	17.7%	22.9%	25.3%	**15.4%**
EBITDA-MRI interest cover*	140.6%	119.9%	139.4%	165.8%	197.8%	**119.1%**
Gearing	40.6%	44.8%	33.7%	43.6%	44.6%	**44.2%**
Headline social housing cost per unit	£4.0k	£4.6k	£3.9k	£3.8k	£3.9k	**£4.6k**
Return on capital employed	3.2%	3.3%	3.2%	3.3%	3.0%	**2.2%**
Reinvestment	6.5%	6.9%	6.3%	6.2%	12.7%	**5.3%**
Other KPIs						
Rent collection	100.3%	99.9%	100.5%	100.0%	100.0%	**99.0%**
Current tenant arrears	3.5%	2.9%	3.7%	3.2%	3.0%	**3.4%**
Former tenant arrears	Not available	Not available	Not available	2.1%	2.0%	**2.3%**
Rent loss from voids	1.6%	1.6%	1.4%	1.9%	1.8%	**1.9%**
Bad debt %	0.6%	Not available	Not available	0.5%	1.75%	**0.9%**

** methodology per the VfM Standard, not MSV funding covenant*

VfM Metrics

Our Social Lettings Operating Margin consistently falls at the low end of the benchmark group due to proactive decisions to reinvest some surpluses back into service delivery. Our results are also impacted by the positive, risk-based decision not to undertake open market sales or other commercial activity to generate alternative income streams, meaning most overheads are attributed to Social Lettings.

During 2022/23 we have seen some costs increase beyond budget expectations due to the significant growth in inflation throughout the year. We have seen experienced high inflation relating to materials and subcontractors, a sustained rise in demand for the repairs service, and the strategic decision to ramp up remediation works on the damp and mould programme – all of which have been experienced across the sector. We have also seen a significant increase in utility prices in the year due to global economic instability and the war in Ukraine. 2022/23 has been an anomalous year – we expect the outturn to improve in 2023/24 because of the April 2023 rent increase, stabilisation of costs, renegotiation of utility contracts and recovery of utility costs through service charging.

Discussions with peers across the sector indicate that all organisations have experienced similar pressures to those set out above. When compared to the benchmarks above, MSV does not benchmark favourably; however, this is due to the 12-month lag in benchmark availability (comparison with 2021/22 published results), and the exceptional circumstances experienced in this financial year. Once 2022/23 accounts are available across the benchmark group, we believe our results will continue to benchmark similarly to in previous years.

The level of interest cover headroom at the end of 2022/23 is linked to the profile of debt drawdown and spend. There is a reasonable amount of headroom and this benchmarks around the median when compared to peers. MSV has not yet fully drawn all facilities and makes effective use of revolving credit facilities to manage cashflows and achieved extremely favourable rates on the Private Placement arranged in 2021/22 when compared to current market conditions. Interest cover is, and will continue to be, our tightest loan covenant and the Board have set a prudent requirement of 120% interest cover (based on funders' definitions) and 115% excluding forecast property sales. The headroom on gearing is due to a combination of undrawn facilities (due to timing / future forecasts) and capacity for further borrowing. The calculation above is based on the methodology defined in the VfM Standard, which differs slightly from the funding covenant definition. The EBITDA-MRI Target of 197.8% was set based on the 2022/23 Budget which, for the reasons set out above, was not met and therefore actual performance has fallen below target for the year.

Our Return on Capital Employed is below the median of the benchmarking group, largely due to a combination of choosing to invest in the types of housing that are more resource-intensive, such as supported and specialist housing and choosing not to undertake development for open market sale and/or adopt an aggressive asset rationalisation strategy. In terms of reinvestment, MSV consistently benchmarks around or slightly below the median. This is partly due to us being a traditional Registered Provider, not formed as a result of a Local Authority stock transfer (known as LSVTs). As a result, our SOFP property values tend to be higher than those of LSVTs; when just compared against traditional Registered Providers within the benchmark dataset, we benchmark in the upper quartile.

Other Metrics

KPIs within this section have shown a downward trend in the year, which is reflected across the benchmark group. Difficult economic conditions have impacted performance as customers continue to struggle with the cost-of-living crisis.

Rent collection % has fallen below 100% for the first time in several years, a key indicator of customer financial hardship. As is to be expected, reduced collection has resulted in an increase in arrears. Given the economic context, performance has held up well and remains well within manageable limits within the Business Plan. The benchmarking data is based on 2021/22 published data and therefore will not yet reflect the full impact of the cost-of-living crisis; we know from discussions with other organisations that almost all are experiencing similar trends, and so we expect to continue to benchmark favourably when 2022/23 figures are published. Through the Hardship Fund, we have put in place mechanisms to support customers experiencing financial difficulties, as described earlier in this report.

Rent void loss has remained constant, and bad debts have increased but remain well below target.

e) Other VfM activity

During 2022/23 some of our focus has been on merger discussions with Great Places, and as such some continuous improvement projects, such as the implementation of a new repairs scheduling system and the financial chart of accounts, were put on hold. This was to ensure change projects were not undertaken that would ultimately prove abortive or make integration more difficult should the merger proceed. Continuous improvement activity has continued where it is sensible to do so both for MSV and when considered in the merger context.

Actions which have underpinned our VfM performance include the following:

Business Improvement

Flexible Futures: During the second phase of Flexible Futures, we have recognised that reconfigurations have been necessary for many of our spaces as we use them to their maximum potential – Following staff feedback for more desk spaces and a private meeting area, changes were made to our main office in Trafford to maximise the number of the desks, whilst adhering to the brief of maintaining a collaborative space. There was also a complete renovation of the Stockport Space in June 2022 and rolled out inductions with staff across the business.

Our Manchester Space in Moss Side launched Positive Futures – our young person's training centre - in April 2022 and Inducted MSV to the site in June 2022. With all the new spaces, a facilities manager is now in post.

With Value for Money in mind, a site in Hulme was historically used to store old Mosscare archive data. This was cleared, identifying what needed to be retained and what could be sent for confidential disposal. This site is now being marketed as a commercial site "TO LET" unit at a rent of £6,500 per annum.

We are also looking to leave our Distribution Centre in Thomas Street, Trafford. From 5th June no more material will be delivered to this site (all documentation has been scanned or confidentially disposed of and most of the material stored here has been redistributed). Operatives have been instructed to collect all materials directly from our supplier's local site.

Complaints Review: A review of the process of complaints handling took place because of the white paper and feedback from the ombudsman, as well as a chance to simplify our process in the meantime. This meant amending the stages and action plans reducing the number of steps taken in the process, standard letters and emails and an update a suite of reports. We continue to review this, looking at reducing the admin of the process.

CRM Phase 2: We wanted to build on the success of the implementation of the Customer Relation Management (CRM) system from last year and continued a second phase of improvements to the original system to enable a better response time and resolution time for our customers. This consisted of a full consultation across the business on the early roll out and lessons learned, amendments made to business teams and subjects following the Property Care restructure, and with the additional process for contacting tenants added. We also reviewed the internal reporting and capturing of service standards and that our customers received the service we are promising.

Telephony: We upgraded our telephone system Enghouse last year so we could progress on the development of an Interactive Voice Response service– The system will allow us to respond to customers' needs more efficiently by directing the enquiries to the appropriate team members. IVR will.

- recognise the customer and identify if vulnerable, a digital customer or operative.
- be able to cover GDPR requirements on customer identification.
- route calls based on why the customer is contacting us and allow us to report on why customers are contacting us.
- allow us to automate some processes – i.e., making a rent payment.

The system is imminent and awaiting a go live date from our partner Fournet.

Customer Portal Upgrades - the plan had been to increase the number of varieties of communication channels available via the portal, looking at the subjects available in the Customer Relationship Management system and begin to mirror those for the portal, routing all enquiries directly to the team. We created direct paths for some neighbourhood queries, community projects, customer support team, and capital investment team.

Damp & Mould: After the very sad case of Awaab Ishak in Rochdale and the subsequent fallout, we immediately pulled a team together to build a process and system within our housing system on MSV's Damp and Mould cases, with a view to prioritisation and early resolution where possible. Automating reporting progress and cases is also the main objective for the next couple of months.

Performance: In September 2022 we welcomed a Performance and Assurance Manager and in February 2023 two Data Analysts were seconded to the team. The team continues to partner with departments across the association to provide timely and accurate performance information, improve data quality, and move performance data onto the HMS.

Migration to a more direct and interactive performance solution will be delivered through the implementation of Power BI reporting. Training on Power BI was completed in May allowing the team to begin to develop data models and deliver the system internally. This will start to be rolled out across departments summer of 2023. The ALR, internal audit and insurance claims coordination and risk reporting have also moved under the remit of the team.

Process Re-Engineering: As described earlier, some processes above have been re-engineered where possible and where sensible to do so. In the coming months, all main policies and processes will be looked at with a focus on gaining the best for MSV customers.

ICT Infrastructure: We have progressed the journey toward a cloud-based solution for our ICT systems with most departments now operating from Microsoft's Sharepoint solution. The final few departments will move to Sharepoint in the first half of 2023/24. Enabling the move away from reliance on internal servers that require huge investment to replace and manage on a day-to-day basis, thereby delivering future cost efficiencies whilst ensuring a stable & secure infrastructure that can develop and grow alongside the business, is the ultimate intention. Work to develop the Azure Virtual Desktop environment, to replace the site-hosted Citrix solution, made significant progress during 2022/23; testing has been completed and full migration to the cloud environment is scheduled for May 2023.

Repairs Service End-To-End Review: A repairs improvement plan is currently underway to address the following areas:

- **People** - changes to the Property Care Structure to deliver the service on an area-based approach.
- **Systems** – usage and performance of Personal Digital Assistant (PDAs) including training - Implementation of DRS scheduling system.
- **New performance measures** - Implementing performance measures based on productivity, VfM & efficiency – formalise suite of KPI measures
- **Commercial** – management of sub-contractors, implement "Stock Right Now" system (manage inventory, enhance availability and transparency, reduce stock levels and source materials from superior suppliers at reduced cost)
- **Operating Model** – reviewing policies and processes and implementing improvements, improving communication between property care and the wider MSV organisation
- **Customer** – consultations with customers around service and the customer repairs journey, robust complaints process, robust recharge policy
- **Health & Safety** – review of H&S for operatives (robust Risk Assessments, appropriate equipment, Health and wellbeing of operatives, H&S core training up to date)

Customer Satisfaction: In April 2023 this year the Housing Regulator brought in a series of Key Performance Indicators called Tenant Satisfaction Measures for all Housing Associations, which is a mixture of perception telephone surveys and in-house measurement of performance. The announcement for these was in September 2022 and we started working on the measures immediately and began reporting on these a quarter early in January 2022. We benefit as there are many more opportunities for insight into our customers' perception of MSV as well as having much better benchmarking opportunities, both locally and nationally.

Overhaul of Service Charges: Following the move to Finance in late 2021/22, the 2-year service charge review project has continued at pace throughout 2022/23. Significant improvements have been made in terms of the quality of data and reporting and improving transparency for customers. Effective processes have been developed for the calculation and apportionment of all major categories of service charges and were applied in the setting of customer charges for 2023/24.

Work in 2023/24 will focus on implementing effective processes for the remaining categories of charges; developing and implementing robust processes and recording for the management and administration of sinking funds; improving the linkage between the housing management system and finance system to reduce manual interventions required; and developing functionality within the project ledger within Open Accounts to apportion costs across chargeable blocks.

Digitalisation: The Digital with a Heart Programme is an umbrella name for a range of sub-projects aimed at improving the digital offer to staff, and customers, and improving efficiency across the organisation. The Digital with a Heart Programme previously delivered an Intranet, a new website, Income Analytics, customer portal enhancements etc. As described above, our major project for 2022/23 to push the programme forward is an online "Self-appointed Repairs" system, initially using "AccuServ" scheduling system. The internal progress of moving all staff to cloud-based solutions has carried on, with only a couple of departments left to move in the next two months.

Continuous Improvement – Strong Business: The Finance function has continued to review and improve its processes and how they impact colleagues, processes, and systems throughout the business. Supporting internal customers to achieve a customer-focused service and in turn improve customer satisfaction. The service charge setting function has been moved into the finance department and the project to improve this area kicked off late 2022/23 with a 2-year project plan mapped out to deliver some transformative ways of working in this space. We are already seeing the benefits of this move about the utility costs included in the fixed service charge to our customers. We have been able to respond quickly to the economic climate when reprocuring our energy contracts, enabling us to pass on significant savings to our customers for the fixed service charge for the year ahead.

MSV is well prepared to manage and respond quickly to the existing and future challenges that it will face from the economic environment and technological advances, expectations, and risks, by continuing to identify new ways to deliver services economically, efficiently, and effectively.

Our approach to VfM is embedded across the business and is regularly measured through our strategic and operational reporting frameworks. VfM supports continuous improvement across the business. It is the view of the Board that we continue to remain fully compliant with the Regulator's Value for Money Standard.

Risk management and effective internal controls

In our ever-changing operating environment, and particularly given the impact of Brexit and Covid-19 over the last few years, the breadth of potential risks to the Group has increased. In 2022/23 the sector's risk environment has become increasingly challenging, as we have grappled with the challenges of significant rises in inflation and interest rates and the impact this has had on both the business and customers; the emerging challenge and negative media coverage around property condition following the tragic death of Awaab Ishak in Rochdale; the significant costs associated with the decarbonisation agenda; and development risk both in the context of difficulties in getting development schemes off the ground due to rising costs, and the potential risk of a housing market contraction (although currently this shows no signs of materialising in the areas where we operate).

Understanding and managing the risks we face is critical to ensure the future sustainability of the organisation, and so we have in place robust mechanisms for the identification, management and monitoring of risk. Responsibility for identifying and managing risk sits at every level within the organisation; it is regularly discussed within the operating business and meetings of the Senior Leadership and Executive Teams; it is reported to every meeting of the Audit & Risk Committee, and at least quarterly to the Board; every decision report taken to the Board or a Committee includes a consideration of the relevant risks.

Risks are assigned a score using an Impact/Probability Matrix, taking account of the mitigating controls in place to understand the level of residual risk, and to ascertain if the level of risk remaining is acceptable to the Board in line with its Risk Appetite Statement. Risks with a high residual score are monitored at Board level, and those deemed the highest risk are summarised below. Risks with a lower score are monitored at an operational level, with each Head of Service throughout the organisation maintaining a Risk Register for their operational areas.

The Group's risk management processes seek to identify the key risks that could materially impact the organisation and manage them appropriately. The risk factors below are the Group's key risks and are regularly reviewed by the Board.

MERGER (TEMPORARY AND REDUNDANT)
Impact of the merger discussions on capacity and day-to-day activities

Mitigation:
Merger governance structure in place including Joint Board Steering Group, Joint Project Team, Joint Executive meetings and various working groups. Thorough due diligence has been undertaken, focussed on key areas of systems, culture, pensions, treasury, financial, legal and property. Consultants and legal advisors have been appointed to support the process. Resource demands are being balanced between ongoing operations and merger preparation.

SAFEGUARDING TENANTS
Loss of Supporting People and other funding impacts the ability to provide appropriate support to tenants in specialist housing

Mitigation:
Multi-agency approach to delivering support services with a range of partners and Local Authorities. Periodic reviews are undertaken of support provision arrangements at specific schemes, and new contracts are negotiated when required. Investment in shared Mental Health staffing resources with another Registered Provider. Regular training is provided to key staff. Registered Manager appointed in response to Ofsted requirements for housing under 18s.

HEALTH & SAFETY
Failures in compliance with statutory, regulatory and best practice in respect of health & safety management

Mitigation:
Robust processes for management, coordination and delivery of key H&S compliance works, including gas servicing. Regular reporting on property and non-property H&S performance to Board, and regular audit scrutiny. Dedicated Health & Safety Manager. Extensive rolling programme of H&S training, including NEBOSH qualification for all managers. Risk assessments are undertaken regularly and a regular inspection programme is in place.

INCOME COLLECTION & CUSTOMER HARDSHIP
Impact on rental income, sustainability of tenancies and ability provide services to those in housing need

Mitigation:
Close monitoring of rent and service charge income collection and proactive management of tenant payments. Robust arrears escalation protocols. Mechanisms to support and signpost customers who are experiencing financial difficulties. Targeted support to ensure collection performance are maintained through the Money Management Team and ringfenced Hardship Fund to support customers in their greatest financial need. Weekly monitoring and reporting are in place.

GOVERNMENT POLICY

Lack of certainty around Government Policy leads to rising unemployment, austerity, and legislative, economic, social and/or community instability

Mitigation:

Mechanisms for horizon scanning and membership of several local, regional, and national networks, including Placeshapers and the National Housing Federation. Strong relationships with Local Authorities where we own housing stock. Robust business and corporate planning incorporating comprehensive scenario planning.

SECTOR REPUTATIONAL RISK

Adverse media coverage, Government narrative and/or actions of other organisations impact the perception or reputation of the whole sector.

Mitigation:

Culture of customer focus and WOW campaign launched in 2022/23. Proactive response to damp & mould including establishment of a dedicated Damp, Mould & Disrepair Team. Complaints Policy in place, audit undertaken in-year and additional resources being brought in to focus on customer response. Early adoption of Tenant Satisfaction Measures and programme of property inspections and surveys underway.

CYBER AND DATA SECURITY

Risk of attack and/or inappropriate or malicious access to data and/or systems

Mitigation:

Robust ICT security and disaster recovery policies and procedures. System protection, including antivirus and malware, and regular independent penetration testing is undertaken. Cyber liability insurance. A regular programme of GDPR and IT security training delivered for all staff. Cyber Essentials Plus accreditation achieved. In-year transition to Sharepoint and migration to Azure Virtual Desktop commenced to increase data security and system resilience, to complete early 2023/24.

LONG-TERM FUNDING AND FINANCIAL RESILIENCE

Failure to comply with current funding requirements and/or unavailability of funding to meet long-term requirements and ensure financial resilience

Mitigation:

30-year Business Plans and annual budgets, with regular testing for resilience to withstand adverse scenarios. Treasury Policy which determines minimum liquidity and interest cover parameters. Regular treasury, cashflow and covenant monitoring, forecasting, and reporting. Independent Treasury Advisors (Savills). Funding Strategy delivered to ensure long-term liquidity.

GROWTH & PARTNERSHIPS

Failure to manage risks associated with development activities, including contractor, sales and market risk, and/or to maintain key partnership relationships

Mitigation:

Close management and monitoring of development programme activity, with regular reporting to the Board. Established hurdle rates in place for assessment of development opportunities, scheme stress testing undertaken before proposal and delegated decision-making based on contract value. Regular contractor credit quality reviews are in place, and regular partnership meetings are held with contractors. Covenant Golden Rule in place to manage sales risk exposure at all times, and weekly sales meetings. Low development programme volume spread across multiple markets to avoid risk concentration.

ASSET MANAGEMENT

Failure to understand the housing stock portfolio and invest appropriately to meet statutory quality standards, sustainability standards and/or building safety legislative standards

Mitigation:

Asset Management Strategy and dedicated management team. The Business Plan includes a full stock condition survey investment programme, plus annual building safety and sustainability investment provision. Annual works programmes developed to target spend effectively, working with a range of expert contractors, safety and sustainability programmes being developed. Membership of procurement clubs/frameworks to secure best value. Rolling programme of stock condition surveys, including HHSRS, underway, to survey all properties at least 5-yearly. Damp, Mould & Disrepair Team was established to provide proactive inspection, remediation, and mitigation of issues.

PROPERTY SERVICES ***Failure to provide a quality and cost-effective service that meets customer expectations and achieves positive satisfaction outcomes***	SAFEGUARDING STAFF ***Failure to prevent a serious health & safety or security incident that could impact staff wellbeing or failure to retain staff***
Mitigation: Repairs Improvement Plan and weekly Repairs Improvement Group in place and new system currently in development – delayed due to merger discussions but aligned solution is now identified and in progress. Renewed focus on customer service, with a working group in place focussed on improving satisfaction. Dedicated Compliance Admin Team focussed on gas and electrical checks in place. suite of strategic and operational performance indicators is in place and reported regularly.	**Mitigation:** A suite of workforce policies and procedures is in place. Enhanced health & safety measures is in place, and all managers are trained to the NEBOSH certification level. Investors in Diversity accreditation, Anti-Racism Forum, PRIDE Forum, E&I Group and other groups such as carers, menopause, and mental wellbeing. Flexible Futures and Smart Working support promote work-life balance. Extensive reward, recognition and engagement, competitive pension schemes, ability to buy/sell leave, and other financial and non-financial incentives.

REGULATORY AND LEGAL COMPLIANCE ***Failure to understand and/or define legal and/or regulatory responsibilities and ensure continuing compliance***	**COVID-19 (TEMPORARY)** ***Impact of the pandemic on operations and financial resilience of customers***
Mitigation: Relationships maintained with regulatory, trade and other bodies. Horizon scanning is in place and reported to the Board to foresee changing requirements. Embedded mechanisms in place for statutory and regulatory reporting. Expert and legal advice sought where appropriate, and ongoing compliance reporting to the Board and Audit & Risk Committee. Open and transparent approach to regulatory relationships and co-regulation.	During 2022/23 COVID-19 was removed from the Strategic Risk Register, as it was felt the residual risk had reduced sufficiently and could therefore be managed as BAU.

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Audit & Risk Committee has delegated responsibility and is responsible to the Board for monitoring the system and framework of risk management and internal control and reporting to the Board on its effectiveness.

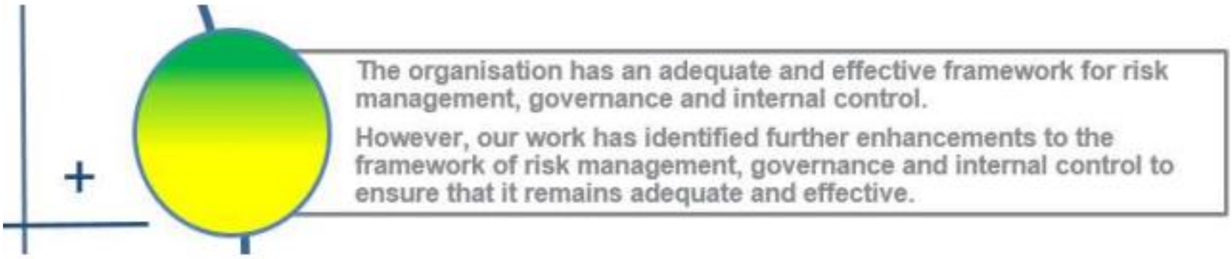
The Board confirms there is an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group, that has been in place for the period under review and up to the date of approval of the annual report and accounts, and that this process is regularly reviewed by the Board. Risk identification, mitigation and management continue to underpin MSV's governance regime.

The Board has reviewed the effectiveness of the system of internal control throughout 2022/23 and concluded that systems, policies, and people are in place to ensure a substantial level of assurance and control. Improvements are in progress in the areas of complaints, data analysis and the responsive repairs service.

Management is responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls. These risks are assessed continually and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophes, and regulatory requirements.

A self-assessment and reporting framework has been established which provides for a documented and auditable trail of accountability. These procedures are relevant across all operations and provide for successive assurances to be given at increasingly higher levels of management and finally to the Board.

This process is facilitated by internal audit who also provide a degree of assurance as to the operation and validity of the system of internal control. The annual Internal Audit Plan is formulated through a risk-based approach and it is referenced to the Strategic Risk Register. Planned corrective actions are independently monitored for timely completion. The internal audit reported the following Internal Control Statement 2022/23 to the Audit & Risk Committee in April 2023:



Management report regularly on their review of risk and how they are managed to the Audit & Risk Committee, whose main role is to review on behalf of the Board the key risks inherent in the business and the system of control necessary to manage such risks and to present their findings to the Board.

The internal audit programme independently reviews the control processes implemented by management and reports to the Audit & Risk Committee every quarter. The Audit & Risk Committee reviews the assurance procedures, ensuring that an appropriate mix of techniques is used to obtain the level of assurance required by the Board. The Audit & Risk Committee presents its findings to the Board on an annual basis.

During the year, the Group's management continued to work on embedding a sound framework to assess the effectiveness of the internal control system. There has been a continued high focus on cyber security as the threat of malicious attacks on systems has increased generally, and we maintained our Cyber Essentials Plus accreditation throughout the year. There have been no material losses in 2021/22, which is a testament to the strong control framework that continues to operate across the organisation. Throughout the year the Board and Audit & Risk Committee have received assurance as to the effectiveness of the internal controls framework in place.

Sustainability and environmental performance

We recognise that our operations have an environmental impact. We are reporting our greenhouse gas (GHG) emissions, as required by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implements the Government's policy on Streamlined Energy and Carbon Reporting (SECR). We are committed to monitoring and reducing our emissions year-on-year, and also developing our detailed reporting to understand our performance in this regard.

It is worth noting that the prior's year reporting did not consider the impact on our housing properties including communal heating gas supply. We are also investigating how we can capture the impact of our investment in improvements designed to reduce the carbon footprint and improve the energy efficiency of the homes we own and manage.

Our Sustainability Strategy, launched in 2020/21 continues to be pivotal in prioritising continuous improvement to reduce our environmental impact in the future.

We have again worked with specialist consultants to calculate our carbon footprint for the year ending 31 March 2023. We have calculated our environmental impact across scopes 1, 2 and 3 and show the prior year comparatives. Our carbon footprint calculations have been undertaken following the requirements of the WRI 'GHG Protocol Corporate Standard (revised version)' and Defra's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting' requirements (March 2019). The UK office emissions have been calculated using the DEFRA 2021 issue of the conversion factor repository.

Activity data has been categorised as:

- Scope 1: natural gas and fleet fuel
- Scope 2: electricity consumption
- Scope 3: grey fleet (employee business travel in vehicles and by other means), electricity transmission, paper, and waste

We have again calculated our performance using both the location and market basis. This provides us with more useful insight into our actual performance; whereas the location methodology is calculated using quantities only, e.g. units of electricity, the market methodology takes into account how these are generated, e.g. the difference between sustainable and non-sustainable energy.

Breakdown of Scope 1,2 and 3 Emmisions:		UK GHG Emissions 2022/23 (tCO2e)	UK GHG Emissions 2021/22 (tCO2e)	UK GHG Variance
Scope 1:	Natural gas*	1,337	20	1,317
	Fleet	420	375	45
	Other fuels	5	2	3
	Scope 1 Sub-total	**1,762**	**397**	**1365**
Scope 2:	Electricity	390	252	138
	Scope 2 Sub-total	**390**	**252**	**138**
Scope 3:	Elec transmission / distribution	36	23	13
	Grey fleet (cars)	24	19	5
	Rail	<1	<1	-
	Paper	<1	<1	-
	Waste & recycling	-	10	-10
	Scope 3 Sub-total	**60**	**53**	**7**
Total		**2,212**	**701**	**1,511**
Total energy usage (kWh)*		**11,084,619**	**2,892,729**	**8,191,890**
Intensity metric		tCO_2e / FTE	tCO_2e / FTE	tCO_2e / FTE
tCO_2e/FTE		**6.7**	**2.2**	**4.5**

**Previous reports have not captured communal heating gas supply. It has been captured in the operational control boundary for this assessment.*

Global GHG emissions and energy use data	2022/23 (tCO2e)	2021/22 (tCO2e)	Difference %
Scope 1	1,762	397	344%
Scope 2	390	252	55%
Scope 3	60	53	13%
Total	**2,212**	**701**	**216%**

During the year we carried out improvements to increase the energy efficiency of circa 950 homes within our stock. The works at the properties varied depending on the programme they were in but included new windows, boilers, external doors, loft insulation, internal wall insulation and the installation of air source heat pumps.

MSV was successful in obtaining Wave 1 SHDF funding. Initially, this programme included 15 properties, but the opportunity for more funding was offered to us by GMCA which meant we were able to add a further 50 properties to the programme. The works will include internal wall insulation, loft insulation, and new doors and one scheme will see the upgrade of old electric storage heaters with new high-efficiency heaters with solar PV and battery storage. This will be completed by the end of June 2023.

We were also successful in our bid for Wave 2 SHDF funding. This will see similar measures to Wave 1 installed to a total of 200 properties with 40% of this completed by the end of March 2024.

As part of the stock condition survey programme, new EPCs were produced for over 2500 homes. This has seen an improvement of the average EPC rating across the stock as the new data was uploaded into the asset management system."

Group Financial Results

Overview – three-year summary

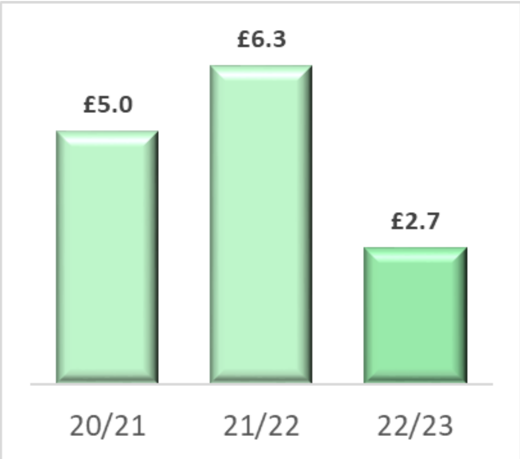
Statement of Comprehensive Income (£m)	**22/23**	**21/22**	**20/21**
Turnover	53.5	49.4	47.2
Operating costs and costs of sales	(45.3)	(38.1)	(36.5)
Operating surplus	**8.2**	**11.3**	**10.7**
Net interest charges	(6.8)	(6.1)	(7.6)
One-off break costs	0	(1.4)	(13.5)
Surplus on disposal of assets	1.4	2.0	0.9
Fair value movement & other misc	0.1	0.5	1.0
Surplus for the year	**2.7**	**6.3**	**(8.5)**

Statement of Financial Position (£m)	**22/23**	**21/22**	**20/21**
Housing properties NBV	411.4	400.5	383.6
Investment properties	14.4	12.8	12.2
	425.8	**413.3**	**395.8**
Other tangible assets including investments	4.7	4.2	3.9
Net current assets/(liabilities)	(1.0)	(11.7)	(19.5)
	429.5	**405.8**	**380.2**
Loans & other creditors due after one year	369.2	347.4	327.7
Other long-term liabilities	3.4	3.3	6.1
Reserves	56.9	55.1	46.4
	429.5	**405.8**	**380.2**

Homes	**22/23**	**21/22**	**20/21**
Number of homes owned	8,717	8,577	8,515
Number of homes owned & managed	8,867	8,723	8,742
Number of new homes developed	165	109	140

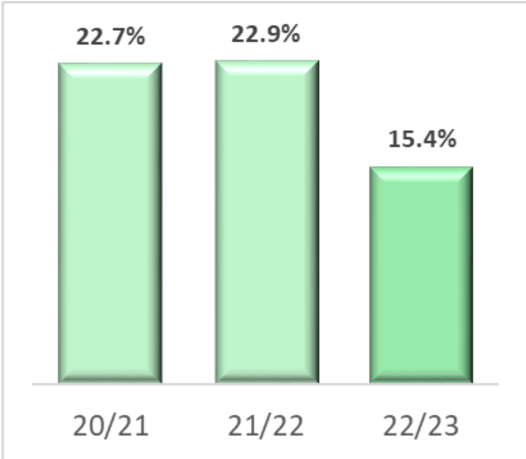
Group surplus £m

Our overall profitability



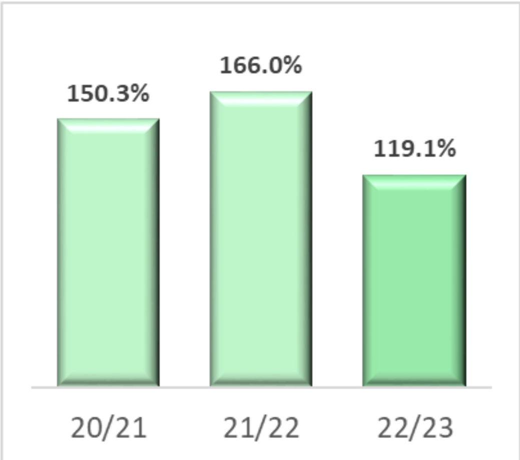
Operating margin %

Efficiency of core operating activities



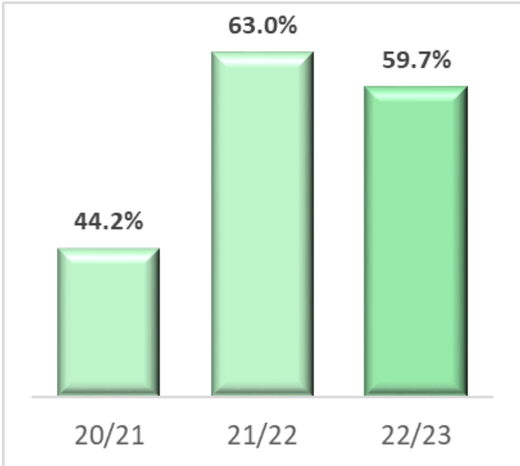
Interest cover %

Our ability to service debt



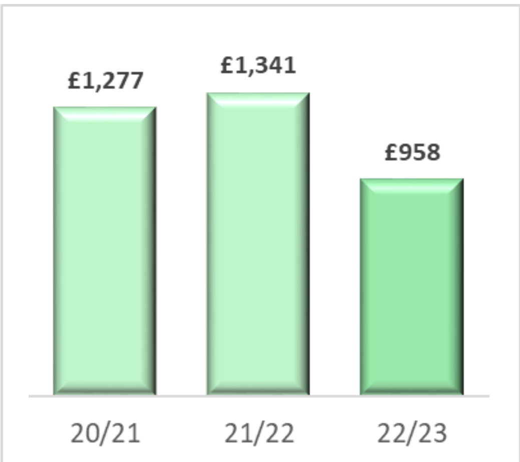
Loan to value % (total facilities)

Our level of indebtedness



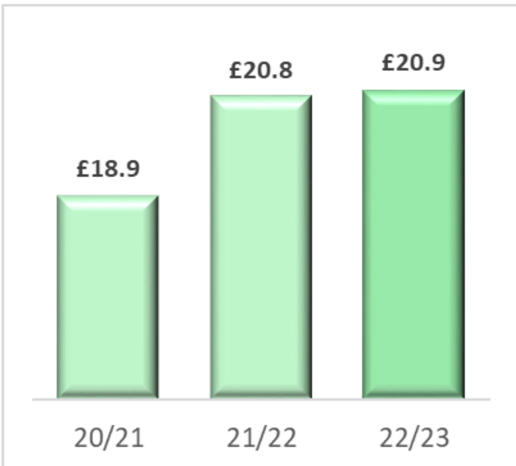
Operating surplus per unit £

Our return on assets



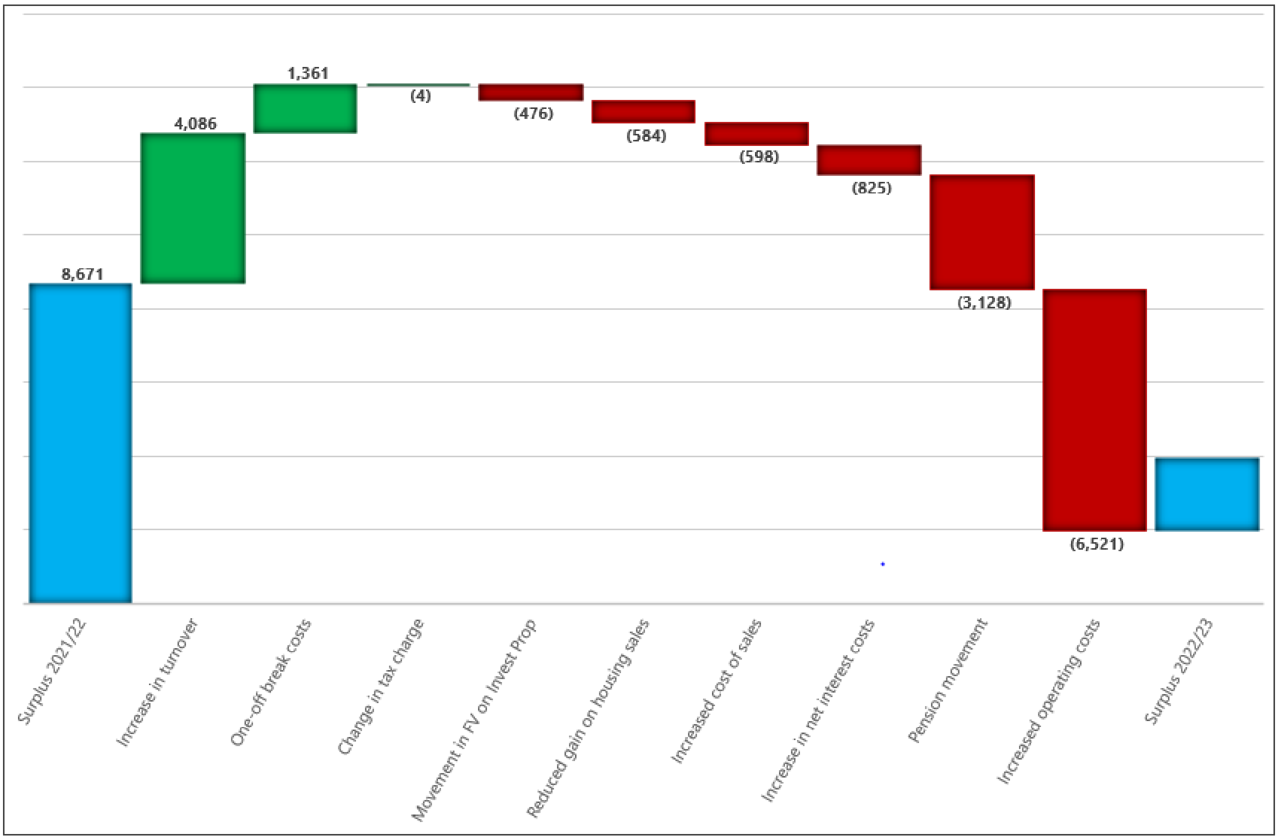
Debt per unit £k

Our level of borrowing per property



Statement of comprehensive income

Our Group comprehensive income for the year is a surplus of £2.0m (2021/22 £8.6m) (including pensions movement). This is a marked reduction on last year, impacted by the challenging economic environment over the last 12 months, changes in health and safety and other legislative requirements and increased regulatory expectations centred around customer safety, especially the mobilisation of the damp and mould programme.



The graph above illustrates the key movements in the current year's surplus compared to the prior year's surplus.

Turnover has increased by £4.1m, mainly due to:

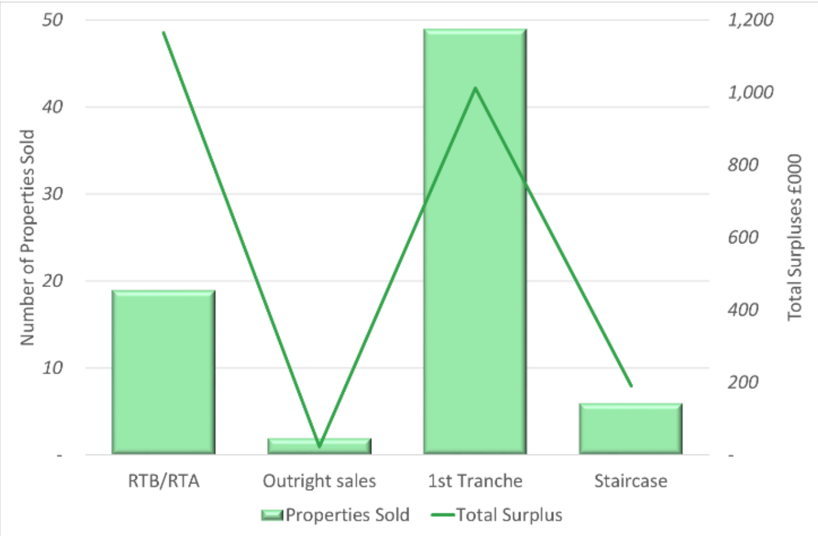
- the rent increase (CPI+1% for social housing rents in line with Rent Policy), plus the addition of newly developed units, resulting in a favourable increase in rent and service charges income of £2.7m
- increase in proceeds from first tranche sales of just over £1.2m (with an associated increase in costs of sales of £0.6m)

There were no break costs incurred in 2022/23. Net interest payments were £0.8m higher, as expected due to in-year drawdowns and repayments. There has been a gain on investment property valuations of £0.5m. The overall impact of the pension movement was £3.1m adverse, although it should be noted the SHPS pension deficit remains lower than the current deficit payments agreement.

Operating costs have increased significantly by £6.5m compared to the prior year, material movements are:

- increase in repairs and maintenance costs of £2.8m, driven by inflation, increased demand and increased investment in damp and mould programme. The latter has involved undertaking short-term remedial actions and increasing resources to deliver a medium- to long-term programme of more permanent solutions.
- increase in service costs of £1.4m, specifically related to the significant increase in gas and electricity prices in the year as a result of the war in Ukraine. These costs could not be recovered through service charging as the majority of our tenancies are on a fixed service charge regime, and price increases were much higher than expected when charges were set at the start of the year.
- Increase in staffing costs of £1.1m, of which £0.5m is attributable to the 4% pay award for 2022/23, £0.5m relates to strategic decisions to increase resources relating to damp and mould and service charges, plus one-off awards to staff to assist in the cost-of-living crisis totalling £0.1m.

All of the challenges associated with the operating cost increases are due to macroeconomic factors and have impacted the whole social housing sector.



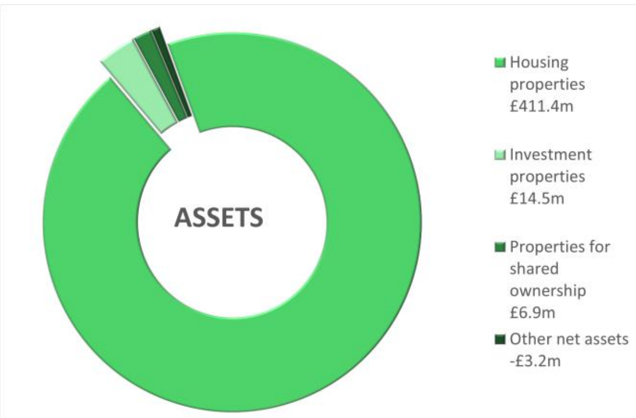
Excluding apportioned overheads, this year we achieved a surplus of £2.39m (2021/22: £2.37m) from the sale of housing assets. This has been achieved through a combination of strategic asset management, sales of properties developed for shared ownership, and the sale of property through Right to Buy and Right to Acquire. We continue to generate surpluses through developing properties for sale; during the year £1.2m (2021/22: £843k) surplus was generated from the sale of shared ownership homes (first tranche and staircasing).

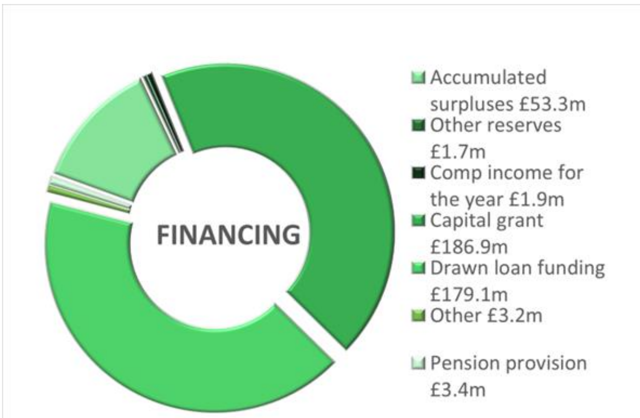
Statement of financial position

Our Statement of Financial Position remains strong and has been built up through strategic long-term investment in the existing asset portfolio, together with a prudent approach to growth through the development of new homes and leveraging of funding on our assets.

The net book value of our housing properties totalled £411.4m at the end of the year, an increase of £11m (2.8%) in the year. Our Business Plan includes provision for the development of 1,180 new homes over seven years. At the end of 2022/23, we had committed schemes which will deliver 170 homes over the next two years, with a pipeline of schemes not yet on-site forecast to deliver a further 514 homes.

On 31 March 2023, we had drawn £179.1m of our £314.5m arranged funding facilities. This is a net increase of £3.9m on the facilities drawn on 31 March 2022, through a combination of scheduled capital repayments, movement on revolving credit facilities, and planned early repayment of existing facilities as part of the Funding Strategy. Our current gearing ratio is around 44.2% indicating that there is capacity for further borrowing to invest in new homes and services. During 2022/23, we received the next planned tranche of the private placement of £20m, there is now £75m deferred remaining. There have been no other changes to the facilities.





Cashflow and treasury management

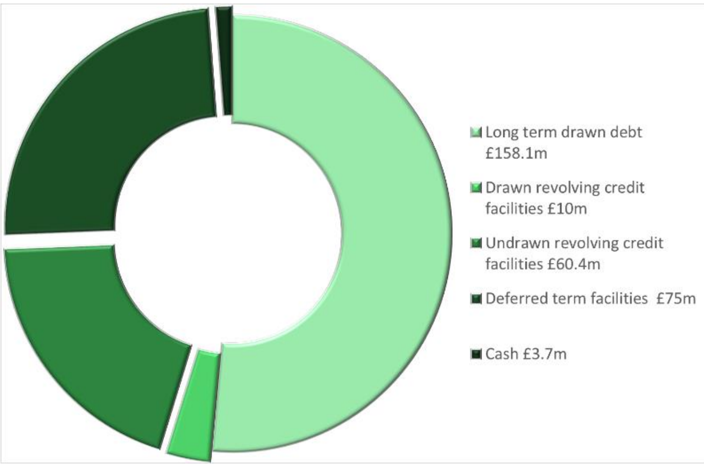
The Group incurred a net cash outflow of £3.7m during the year. This is driven by our Treasury Management Policy objective to minimise cash balances held through repayment of revolving credit facilities to minimise interest payable, whilst ensuring there is a minimum cash balance of £1.0m across the Group for liquidity. Our Treasury Management Policies and Practices are designed to maintain financial stability whilst managing liquidity and interest rate risk.

Normal operating activities generated a net cash inflow of £12.4m, with capital receipts of £10.2m. This came from Social Housing Grant (£1.7m) and property sales including first tranche sales (£8.5m). Capital expenditure cash outflow for the year comprised primarily £5.1m investment in the existing asset portfolio and £15.5m expended in developing new homes. This demonstrates our commitment to reinvesting surpluses to meet the objectives of the Group, particularly about sustainable growth and delivery of affordable new homes.

Day-to-day treasury activities focus primarily on the effective management of cash and borrowing facilities. We aim to maintain cash balances at an appropriate level, balancing the need for liquidity with the efficient use of revolving credit. We use surplus cash to repay revolving credit facilities throughout the year, and closely manage the timing of operational cash receipts and payments. All cash and funding facilities are held in sterling to eliminate any exposure to foreign currency risk.

Our current funding facilities are provided through 7 different funders (4 lenders & 3 investors), each with a specific portfolio of housing properties designated as security. Housing properties designated as security are valued using a combination of EUV-SH and MV-ST valuation specific to each property title and funding facility. Each funding facility requires a minimum level of Asset Cover, ranging from 110% to 150%.

In line with facility agreements, we periodically commission external valuers to review the value of these properties to ensure we remain compliant with our Asset Cover covenants. On 31 March we were fully compliant with all covenants.

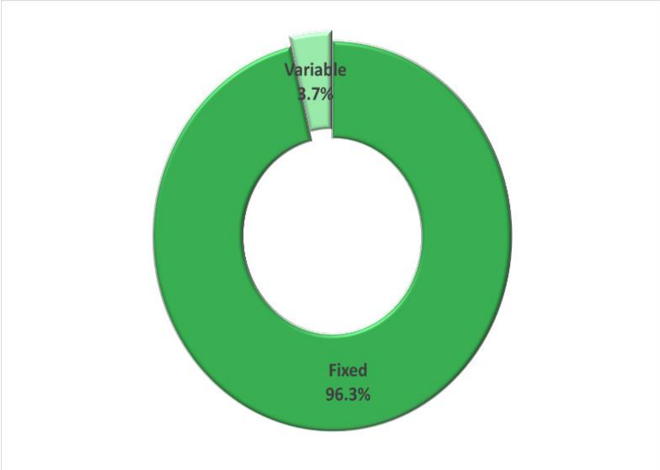


We are funded through a combination of cashflow from operating activities, government grants and external funding facilities. The refinancing carried out in the prior year mitigated practically all refinancing risk within our Business Plan; the residual refinancing risk is due to the maturity of revolving credit facilities (RCFs).

It is envisaged that similar RCFs will be put in place when existing facilities mature. The drawdown and repayment profile of our debt is aligned to our forecast activity and requirements.

Per with our Treasury Management Policy and Practices, we adopt a proactive approach to interest rate management and utilise embedded forward interest rate fixes to manage our exposure to market fluctuations.

As of 31 March 2023 96.3% (2021/22 91.9%) of the drawn debt was at a fixed rate, and therefore within the defined target range of 60% - 100%. The upper limit was increased in year to reflect the new funding arrangement. The weighted average cost of drawn debt on 31 March 2023 was 3.41%; this is lower than the current prevailing market rates. It is a reduction on the prior year's weighted average cost of drawn debt of 3.8% due to the favourable rates secured on new facilities drawn.



Our loan covenants are primarily based on EBITDA-MRI interest cover (and EBITDA only on new Private Placement), cash income cover (THFC facilities), asset cover on a combined EUV-SH and MV-ST valuation basis, and gearing. Covenants are closely monitored across all funding facilities throughout the year and, as in all previous years, we have remained fully compliant with all loan covenants, and our forecasts indicate we will continue to operate within our loan covenant parameters.

We have undertaken extensive and robust stress and scenario modelling on the latest approved Business Plan. Despite the potential risks around rent collection, development and sales activity and macroeconomic factors, our modelling indicates that we can continue to operate and comply with loan covenants for the life of the Business Plan. The latest Business Plan indicates headroom of £2.5m against EBITDA-MRI covenants in the tightest year (2023/24). Additional activity is currently constrained by the future repayment of funds and the EBITDA-MRI covenant within the MSV Association.

Overall summary

2022/23 has been a challenging year for the Group. The economic environment has remained volatile throughout the year and rising inflation has put pressure on budgets; there has been increased focus and, rightly, expectations on the sector following the high-profile cases in the media linked to property conditions; and we have been getting to grips with the welcome changes to the regulatory environment to increase the focus on customer services and outcomes, ensuring we are ready to report against the new Tenant Satisfaction Measures (TSMs) from April 2023.

The organisation remains financially strong, and although we have seen a deterioration in the operating and net margins this year due to inflationary pressures and proactive decisions to reinvest some surpluses back into service delivery, it has still been another positive year in respect of financial performance. We remain resilient and viable over the long-term, as demonstrated through our robust stress testing of the approved Business Plan and are in a strong position to weather the continuing economic challenges and deliver against our strategic priorities as we move forward.

Our development programme has delivered over 47% of the 1,293 new homes target we set ourselves at merger, and we have consistently delivered high quality, good value homes and outperformed sales forecasts. We recognise that there is still work to do in certain areas, such as responsive repairs and maintenance, and have action plans in place to tackle these. We will continue to face uncertainty as the country faces governmental change, the threat of recession and a continued cost of living crisis; the difficulties this creates for many of our customers have been felt this year and this is likely to continue into next year.

The continued positive performance provides a strong foundation upon which the Group can continue to thrive, prosper, and support our diverse customers and communities.

Governance and the Board

At MSV we remain committed to achieving the highest standards of corporate governance across all companies and activities. The Board has oversight of the delivery of the Group's strategies, objectives, risk management and performance. The Board seeks independent specialist advice from time to time as deemed necessary.

Whilst MSV operates a Group structure, governance and management arrangements operate appropriately. There are separate Boards for MSV and MSV Invest, with MSV Board Members as the majority members of the subsidiary Board. The MSV Board also acts as a Group Board. There is regular reporting from the subsidiary to the parent Board, and the Audit & Risk Committee acts at the Group level and serves both entities.

The Group is governed by a Board of up to 12 non-executive Directors (the Directors), with day-to-day management delegated to the Executive Directors. The Board delegates certain governance responsibilities to Group committees, each with approved Terms of Reference.

The major committees supporting the Board during the year were:

- **Audit & Risk Committee:** oversight of internal and external audit activity; scrutiny of the effectiveness of internal controls and risk management frameworks; reviewing the financial statements and accounting policies; oversight of compliance with legal and regulatory requirements (excluding health & safety).

- **Customers & Communities Committee:** scrutiny of service delivery to customers; review of complaints handling and learning; oversight of customer satisfaction and other performance results about service delivery; ensuring resident involvement is embedded in service development and delivery; scrutiny of service improvement plans; review of neighbourhood and community initiatives, and ensuring services are accessible to all.

There is also a **People & Governance Committee** that meets 3 times per year.

Co-optees are periodically recruited to the Board and Committees to provide additional skills and expertise. Co-opted membership limits, voting rights and overall quoracy requirements are determined within the Terms of Reference for each Board or Committee.

The Membership of the Boards and Committees during the year was as follows:

Non-Exec Member	MSV Board	MSVI Board	A&R Committee	C&C Committee	P&G Committee	MSV Board Attendance*
Gareth Hall	Chair				●	100%
Ibrahim Ismail	SID				Chair	91%
Ian Clayton	●		Chair			82%
Tracy Neil	● (to Jul)			● (to Jul)		100%
Susan Goodman	●		●			100%
Kam Urwin	●				●	82%
Tim Edwards	●	Chair				100%
Michelle Hill	●			Chair		100%
Nick Byrne	●		●			91%
Luke Baptiste	●			●		100%
Sally Webb	●	●		● (from Jul)		73%
Co-Optees						
Sharon Grover			●			
Lynn Wilson				●		
Anya Ahmed				●		
David Holland		●				
Andrew Spencer			●			

**Based on possible attendance per Member*
Where Board Members have been appointed or resigned partway through the year, unless otherwise stated their membership of other Boards/Committees was also aligned to their membership dates.

Statement of Responsibilities of the Board of Directors

The Directors are responsible for preparing the Report of the Board and the financial statements in accordance with applicable laws and regulations.

Co-operative and Community Benefit Society law and social housing legislation requires the Directors to prepare financial statements for each financial year in following United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for

Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared following the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018.

Financial statements are published on the Group and Association's website by legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group and Association's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Political and charitable donations

During the year the Group made no political contributions, and no charitable contributions were made within our normal activities.

MSV has two designated charitable funds, the Kindness Fund (for groups and projects in the local area) and the Hardship Fund (for providing financial support), both of which are subject to oversight by the Customers and Communities Committee.

Directors' pensions and other benefits

Non-Executive Directors are remunerated by individual service contracts and do not participate in the Group pension scheme or receive any other benefits.

Permanent Executive Directors are eligible for an essential car user allowance on the same basis as other employees. The permanent Executive Directors participate in the Group's pension schemes on the same terms as all employees, and the Group contributes to the schemes on behalf of all employees (other than those who have opted out).

Compliance with regulations (Governance and Viability)

The Board assessed the Group's compliance with the Governance and Viability Standards and confirmed that the Group is compliant on the basis that:

- The Group has formally adopted the NHF Code of Governance 2020 from March 2021
- The rules of both housing associations in the Group follow the NHF's 2015 Model Rules
- MSV governance arrangements were developed with the input of external specialists.
- Recruitment of members to the MSV Board is supported by external specialists.
- The Group prepares annual reports for its tenants and key stakeholders.
- Risk management processes and key risks are regularly reviewed by the Group's Boards
- The Audit and Risk Committee reviews the effectiveness of internal controls annually, including an assurance report from the Executive, and the Committee reports its findings to the Boards.
- Business plans and budgets are approved by each Board, and by the parent Board for the Group, and performance against them is reported every quarter.
- Stress and scenario testing of the Group's Business Plan was carried out extensively throughout the year and reviewed by the Board on many occasions at several meetings.
- The Group's Treasury Management Strategy and Policy are reviewed annually by external specialist consultants, and the Boards receive regular treasury performance reports.
- A comprehensive Asset and Liability Register is in place.

In March 2021 the Board formally adopted the updated National Housing Federation Code of Governance 2020. There was a period of transition in respect of maximum terms of office reducing from nine years to six. A decision was taken by the Board to allow one Member, an MSV tenant, to continue in office beyond six years to ensure the customer voice was present at Board meetings; this is compliant with the 2020 Code, which states *"where a member has served six years, and the board agrees that it is in the organisation's best interests, their tenure may be extended up to a maximum of nine years".* The Board Member concerned continued to serve up to 1 July 2022 when they stepped down, at which point MSV became fully compliant with the 2020 Code. MSV has remained compliant with all other aspects of the Code throughout 2022/23.

We continue to undertake an annual self-assessment to meet the Code's standards.

The Group complies with all aspects of the Governance and Viability Standards as issued by the Regulator of Social Housing.

Qualifying third-party indemnity provisions

The Group has in place Directors and Officers liability insurance.

Employee involvement and equality, diversity and inclusion

Delivering a high-quality service for our customers and stakeholders relies upon a highly engaged and motivated workforce. We have continued our investment in learning and development and have a People Strategy, supported by a Wellbeing and Learning and Development Plan to provide opportunities for colleagues so that we are an employer of choice for people with aspiration and talent and continue to be a support of the Greater Manchester Good Employment Charter.

Engagement & Performance Management

A Colleague Engagement Survey was carried out in September 2022 resulting in 87% of respondents stating that they felt proud to work for MSV. 90% stated they enjoyed working for MSV.

We also support a Colleague Engagement and Wellbeing group that meets monthly to discuss and inform on any pertinent employee issues. Coaching conversations continue to be used to support staff to achieve our business objectives, identify future leaders and support continuous development. We seconded several members of staff into higher-level roles.

Health and Wellbeing

The safety and wellbeing of our people has always been extremely important at MSV, and over the last year, we have continued to support health, safety and wellbeing through our health and safety strategy and action plan and our wellbeing and engagement initiatives. Covid has not completely disappeared, and we experienced sporadic infections over the year but not to previous levels and the business impact was minimal. What however has been significant over the last year has been the possible indirect consequences of the pandemic such as increased cases where mental health has been a factor. It is difficult to draw a direct correlation to the pandemic given other external economic factors that have also been challenging for our people during the year. We have continued providing flexible and adaptable working patterns and undertook several activities and initiatives to support people's mental wellbeing, particularly when working away from our hubs, such as virtual coffee and catch-ups, stress and resilience sessions, mental health training and all-staff virtual Q&A sessions.

We also continue to employ, train, and promote mental health first aiders and provide access to counselling through our Employee Assistance Programme EAP (Lifeworks). We reviewed our occupational health provision during the year with more focus on how we can support individuals to help themselves with their recovery and relaunched our Absence Management Policy, Wellness Action Plans and Stress Risk Assessments.

Financial well-being was at the forefront of our well-being strategy this year given the external economic challenges of high energy costs and high inflation and we awarded two cost of living support payments during the year – a £600 non-consolidated cash payment via PAYE and an additional £200 supermarket voucher. We also provided access to free financial support and training via our lender HSBC and are a Real Living Wage Employer.

In 2022, we introduced two new colleague support groups – disability support and menopause support. Other support groups including the ART (Anti Racism Taskforce) and PRIDE groups continued to meet regularly with sponsorship provided by MSV to the Manchester PRIDE event in August 2022. Several members of staff were also supported in mentoring via the HDN (Housing Diversity Network) programme or the GMHP (Greater Manchester Housing Provider) BOOST programme.

Coaching and mentoring support was provided to all senior leaders via external specialists.

We were accepted as a member of the Mindful Employer Charter which set out our commitment to mental health in the workplace.

Flexible Working

Phase 2 of Flexible Futures was largely completed with an offer available to all staff on different options for flexible working patterns publicised and made available. Further work in Property Care will continue into 2023 along with a review of bank holidays and a pilot of flexible bank holidays that suit both customers and individual employees. We are monitoring Government proposals on changes to statutory Flexible Working rights (Day 1 rights) but notwithstanding any changes, we remain open and supportive of requests by any colleague regardless of service length to work more flexibly and continue to provide homeworking kits to facilitate a better work-life balance.

Reward and Recognition

During 2022 we introduced a new online reward and recognition platform (Smarthive) giving operational managers better control and simplified processes for recognising excellent performance by individuals or teams. The platform also facilitates peer-to-peer and customer recognition and was bespoke around our customer service standards. From its inception, we had 178 nominations recognising colleagues for giving excellent service against our values.

Smarthive also enables colleagues to view and access their full suite of employee benefits in one place, anytime and from anywhere which has had a positive impact on the wellness and engagement of our people and increased morale and motivation within the business. New benefits added this year included a car benefit scheme, enhanced financial well-being education and support, the MyMindPal app and a retail discount scheme.

Learning and Development

81% of training was done by external providers and we delivered training on first aid and fire, trauma awareness, hoarding, mental health, stress and resilience, money laundering, anti-social behaviour, bullying and harassment, change management, the CRM system, customer excellence, equality & diversity, ICT skills, health & safety awareness, personal safety and conflict resolution, project management, risk assessments and safeguarding adults and children and absence management. A full range of H&S training was also delivered to the Property Care trades teams.

We continued our Leadership Development Programme for supervisors and team leaders with a further 6 people completing the programme and introduced an internal 3-day supervisory management programme that will continue into 2023.

We ran over 823 delegate training days during the period as we moved away from full-day classroom-based training to more bite-sized e-learning and 4 staff were supported through the HDN mentoring programme.

56 staff had complaints handling training and 8 managers received their NEBOSH certificate. All staff have been included in a comprehensive, externally curated Cyber Security Awareness campaign. This was delivered via e-learning and follow-up questions (1 per month) in addition to regular phishing tests & follow-ups.

We worked in partnership with three schools from our local community providing work experience placements for over 25 Year 10 students.

Recruitment & Workforce Planning

Recruitment has been challenging given the national shortage of available workers for the volume of vacancies being advertised across the UK. Over the year we had 7 new apprentices, graduates, or trainee posts.

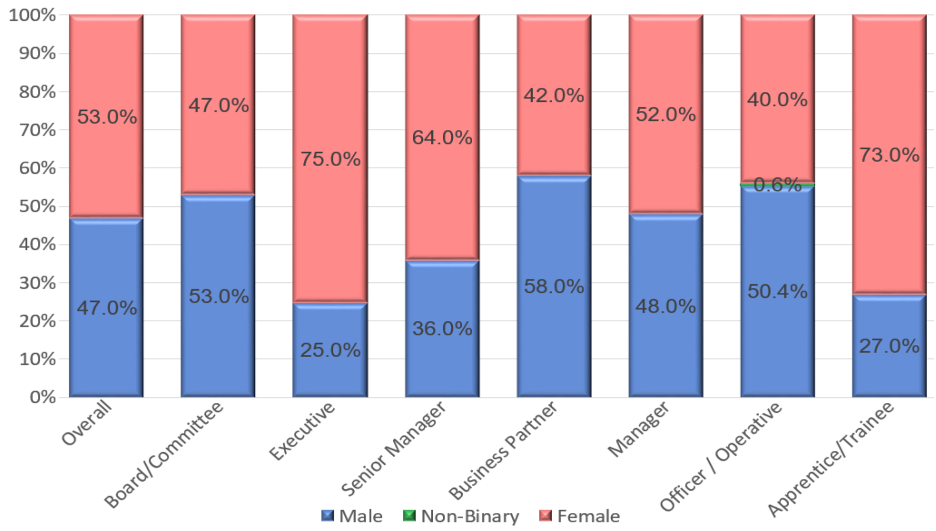
We continually evaluated where and how we placed our vacancies moving swiftly and flexibly through the process to ensure that we were fleet of foot with a fluid labour market, adapting roles and being creative with working patterns to attract the best possible talent.

We also completed some departmental structural reviews, involving consultation with individuals to implement changes to deliver efficiencies and drive a new culture forward. This involved changes in property care predominantly to relieve pressures from the jobs we were unable to complete during the Covid lockdown and deliver improved front-line customer service. Changes in the Asset Management and Development teams were also completed.

Equality & Inclusion

We recognise that it is important that we represent the communities and customers we serve and recognise the value in attracting diversity into the workforce to provide different views and insights. The graphs below illustrate the diversity that exists across the MSV workforce:

Gender Profile



The graph demonstrates that we maintain a balanced profile of male and female employees overall and at the Board, business partner and general management level. We have a higher percentage of females at the most senior levels and in administrative roles with a higher percentage of males at the officer level as this includes property care trades which is predominantly male.

We have 3 employees who identify as non-binary or any other gender identity and we have in place policies relating to equal opportunities for people of all genders and have expanded the categories on our equal opportunities data collection form to include other genders.

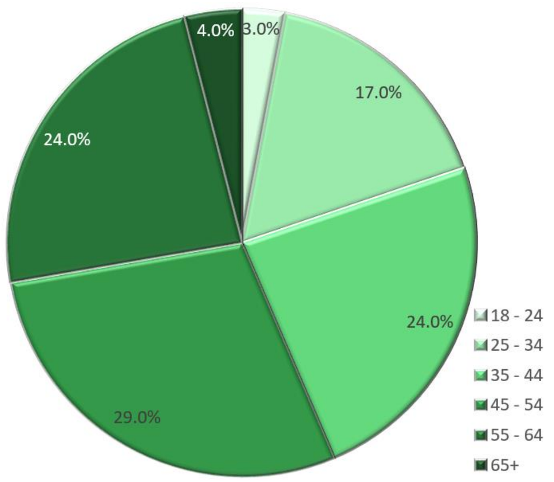
Within the Officer/Operative category most property trades roles, such as electricians, plumbers, etc. are occupied by males, whereas the majority of customer and community roles, such as neighbourhood officers, scheme managers and assistants, etc are occupied by females. Whilst we do not discriminate in our recruitment process (including 'positive' discrimination), we actively encourage applications from under-represented groups for example, we have targeted our predominantly BAME communities with youth employment opportunities and activities, and the PRIDE Group is looking into how we can positively attract applicants from the LGBTQ+ communities.

Our commitment to gender equality is represented at the senior levels of the organisations, as we are one of a relatively small number of Registered Providers with a female Chief Executive, a majority female Executive Team, and equal representation at the Board/Committee level.

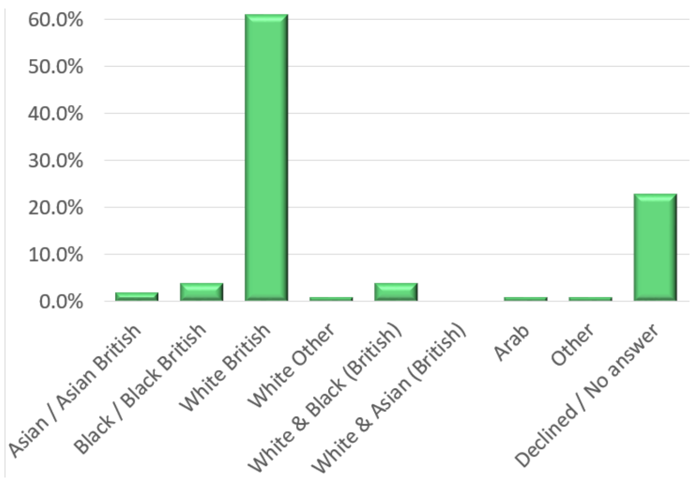
As an equal opportunity employer, we understand that a diverse workforce enriches the workplace and properly reflects the communities we serve.

We have a Modern Slavery Act Policy Statement published on our website, which sets out our position and work already undertaken, together with planned future improvements.

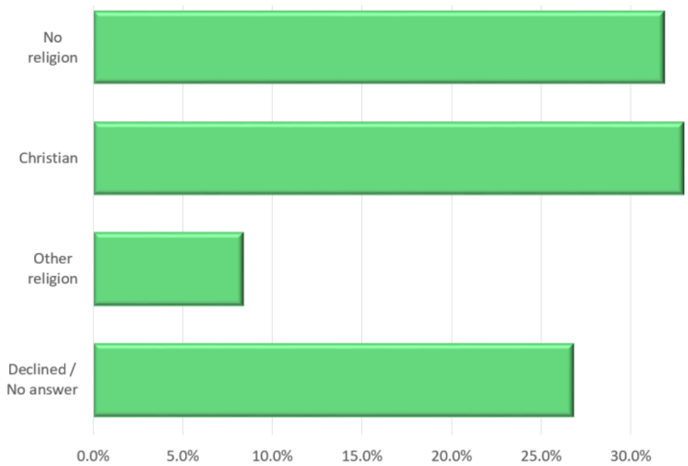
Age Profile



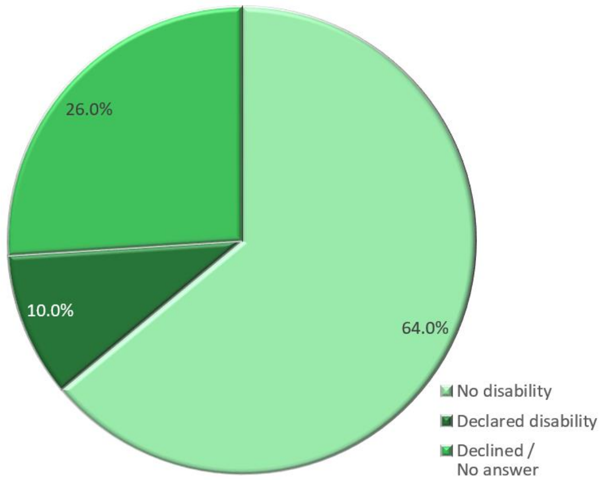
Ethnicity Profile



Religious Profile



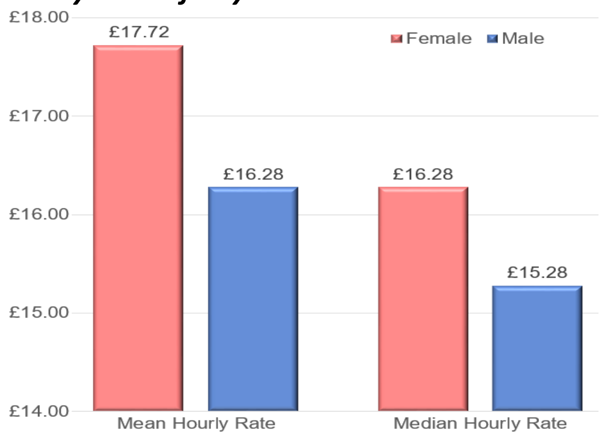
Disability Profile



Gender Pay Gap

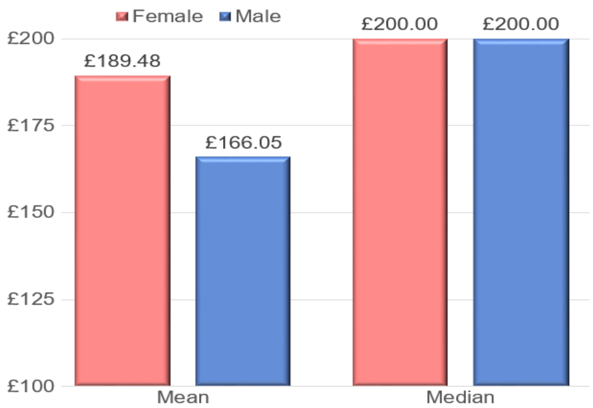
As part of our ongoing commitment to equality and diversity, we published our fourth Gender Pay Gap Report during 2022/23. We will continue to monitor pay across grades and genders to ensure we are meeting our statutory requirements. We have several people-related strategies in place, and we will continue to monitor pay scales, expand our apprentice scheme, and benchmark against other organisations. The following information is a snapshot of data collected on 5th April 2022.

Hourly Rate of Pay



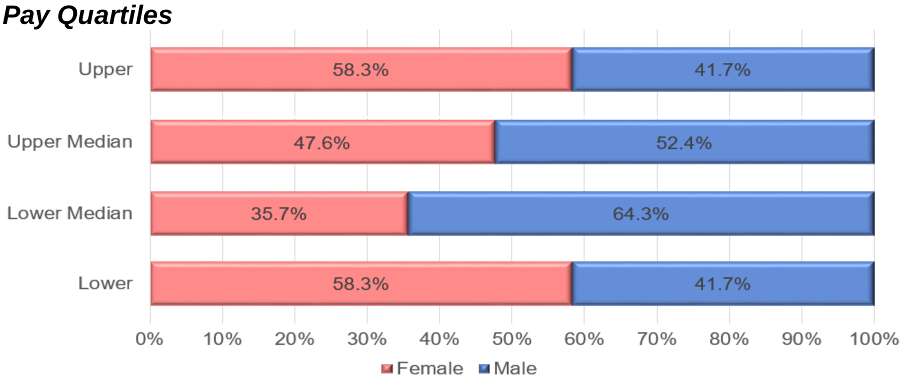
When comparing mean hourly pay, women at MSV are paid 8.8% (£1.44) more than men. When comparing the median hourly pay women are paid 6.5% (£1) more than men.

Bonus Pay



44.9% of females received a bonus compared to 55.1% of males. When comparing the mean bonus amount women are paid 14.1.% (£23.43) higher than men. When comparing the median bonus amount women and men are paid the same.

Pay Quartiles



Women occupy 58.3% of the highest-paid and the lowest-paid roles.

Compared to the latest UK figures (ONS data) MSV has a significantly better gender pay position compared with the national average. As part of our overall commitment to Equality, Diversity and Inclusion, we continue to analyse and monitor pay across grades and gender to ensure we are meeting our statutory requirements. We also have an action plan to review pay comparisons for other protected characteristics.

Going concern

The Group has substantial financial resources, including secured undrawn credit facilities to support continued growth and development, as well as continuing to meet our landlord obligations and customer offer. The Board reviewed the Association and Group financial forecasts in March 2023 and approved the long-term financial plan that demonstrated that MSV and the Group can service existing and proposed debt facilities, whilst continuing to comply with lenders' covenants.

All financial forecasts have been revised to reflect updated assumptions around inflation, interest rates, and increased base costs. Detailed stress testing and scenario modelling have been undertaken on the 2023/24 Business Plan and the financial resilience of the Group remains strong. Stress testing included specific scenarios about economic uncertainty and deterioration in other key variables (including development and sales risk). The Business Plan continues to demonstrate long-term viability and compliance.

Despite the challenges in the economy this year, rent collection has been maintained at around 100%, and the local housing markets and demand for our properties have remained strong, although house prices have stopped increasing at the rate we have experienced and have stabilised somewhat due to the economic climate.

The Business Plan includes provisions for unforeseen spend, and a mitigation strategy is in place to enable to Group to deal with any unforeseen issues, or if high inflation begins to impact operating costs at an unsustainable level. Given the strength of the Group's asset values, availability and liquidity of undrawn funding facilities, and appetite of funders to extend additional financing to the Group, the Board believe that, while there is uncertainty, this does not represent a material uncertainty that would cast doubt on the Group or Association's ability to continue as a going concern.

After strategic discussions, approval of the latest financial plan and considering the current economic and societal conditions, the Board has a reasonable expectation that MSV has adequate resources to continue in operation for the foreseeable future, being at least twelve months after the date on which the report and financial statements are signed. For this reason, MSV continues to adopt the going concern basis in preparing the financial statements.

Statement of compliance

The Group's accounting policies have been prepared with reference to UK Generally Accepted Accounting Practice (UK GAAP), including Financial Reporting Standard 102 (FRS102), the Statement of Recommended Practice for Registered Social Housing Providers 2018 and the Regulator of Social Housing Accounting Direction 2022 for Registered Providers. The principal accounting policies of the Group are set out on pages 52 to 62 of the financial statements.

Auditors

All the current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditors for their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Beever and Struthers were appointed as auditors of MSV following a competitive tendering exercise and have continued as auditors for 2022/23.

Statement of approval

The Strategic Report of the Board was approved by the Board on 6th September 2023 and signed on its behalf by:

Charlotte Norman

Charlotte Norman
Chief Executive Officer

Independent Auditor's Report to Mosscare St Vincent's Group Housing

Opinion

We have audited the financial statements of Mosscare St Vincent's Group Housing (the Association) and its subsidiaries (the Group) for the year ended 31 March 2023 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated Statement of Changes in Equity (Reserves), Association Statement of Changes in Equity (Reserves), Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2023 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

Responsibilities of the Board
As explained more fully in the Statement of Board's Responsibilities set out on pages 36 to 38, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.

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

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

Use of our report

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

Beever and Struthers

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

Date: 21 September 2023

Mosscare St Vincent's Housing Group Limited

Consolidated and Association Statement of Changes in Comprehensive Income
for the year ended 31 March 2023

	Note	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Turnover	4,5	**53,481**	**49,395**	**53,297**	**49,213**
Cost of sales	4,5	(3,920)	(3,322)	(3,869)	(3,248)
Operating costs	4,5	(41,337)	(34,816)	(41,334)	(34,810)
Operating surplus before disposal of fixed assets	4,5	**8,224**	**11,257**	**8,094**	**11,155**
Surplus on disposal of fixed assets	4,10	1,379	1,963	1,379	1,963
Operating surplus	4,7	**9,603**	**13,220**	**9,473**	**13,118**
Interest receivable and other income	11	699	498	786	535
Interest payable and similar charges	12	(7,651)	(6,625)	(7,651)	(6,625)
Interest payable: loan break fees	12	-	(1,361)	-	(1,361)
Movement in fair value of investment properties	16	84	560	57	517
Surplus on ordinary activities before taxation		**2,735**	**6,292**	**2,665**	**6,184**
Surplus before taxation		**2,735**	**6,292**	**2,665**	**6,184**
Taxation on surplus on ordinary activities	13	-	4	-	-
Surplus for the year before other comprehensive income		**2,735**	**6,296**	**2,665**	**6,184**
Other comprehensive income					
Actuarial gain/(loss) in respect of pension schemes	26	(753)	2,375	(753)	2,375
Total comprehensive income for the year		**1,982**	**8,671**	**1,912**	**8,559**

The consolidated and Association's results relate wholly to continuing activities.

The notes on pages 52 to 95 form part of these financial statements.

The financial statements on pages 48 to 95 were approved by the Board on 6th September 2023 and signed on its behalf by:

Gareth Hall *Ian Clayton* *Joanne Tucker*

Gareth Hall
Chair

Ian Clayton
Board Member

Joanne Tucker
Secretary

Mosscare St Vincent’s Housing Group Limited

Consolidated and Association Statements of Financial Position
as at 31 March 2023

	Note	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Tangible fixed assets					
Housing properties	14	411,381	400,360	411,381	400,360
Other tangible fixed assets	15	4,113	3,743	4,113	3,743
Investment properties	16	14,465	12,795	12,968	11,325
Investments	17	573	428	-	-
		430,532	**417,326**	**428,462**	**415,428**
Current assets					
Stocks and properties held for sale	18	6,878	8,239	6,878	8,239
Debtors: receivable within one year	19	2,943	2,467	3,183	2,680
Debtors: receivable after one year	19	388	311	1,536	1,396
Cash and cash equivalents		3,731	7,440	3,717	7,305
		13,940	**18,457**	**15,314**	**19,620**
Creditors: amounts falling due within one year	20	(14,948)	(29,962)	(14,848)	(29,908)
Net current (liabilities)/assets		**(1,008)**	**(11,505)**	**466**	**(10,288)**
Total assets less current liabilities		**429,524**	**405,821**	**428,928**	**405,140**
Creditors: amounts falling due after more than one year	21	(369,206)	(347,451)	(369,206)	(347,451)
Provisions for liabilities and charges	26,27	(3,379)	(3,295)	(3,379)	(3,295)
Net assets		**56,939**	**55,075**	**56,343**	**54,394**
Capital and reserves					
Non-equity share capital	28	-	-	-	-
Revenue reserves		56,939	55,075	56,520	54,394
Group’s/Association’s funds		**56,939**	**55,075**	**56,343**	**54,394**

The accompanying notes on pages 52 to 95 form part of the financial statements.

The financial statements on pages 48 to 95 were approved for issue by the Board on 6th September 2023 and signed on its behalf by:

Gareth Hall *Ian Clayton* *Joanne Tucker*

Gareth Hall
Chair

Ian Clayton
Board Member

Joanne Tucker
Secretary

Mosscare St Vincent's Housing Group Limited

Statement of Changes in Reserves
for the year ended 31 March 2023

Group

	Note	Revenue Reserves £000	Designated Reserve £000	Total £000
At 1 April 2021		**44,634**	**1,808**	**46,442**
Surplus for the year before other comprehensive income at 1 April 2022		6,296	-	6,296
Other comprehensive income movements:				
- Actuarial gain / (loss) in respect of SHPS multi-employer benefit scheme	26	2,375	-	2,375
Reserves transfer		-	(38)	(38)
At 1 April 2022		**53,305**	**1,770**	**55,075**
Surplus for the year before other comprehensive income		2,735	-	2,735
Other comprehensive income movements:				
Actuarial gain / (loss) in respect of SHPS multi-employer benefit scheme	26	(753)	-	(753)
Reserves transfer		(1)	(117)	(118)
At 31 March 2023		**55,286**	**1,653**	**56,939**

Association

	Note	Revenue Reserves £000	Designated Reserve £000	Total £000
At 1 April 2021		**39,269**	**1,808**	**41,077**
Surplus for the year before other comprehensive income at 1 April 2022		6,184	-	6,184
Other comprehensive income movements:				
- Actuarial gain / (loss) in respect of SHPS multi-employer benefit scheme		2,375	-	2,375
Gift Aid Distributions		75	-	75
Reserves transfer		4,721	(38)	4,683
At 1 April 2022		**52,624**	**1,770**	**54,394**
Surplus for the year before other comprehensive income		2,665	-	2,665
Other comprehensive income movements:				
Actuarial gain / (loss) in respect of SHPS multi-employer benefit scheme		(753)	-	(753)
Gift Aid Distributions		154	-	154
Reserves transfer			(117)	(117)
At 31 March 2023		**54,690**	**1,653**	**56,343**

The accompanying notes on pages 52 to 95 form part of these financial statements.

Mosscare St Vincent's Housing Group Limited

Statement of Cash Flows
for the year ended 31 March 2023

	Note	2023 £000	2022 £000
Cashflow from operating activities			
Surplus/(Deficit) for the year		2,735	6,296
Adjustments for non-cash items:			
Depreciation of tangible fixed assets – housing properties	5	8,216	8,046
Depreciation of fixed assets – other	15	1,003	743
Movement in fair value of net pension obligations on defined benefit schemes		-	-
Taxation expense		-	(4)
Movement in fair value of investment properties	16	(1,670)	(560)
(Increase)/Decrease in trade and other debtors	19	(553)	153
(Increase)/Decrease in stocks	18	186	90
Increase/(Decrease) in trade and other creditors		128	(595)
Adjustments for investing or financing activities:			
Amortised grant	5	(2,223)	(2,207)
Surplus on sale of fixed assets – housing properties	4	(2,391)	(2,374)
Interest paid recognised in Statement of Comprehensive Income	12	7,651	7,986
Interest received in Statement of Comprehensive Income	11	(699)	(498)
Cash from operations		**12,383**	**17,076**
Taxation paid		-	-
Net cash generated from operating activities		**12,383**	**17,076**
Cashflow from investing activities			
Purchase of tangible fixed assets – housing properties		(21,397)	(31,701)
Purchase of tangible fixed assets – other		(679)	(576)
Investment in joint ventures		(222)	(581)
Proceeds from sale of tangible fixed assets – housing properties		3,624	3,373
Proceeds from first tranche shared ownership sales		4,870	4,600
Proceeds from sale of tangible fixed assets – other		-	-
Grants received		1,678	2,797
Net cash outflow from investing activities		**(12,126)**	**(22,088)**
Cash flow from financing activities			
Interest paid		(7,790)	(7,814)
New secured loans		29,550	124,100
Repayment of borrowings		(25,735)	(106,494)
Investment from deposits		9	(7,298)
Net cash inflow/(outflow) from financing activities		**(3,966)**	**2,494**
Net change in cash and cash equivalents		**(3,709)**	**(2,518)**
Cash and cash equivalents at the beginning of the year		7,440	9,958
Cash and cash equivalents at the end of the year	25	**3,731**	**7,440**

The accompanying notes on pages 52 to 95 form part of these financial statements.

1 Legal status

The Association is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing as a registered provider of social housing. The Association is a public benefit entity.

2 Accounting policies

The following principal accounting policies have been applied:

Basis of accounting

The financial statements of the Group and Association have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which includes the Cooperative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group and Association meet the definition of a Public Benefit Entity (PBE) and have applied the provisions for FRS102 specifically applicable to PBEs.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below.

The financial statements are presented in Sterling (£) and rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (Note 3).

Business combinations

Mosscare St. Vincent's Housing Group Limited was formed on 21 July 2017 by a statutory amalgamation of Mosscare Housing Limited and St Vincent's Housing Association Limited. As a public benefit entity combination in which the rights of the controlling parties of the combined entity remain unchanged relative to other controlling parties the transaction was accounted for following the principles of merger accounting as set out in FRS 102 section 34.

Basis of consolidation

The Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March 2023.

The consolidated financial statements incorporate the financial statements of the Association and entities controlled by the Group.

Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

2 Accounting policies (continued)

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Disclosure exemptions

In preparing the separate financial statements of the parent Association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent Association;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as their remuneration is included in the totals for the Group as a whole.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day-to- day operations. The Group also has a long-term Business Plan which shows that it can service these debt facilities whilst continuing to comply with lenders' covenants. Whilst a net current liabilities position is reported at 31 March 2022, current liabilities include accrued amounts that are to be funded through a combination of undrawn loans and revenue generation in the forthcoming year, and results from prudent cash management.

The Group does not have any day-to-day trading activity with Russian, Belarusian or Ukrainian companies, therefore it is deemed that the War in Ukraine does not pose a significant risk to operations.

Detailed stress testing and scenario modelling has been undertaken on the 2023/24 Business Plan. Modelling has included specific scenarios about economic uncertainty and deterioration in other key variables (including development and sales risk and increasing inflation). The Business Plan continues to demonstrate long-term viability and compliance.

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

Turnover and revenue recognition

Turnover is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting)
- First tranche sales of Low-Cost Home Ownership housing properties developed for sale
- Service charges receivable
- Revenue grants and proceeds from the sale of land and property

2 Accounting policies (continued)

Rental income and services charges receivable are recognised from the point where properties under development reach practical completion or otherwise become available for letting, net of any voids. Revenue grant income is recognised at the date of invoicing, or where no invoice is raised, at the date of receipt. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Supported housing schemes

The Group receives Supporting People grants from several local authorities. The grants received in the period as well as costs incurred by the Group in the provision of support services have been included in the Statement of Comprehensive Income. Any excess cost over the grant received is borne by the Group where it is not recoverable from tenants.

Service charges

The Group adopts both fixed and variable methods for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or sinking fund. Service Charge income is recognised in turnover, except for income received for contributions towards sinking funds; these are transferred to the Statement of Financial Position and records maintained to reconcile balances held.

Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

Taxation

Current tax is recognised for the amount of tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation

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

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

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group can control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future

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

2 Accounting policies (continued)

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

Value added tax

The Group charges value added tax (VAT) on some of its income and can recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Association and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

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

Other interest payable is charged to the Statement of Comprehensive Income in the year it accrues.

Pension costs

The Group participates in the following pension schemes:

- the multi-employer Social Housing Pension Scheme ('SHPS'), in the defined benefit and defined contribution pension schemes both managed by The Pensions Trust (TPT);
- the Greater Manchester LGPS defined benefit scheme; and
- a Scottish Widows defined contribution scheme.

In relation to the SHPS defined benefit scheme, for the financial years ending on or after 31 March 2019 it is now possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme. The liabilities are compared with the company's fair share of the scheme's total assets to calculate the company's net deficit or surplus in line with FRS102 reporting requirements.

For accounting purposes, a valuation of the scheme was carried out for the year ended 31 March 2023. The liability figures from this valuation were rolled forward to the relevant accounting year.

The Group's contributions to the SHPS and Scottish Widows defined contribution schemes are charged to the Statement of Comprehensive Income in the year in which they become payable.

2 Accounting policies (continued)

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and is carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to the cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary grant and recognised in the Statement of Financial Position as a liability. Where the donation is from a non-public source the value of the donation is included as income.

Social housing and non-social housing properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment (where applicable). The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Directly attributable costs include capitalised interest calculated on a proportional basis using finance costs on borrowing which has been drawn to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is ongoing and has not been interrupted or terminated.

Expenditure on major refurbishment to properties is capitalised where works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Mixed developments are held within PPE and accounted for at cost less depreciation. Commercial elements of mixed developments are held as investment properties.

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold as part of the first tranche sale, are included in PPE and held at cost less any impairment and are transferred to completed properties when ready for letting.

Depreciation of housing properties

Housing land and property are split between land, structure and other major components that are expected to require replacement over time. Land is not depreciated on account of its indefinite useful economic life.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure they are depreciated only in periods in which economic benefits are expected to be consumed.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

2 Accounting policies (continued)

Structure	1.0% - 2.0%
Roofing works	1.7%
Kitchens	5.0%
Bathrooms	3.3%
Boilers – domestic	6.7%
Central heating	3.3%
Rewiring	3.3%
Windows	3.3%
External doors	3.3%
Lifts	5.0%

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease; when the lease and building elements are depreciated separately over their expected useful economic lives.

Shared ownership properties and staircasing

Under low-cost home ownership arrangements, the Group disposes of a long lease on low-cost home ownership housing units for a share ranging between 25% and 75% of value. The Buyer has the right to purchase further proportions and up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low-cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is added to the fixed asset register and included in completed housing property at cost less any provision for impairment.

Sales of subsequent tranches (staircase) are treated as a part disposal, with income received being recognised in the Statement of Comprehensive Income and the disposal value for the appropriate percentage sold adjusted through the fixed asset register and offset against sales proceeds. Such staircase sales may result in capital grant being deferred or abated and any abatement is credited to the sale account in arriving at the surplus or deficit.

For shared ownership accommodation that the Group is responsible for, it is the Group's policy to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Other tangible fixed assets

Other tangible fixed assets, other than investment properties, are measured at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives are as follows:

2 Accounting policies (continued)

Offices	2% or length of the lease if shorter
Office furniture and equipment	14.3%
Motor vehicles	25%
Computer equipment	20-25%
Scheme furniture and equipment	20%
Boilers – Commercial	5%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Government grants

Grant received in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected.

Where Social Housing Assistance (SHA) (previously known as Social Housing Association Grant (HAG) or Social Housing Grant (SHG)) funded property is sold, the grant becomes potentially recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England (previously the HCA) can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from the current market values 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 as income or expenditure depending on the nature of the movement in valuation.

2 Accounting policies (continued)

The valuation is based on either third party valuation reports or an update to those reported based on market conditions. The valuation is most sensitive to assumptions on rental growth and the discount rate applied to those cash flows. MSV relies on the assumptions and estimates applied by the valuer in accordance with the RICS red book valuation standards in determining the market valuation. The Association's valuation at 31 March 2023 was undertaken by Thompson & Associates Chartered Surveyors, and adopts two valuation bases:

- Market value with vacant possession: where this is available, or properties are let on an assured shorthold basis
- Market value subject to tenancy: where there are assured tenancies and vacant possession cannot be easily achieved

Where a valuation range is provided, the Association adopts the mid-point value.

Impairment of fixed assets

The housing property portfolio for the Group is assessed for indicators of impairment at each Statement of Financial Position date. Where indicators are identified a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental returns or potential sale proceeds are obtained and used to inform the options. The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

The Group defines cash generating units as schemes. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to income and expenditure. No indicators of potential impairment were identified at 31 March 2023.

Associates & joint ventures (JCE)

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside of the group to undertake an economic activity that is subject to joint control. In the consolidated accounts, interests in the GMJV Fundco LLP are accounted for using the equity method of accounting. Under this method an equity investment or loan made to the joint venture is initially recognised at the transaction price (including transaction costs), with share of assets, liabilities, profits and losses recognised in subsequent years.

Stock

Stock represents work in progress and completed properties, including properties developed for outright sale and shared ownership properties. For shared ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

2 Accounting policies (continued)

A small amount of materials are held by Property Services for the purposes of minor repairs to Group properties and is stated at cost value.

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair a formula is applied based on the age profile of the debt, whether the debt relates to a current or former tenant, and an assessment of risk based on whether there is an arrangement to pay in place.

Loans, investments and short-term deposits

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however, the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the Statement of Financial Position at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

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 expenses.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank in hand, deposits and short-term investments with an original maturity of three months or less.

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment which is dependent on the disposal of related property.

Leases

All leases relate to operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Refinancing and break costs

Break costs arising as a result of early repayment of fixed rate borrowing are recognised in the Statement of Comprehensive Income at the point where the contractual obligation to pay break costs arises.

2 Accounting policies (continued)

Gift Aid

Gift aid payments are approved by the subsidiary Board and are payable via cash transfers.

Mosscare St Vincent's Housing Group Limited recognises Gift Aid on receipt and the subsidiary recognises on payment. Gift Aid distributions are disclosed within the Statement of Comprehensive income for each entity and removed on consolidation at the Group level.

Designated Reserves

The Group holds two sets of designated reserves. These reserves comprise a reserve fund that is held on behalf of Manchester City Council to bring long term void properties back into use, and a Hardship Fund to provide support to tenants of the Group who are suffering from financial hardship.

Funds are utilised in line with the restrictions and specifications which are in place in relation to each reserve.

Movements in designated reserves are shown in the Statement of Changes in Reserves (Page 50).

Financial instruments - borrowings - negative compensation and funding indemnity clauses

The Group's loan facilities have been assessed as basic financial instruments. The Group's fixed rate loan facilities allow early payment of the principal and accrued interest in relation to fixed interest tranches. There is an indemnity clause that requires the borrower to pay a compensation premium to the lender if market rates have fallen since the inception of the loan. There is also a clause that means that if market rates have increased, the borrower (i.e. the Group) would benefit from a compensation premium.

The Group does not consider that the clause allowing the Group to potentially receive a compensation premium upon early repayment of some or all of the fixed rate loan liability makes this financial instrument non-basic or other as outlined in FRS 102 section 11. The Group considers that this particular loan clause is specifically compliant with section 11.9b) and 11.9c) of FRS 102 and that the substance of this loan arrangement was always that it was intended to be a simple fixed rate loan arrangement.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units.

- the anticipated costs to complete a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, they then determine the recoverability of the cost of properties developed

- for outright sale and/or land held for sale. This judgement is also based on the best estimate of First tranche sales value based on economic conditions within the area of development.

3 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

- whether leases entered into by the Group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- the appropriate allocation for mixed tenure developments and the allocation of costs relating to shared ownership between current and fixed assets.

- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

Other key sources of estimation uncertainty

Tangible fixed assets

Tangible fixed assets, other than investment properties, 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 the Group's stock condition surveys are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Investment properties are professionally valued annually by an external firm of chartered surveyors on the basis of either Market Value - Vacant Possession (MV-VP) or Market Value - Subject to Tenancies (MV-ST).

The rental income of each property has been individually assessed and for certain properties it has been ascertained that in arriving at MV-ST no deduction from the prevailing Market Value with Vacant Possession established needs to be made.

Rental and other trade receivables (debtors)

The estimate for receivables relates to the recoverability of the balances outstanding at year-end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Pension Scheme

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about asset valuations (including properties), 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.

4 Turnover, cost of sales, operating costs and operating surplus

Group	2023			
	Turnover £000	Cost of sales £000	Operating costs £000	Operating surplus/ (deficit) £000
Social housing lettings (Note 5)	46,790	-	(40,528)	6,262
Other social housing activities				
Supporting people	259	-	(66)	193
Development activities	62	-	(150)	(88)
First tranche low-cost home ownership sales	4,881	(3,869)	-	1,012
Other	119	-	(30)	89
	52,111	**(3,869)**	**(40,774)**	**7,468**
Activities other than social housing activities				
Market rents	1,181	(51)	(493)	637
Commercial lettings	101	-	(46)	55
Other	88	-	(24)	64
	53,481	**(3,920)**	**(41,337)**	**8,224**
Surplus on disposal of fixed assets (Note 10)				1,379
Operating surplus				**9,603**

Group	2022			
	Turnover £000	Cost of sales £000	Operating costs £000	Operating surplus/ (deficit) £000
Social housing lettings (Note 5)	44,021	-	(34,012)	10,009
Other social housing activities				
Supporting people	258	-	(59)	199
Development activities	27	-	(204)	(177)
First tranche low-cost home ownership sales	3,659	(3,248)	-	411
Other	100	-	(23)	77
	48,065	**(3,248)**	**(34,298)**	**10,519**
Activities other than social housing activities				
Market rents	1,153	(74)	(455)	624
Commercial lettings	124	-	(49)	75
Other	53	-	(14)	39
	49,395	**(3,322)**	**(34,816)**	**11,257**
Surplus on disposal of fixed assets (Note 10)				1,963
Operating surplus				**13,220**

4 Turnover, cost of sales, operating costs and operating surplus (continued)

Association		2023		
	Turnover £000	Cost of sales £000	Operating costs £000	Operating surplus/ (deficit) £000
Social housing lettings (Note 5)	46,790	-	(40,528)	6,262
Other social housing activities				
Supporting people	259	-	(66)	193
Development activities	62	-	(150)	(88)
First tranche low-cost home ownership sales	4,881	(3,869)	-	1,012
Other	119	-	(30)	89
	52,111	**(3,869)**	**(40,774)**	**7,468**
Activities other than social housing activities				
Market rents	989	-	(490)	499
Commercial lettings	101	-	(46)	55
Other	96	-	(24)	72
	53.297	**(3,869)**	**(41,334)**	**8,094**
Surplus on disposal of fixed assets (Note 10)				1,379
Operating surplus				**9,473**

Association		2022		
	Turnover £000	Cost of sales £000	Operating costs £000	Operating surplus/ (deficit) £000
Social housing lettings (Note 5)	44,021	-	(34,012)	10,009
Other social housing activities				
Supporting people	258	-	(59)	199
Development activities	27	-	(204)	(177)
First tranche low-cost home ownership sales	3,659	(3,248)	-	411
Other	100	-	(23)	77
	48,065	**(3,248)**	**(34,298)**	**10,519**
Activities other than social housing activities				
Market rents	963	-	(449)	514
Commercial lettings	124	-	(49)	75
Other	61	-	(14)	47
	49,213	**(3,248)**	**(34,810)**	**11,155**
Surplus on disposal of fixed assets (Note 10)				1,963
Operating surplus				**13,118**

5 Particulars of income and expenditure from social housing lettings

Group	2023				2022
	General needs £000	Supported housing & housing for older people £000	Low cost home ownership £000	Total £000	Total £000
Turnover from social housing activities					
Rents receivable net of identifiable service charges	32,102	6,897	824	**39,823**	**37,387**
Service charges receivable	1,109	3,290	134	**4,533**	**4,247**
Amortisation of SHG (Note 22)	1,657	518	48	**2,223**	**2,207**
Other income	16	192	3	**211**	**180**
Turnover from social housing lettings	**34,884**	**10,897**	**1,009**	**46,790**	**44,021**
Expenditure on social housing activities					
Management	(3,932)	(3,126)	(117)	**(7,175)**	**(6,703)**
Service charge costs	(2,940)	(3,957)	(171)	**(7,068)**	**(5,234)**
Routine maintenance	(12,153)	(2,233)	(153)	**(14,539)**	**(10,928)**
Planned maintenance	(2,251)	(703)	(65)	**(3,019)**	**(2,677)**
Bad debts	(147)	(48)	(2)	**(197)**	**(140)**
Depreciation of housing properties					
- annual charge	(5,967)	(1,863)	(172)	**(8,002)**	**(7,872)**
- accelerated on disposal of components	(159)	(50)	(5)	**(214)**	**(174)**
Property lease charges	(240)	(74)	-	**(314)**	**(284)**
Operating costs on social housing lettings	**(27,789)**	**(12,054)**	**(685)**	**(40,528)**	**(34,012)**
Operating surplus / (deficit) on social housing letting activities	**7,095**	**(1,157)**	**324**	**6,262**	**10,009**
Void losses	(364)	(32)	(458)	**(854)**	**(814)**

5 Particulars of income and expenditure from social housing lettings (continued)

Association	2023				2022
	General needs £000	Supported housing & housing for older people £000	Low cost home ownership £000	Total £000	Total £000
Turnover from social housing activities					
Rents receivable net of identifiable service charges	32,102	6,897	824	**39,823**	**37,387**
Service charges receivable	1,109	3,290	134	**4,533**	**4,247**
Amortisation of SHG (Note 22)	1,657	518	48	**2,223**	**2,207**
Other income	16	192	3	**211**	**180**
Turnover from social housing lettings	**34,884**	**10,897**	**1,009**	**46,790**	**44,021**
Expenditure on social housing activities					
Management	(3,932)	(3,126)	(117)	**(7,175)**	**(6,703)**
Service charge costs	(2,940)	(3,957)	(171)	**(7,068)**	**(5,234)**
Routine maintenance	(12,153)	(2,233)	(153)	**(14,539)**	**(10,928)**
Planned maintenance	(2,251)	(703)	(65)	**(3,019)**	**(2,677)**
Bad debts	(147)	(48)	(2)	**(197)**	**(140)**
Depreciation of housing properties					
- annual charge	(5,967)	(1,863)	(172)	**(8,002)**	**(7,872)**
- accelerated on disposal of components	(159)	(50)	(5)	**(214)**	**(174)**
Property lease charges	(240)	(74)	-	**(314)**	**(284)**
Operating costs on social housing lettings	**(27,789)**	**(12,054)**	**(685)**	**(40,528)**	**(34,012)**
Operating surplus / (deficit) on social housing letting activities	**7,095**	**(1,157)**	**324**	**6,262**	**10,009**
Void losses	(364)	(32)	(458)	**(854)**	**(814)**

6 Accommodation in management and development

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

Group

Owned, Social Housing:

	General Needs Social Rent	General Needs Affordable Rent	Supported / HfOP Social Rent	Supported / HfOP Affordable Rent	Inter-mediate Rent	Total
At 1 April 2022	**5,774**	**988**	**1,220**	**42**	**52**	**8,076**
New build / Acquisitions	12	12	36	17	3	**80**
Sales to tenants:						
- Freehold (RTA/RTB)	(16)	(3)	-	-	-	**(19)**
- Leasehold (RTA/RTB	(4)	-	-	-	-	**(4)**
Outright sales	(1)	-	-	-	(1)	**(2)**
Reclassification / Other adjustments	-	-	-	-	(1)	**(1)**
At 31 March 2023	**5,765**	**997**	**1,256**	**59**	**53**	**8130**

Owned, Non-Social / Non-Rent:

	Low Cost Home Ownership	Market Rent	Total
At 1 April 2022	**349**	**152**	**501**
New build / Acquisitions	90	7	**97**
Sales to tenants:			
- Freehold	(6)	-	**(6)**
- Leasehold	-	-	**-**
Outright sales	(1)	-	**(1)**
Reclassification / Other adjustments	(4)	-	**(4)**
At 31 March 2023	**428**	**159**	**587**

Managed for Others (Not Owned):

	Gen Needs Social Rent	Inter-mediate Rent	Low Cost Home Ownership	Leasehold	Total
At 1 April 2022	**-**	**2**	**10**	**134**	**146**
New build / Acquisitions	-	-	-	4	**4**
Sales to tenants:					
- Freehold	-	-	-	-	**-**
- Leasehold	-	-	-	-	**-**
Outright sales	-	-	-	-	**-**
Reclassification / Other adjustments	-	-	-	-	**-**
At 31 March 2023	**-**	**2**	**10**	**138**	**150**

6 Accommodation in management and development (continued)

Association

Owned, Social Housing:

	General Needs Social Rent	General Needs Affordable Rent	Supported / HfOP Social Rent	Supported / HfOP Affordable Rent	Inter-mediate Rent	Total
At 1 April 2022	**5,774**	**988**	**1,220**	**42**	**52**	**8,076**
New build / Acquisitions	12	12	36	17	3	**80**
Sales to tenants:						
- Freehold (RTA/RTB)	(16)	(3)	-	-	-	**(19)**
- Leasehold (RTA/RTB	(4)	-	-	-	-	**(4)**
Outright sales	(1)	-	-	-	(1)	**(2)**
Reclassification / Other adjustments	-	-	-	-	(1)	**(1)**
At 31 March 2023	**5,765**	**997**	**1,256**	**59**	**53**	**8,130**

Owned, Non-Social / Non-Rent:

	Low Cost Home Ownership	Market Rent	Total
At 1 April 2022	**349**	**129**	**478**
New build / Acquisitions	90	7	**97**
Sales to tenants:			
- Freehold	(6)	-	**(6)**
- Leasehold	-	-	**-**
Outright sales	(1)	-	**(1)**
Reclassification / Other adjustments	(4)	-	**(4)**
At 31 March 2023	**428**	**136**	**564**

6 Accommodation in management and development (continued)

Managed for Others (Not Owned):

	Gen Needs Social Rent	Inter-mediate Rent	Low Cost Home Ownership	Market Rent	Leasehold	Total
At 1 April 2022	**-**	**2**	**10**	**8**	**134**	**154**
New build / Acquisitions	-	-	-	-	4	**4**
Sales to tenants:						
- Freehold	-	-	-	-	-	**-**
- Leasehold	-	-	-	-	-	**-**
Outright sales	-	-	-	-	-	**-**
Reclassification / Other adjustments	-	-	-	-	-	**-**
At 31 March 2023	**-**	**2**	**10**	**8**	**138**	**158**

Accommodation in development at the year end

	Group 2023 Number	Group 2022 Number	Association 2023 Number	Association 2022 Number
General needs housing:				
- Social rent	33	-	33	-
- Intermediate rent	-	-	-	-
- Affordable rent	6	32	6	32
Supported housing & housing for older people:				
- Social rent	4	30	4	30
- Affordable rent	-	-	-	-
Low-cost home ownership	88	136	88	136
Market rent	-	7	-	7
Total accommodation in development	**131**	**205**	**131**	**205**

7 Operating surplus

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
This is arrived at after charging:				
Depreciation of housing properties (including accelerated depreciation)	8,216	8,046	8,216	8,046
Depreciation of other tangible fixed assets	1,003	743	1,003	743
Operating lease rentals:				
- Land and buildings	383	342	424	404
- Office equipment	15	17	15	17
Auditor's remuneration (excluding VAT):				
- For the audit of the financial statements	32	27	24	20
- Tax compliance	2	3	1	2
- Other non-audit services	7	2	7	2

8 Employees

Average monthly number of employees expressed in full time equivalents:

	Group 2023 Number	Group 2022 Number	Association 2023 Number	Association 2022 Number
Administration	48	52	48	52
Development	12	11	12	11
Housing and Property Services	271	260	271	260
	331	**323**	**331**	**323**

	Group 2023 Number	Group 2022 Number	Association 2023 Number	Association 2022 Number
Employee costs:				
Wages and salaries	11,813	10,522	11,813	10,522
Social security costs	1,161	989	1,161	989
Other pension costs	650	540	650	540
	13,624	**12,051**	**13,624**	**12,051**

At 31 March 2023 £33k was outstanding in respect of unpaid pension contributions (2022: £136k)

The full-time equivalent (FTE) number of staff is calculated based on the average number of employees per month expressed as FTEs being 35 hours per week (40 hours per week for Property Services operatives). The FTE number of staff (including Executive Directors) who received emoluments:

	2023 Number	2022 Number
£60,001 to £70,000	10	8
£70,001 to £80,000	4	3
£80,001 to £90,000	4	1
£90,001 to £100,000	1	-
£100,001 to £110,000	1	-
£110,001 to £120,000	-	-
£120,001 to £130,000	-	2
£130,001 to £140,000	2	-
£140,001 to £150,000	-	-
£150,001 to £160,000	-	-
£160,001 to £170,000	-	1
£170,001 to £180,000	1	-

9 Key Management Personnel Remuneration – Group and Association

The Directors are defined as the Members of the Board of Management, the Chief Executive and the Executive Management Team disclosed on page 1. These individuals are the key management personnel of the organisation.

Executive Directors' Remuneration	**2023** **£000**	**2022** **£000**
Executive Directors' emoluments	496	584
Contributions to pension schemes	39	39
Compensation for loss of office	-	16
Amount paid to third parties in respect of Directors' services	-	-
	535	**639**

Emoluments paid to Non-Executive Board Members, including co-optees, were £61k (2022: £57k). Expenses paid to Non-Executive Board Members were £1k (2022: £1k). See below for details of remuneration of Non-Executive Board Members.

The emoluments of the highest paid Director, the Chief Executive, excluding pension contributions, were £178k (2022: £166k), note that this is the total emoluments paid by the Group. The Chief Executive is an active member of a pension scheme in which the Group participates (SHPS), contributions in the year were £13k (2022: £13k). The Chief Executive is an ordinary member of the pension scheme.

Non-Executive Board Members' Remuneration

	2023 **£000**	**2022** **£000**
Gareth Hall (Chair)	12	8
Ian Clayton	6	6
Tim Edwards	6	4
Susan Goodman	4	4
Kam Unwin	4	4
David Holland	3	2
Michelle Hill	6	5
Luke Jno-Baptiste	4	4
Ibby Ismail	6	2
Nick Byrne	4	4
Sally Webb	4	2
Former Members		
Martin McNally	-	5
Grace McCorkle	-	2
Jon Lord	-	3
Tracy Neil	1	2

The combined remuneration paid to Key Management Personnel was therefore £596k (2022: £696k).

10 Surplus on sale of fixed assets

Group	Right to Buy / Acquire £000	LCHO Staircasing £000	Strategic Disposals £000	Other Fixed Asset Sales £000	Total 2023 £000	Total 2022 £000
Proceeds of sale	2,225	781	-	325	**3,331**	**4,417**
Cost of sales/disposals	(1,255)	(616)	-	(337)	**(2,208)**	**(2,644)**
Depreciation	373	34	-	37	**444**	**380**
Direct expenses	(126)	(5)	-	(2)	**(133)**	**(111)**
Net grant on disposals	314	106	-	92	**512**	**662**
Grant recycled	(365)	(110)	-	(92)	**(567)**	**(741)**
Surplus (Note 4)	**1,166**	**190**	**-**	**23**	**1,379**	**1,963**

Association	Right to Buy / Acquire £000	LCHO Staircasing £000	Strategic Disposals £000	Other Fixed Asset Sales £000	Total 2023 £000	Total 2022 £000
Proceeds of sale	2,225	781	-	325	**3,331**	**4,417**
Cost of sales/disposals	(1,255)	(616)	-	(337)	**(2,208)**	**(2,644)**
Depreciation	373	34	-	37	**444**	**380**
Direct expenses	(126)	(5)	-	(2)	**(133)**	**(111)**
Net grant on disposals	314	106	-	92	**512**	**662**
Grant recycled	(365)	(110)	-	(92)	**(567)**	**(741)**
Surplus (Note 4)	**1,166**	**190**	**-**	**23**	**1,379**	**1,963**

11 Interest receivable and other income

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Interest receivable from group undertakings	(14)	20	111	57
Interest receivable and similar income	55	1	17	1
Interest on SHPS Defined Benefit plan assets (Note 26)	658	477	658	477
	699	**498**	**786**	**535**

12 Interest payable and similar charges

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Bank loans and overdrafts:				
- maturing within five years	1,754	1,872	1,754	1,872
- maturing in more than five years	5,220	5,209	5,220	5,209
Other interest and similar charges	56	(501)	56	(501)
Interest on SHPS Defined Benefit liabilities (Note 26)	739	606	739	606
Interest capitalised on housing properties under construction (Note 14)	(118)	(561)	(118)	(561)
	7,651	**6,625**	**7,651**	**6,625**
Break costs payable in respect of early repayment of fixed rate borrowing	-	1,361	-	1,361

The interest rate applied to determine the capitalised interest costs during the period was 3.63% (2022: 4.76%).

13 Taxation on surplus on ordinary activities

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Current tax				
UK Corporation Tax on surplus / (deficit) for the year at 19% (2022: 19%)	-	4	-	-
Total current tax	-	4	-	-
Tax on surplus on ordinary activities	-	4	-	-

The tax assessed for the year differs from the standard rate of Corporation Tax in the UK applied to the surplus before tax. The differences are explained below:

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Current tax reconciliation				
Surplus / (Deficit) for the period before taxation	3,844	6,296	3,927	6,184
Theoretical tax at UK Corporation Tax rate 19% (2022: 19%)	730	1,196	746	1,175
Income not chargeable to Corporation Tax	(730)	(1,192)	(746)	(1,175)
Total tax charge	**-**	**4**	**-**	**-**

The Association has charitable status for tax purposes.

14 Tangible fixed assets – housing properties

Group	Social housing properties completed £000	Non-social housing properties completed £000	Social housing properties under construction £000	Shared ownership properties under construction £000	Shared ownership properties completed £000	Total £000
Property cost						
At 1 April 2022	**466,331**	**875**	**13,016**	**13,564**	**16,133**	**509,919**
Additions	-	-	7,377	7,539	-	14,916
Schemes completed	20,780	-	(6,471)	(14,309)	-	-
Works to existing properties	6,810	-	-	-	-	6,810
Transfers to current Assets	-	-	-	4,812	-	4,812
Disposals	(6,611)	-	-	-	-	(6,611)
Component Write Off	(2,914)	-	-	-	-	(2,914)
At 31 March 2023	**484,396**	**875**	**13,922**	**11,606**	**16,133**	**526,932**
Depreciation and impairment						
At 1 April 2022	**108,303**	**319**	**-**	**-**	**937**	**109,559**
Additions	-	-	-	-	-	-
Charge for the year	7,764	18	-	-	220	8,002
Capital Suspense Adj.	(192)	-	-	-	-	(192)
Eliminated in respect of disposals	(410)	-	-	-	(40)	(450)
Component Write Off	(1,368)	-	-	-	-	(1,368)
Impairment	-	-	-	-	-	-
At 31 March 2023	**114,097**	**337**	**-**	**-**	**1,117**	**115,551**
Net book value						
At 31 March 2023	**370,299**	**538**	**13,922**	**11,606**	**15,016**	**411,381**
At 31 March 2022	**358,028**	**556**	**13,016**	**13,564**	**15,196**	**400,360**

14 Tangible fixed assets – housing properties (continued)

Association	Social housing properties completed £000	Non-social housing properties completed £000	Social housing properties under construction £000	Shared ownership properties under construction £000	Shared ownership properties completed £000	Total £000
Property cost						
At 1 April 2022	**466,331**	**875**	**13,016**	**13,564**	**16,133**	**509,919**
Additions	-	-	7,377	7,539	-	14,916
Schemes completed	20,780	-	(6,471)	(14,309)	-	-
Works to existing properties	6,810	-	-	-	-	6,810
Transfers to current Assets	-	-	-	4,812	-	4,812
Disposals	(6,611)	-	-	-	-	(6,611)
Component Write Off	(2,914)	-	-	-	-	(2,914)
At 31 March 2023	**484,396**	**875**	**13,922**	**11,606**	**16,133**	**526,932**
Depreciation and impairment						
At 1 April 2022	**108,303**	**319**	**-**	**-**	**937**	**109,559**
Additions	-	-	-	-	-	-
Charge for the year	7,764	18	-	-	220	8,002
Capital Suspense Adj	(192)	-	-	-	-	(192)
Eliminated in respect of disposals	(410)	-	-	-	(40)	(450)
Component Write Off	(1,368)	-	-	-	-	(1,368)
Impairment	-	-	-	-	-	-
At 31 March 2023	**114,097**	**337**	**-**	**-**	**1,117**	**115,551**
Net book value						
At 31 March 2023	**370,299**	**538**	**13,922**	**11,606**	**15,016**	**411,381**
At 31 March 2022	**358,028**	**556**	**13,016**	**13,564**	**15,196**	**400,360**

.

14 Tangible fixed assets – housing properties (continued)

Expenditure on works to existing properties

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Improvements to existing properties capitalised	6,810	6,059	6,810	6,059
Major repairs expenditure to Statement of Comprehensive Income (Note 5)	-	-	-	-
	6,810	**6,059**	**6,810**	**6,059**

Included within the cost of housing properties is £118k (2022: £561k) of capitalised financing costs (Note 12). The remaining interest is recognised in the Statement of Comprehensive Income.

The net book value of housing properties may be further analysed as:

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Freehold	255,517	215,947	255,517	215,947
Long leasehold	155,575	130,240	155,575	130,240
Short leasehold	289	54,173	289	54,173
	411,381	**400,360**	**411,381**	**400,360**

Total accumulated SHG receivable at 31 March was:

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Capital grant – housing properties	184,874	181,133	184,874	181,133
Recycled Capital Grant Fund (Note 23)	2,032	1,473	2,032	1,473
Cumulative grant amortised to revenue	46,583	44,362	46,583	44,362
	233.489	**226,968**	**233.489**	**226,968**

Freehold land and buildings have been pledged to secure borrowings of the Association. The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

15 Tangible fixed assets - other

Group	Offices £000	Office furniture & equipment £000	Motor vehicles £000	Computer equipment £000	Scheme furniture & equipment £000	Total £000
Cost						
At 1 April 2022	**2,439**	**825**	**1,062**	**2,569**	**2,811**	**9,706**
Additions	-	35	-	85	1,266	1,386
Disposals	-	(13)	-	-	0	(13)
At 31 March 2023	**2,439**	**847**	**1,062**	**2,654**	**4,077**	**11,079**
Depreciation and impairment						
At 1 April 2022	**845**	**594**	**1,062**	**2,232**	**1,230**	**5,963**
Charged in year	43	188	-	178	594	1,003
Elimination on disposal	-	-	-	-	-	-
At 31 March 2023	**888**	**782**	**1,062**	**2,410**	**1,824**	**6,966**
Net book value						
At 31 March 2023	**1,551**	**65**	**-**	**244**	**2,253**	**4,113**
At 31 March 2022	1,594	231	-	337	1,581	3,743

15 Tangible fixed assets – other (continued)

Association	**Offices £000**	**Office furniture & equipment £000**	**Motor vehicles £000**	**Computer equipment £000**	**Scheme furniture & equipment £000**	**Total £000**
Cost						
At 1 April 2022	**2,439**	**825**	**1,062**	**2,569**	**2,811**	**9,706**
Additions	-	35	-	85	1,266	1,386
Disposals	-	(13)	-	-	0	(13)
At 31 March 2023	**2,439**	**847**	**1,062**	**2,654**	**4,077**	**11,079**
Depreciation and impairment						
At 1 April 2022	**845**	**594**	**1,062**	**2,232**	**1,230**	**5,963**
Charged in year	43	188	-	178	594	1,003
Elimination on disposal	-	-	-	-	-	-
At 31 March 2023	**888**	**782**	**1,062**	**2,410**	**1,824**	**6,966**
Net book value						
At 31 March 2023	**1,551**	**65**	**-**	**244**	**2,253**	**4,113**
At 31 March 2022	1,594	231	-	337	1,581	3,743

16 Investment properties – non-social housing properties held for letting

Group	Market rent £000	Supported market rent £000	Under construction £000	Total £000
At 1 April 2022	**7,305**	**5,490**	**-**	**12,795**
Additions	1,435	-	-	1,435
Gains / (Losses) from adjustments to fair value	365	120	-	485
Change of Category	-	(250)	-	(250)
At 31 March 2023	**9,105**	**5,360**	**-**	**14,465**

Association	Market rent £000	Supported market rent £000	Under construction £000	Total £000
At 1 April 2022	**7,305**	**4,020**	**-**	**11,325**
Additions	1,435	-	-	1,435
Gains / (Losses) from adjustments to fair value	365	93	-	458
Change of Category	-	(250)	-	(250)
At 31 March 2023	**9,105**	**3,863**	**-**	**12,968**

Investment properties were valued at Fair Value (market value) at 31 March 2023 by external independent property consultants and chartered surveyors, Thompson & Associates Chartered Surveyors. In valuing investment properties two bases of valuation have been used depending on the type of existing tenancy.

If investment property had been accounted for under historic cost accounting rules, the properties would have been measured as follows:

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Historic cost	10,788	10,737	10,710	9,145
Accumulated depreciation and impairments	(1,066)	(945)	(870)	(765)
	9,722	**9,792**	**9,840**	**8,380**

17 Investments in jointly controlled entities – Group and Association

In the consolidated accounts, interests in jointly controlled entities are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs).

Active trading joint ventures, all established in the UK, as at 31 March 2023 were as follows:

Joint venture entity	Partner(s)	Group interest	Total investment £000	Total Loans provided to JV £000
GMJV Fundco LLP	MSV Invest Ltd 9 other Greater Manchester Registered Providers	10%	573	388
Total		**10%**	**573**	**388**

MSV Invest has entered into a joint venture arrangement with nine other Registered Providers to create GMJV Fundco LLP. GMJV Fundco LLP, together with the Greater Manchester Combined Authority, have invested in Hive Homes (Greater Manchester) LLP (Hive Homes) which is a delivery vehicle to build homes for outright sale. This is a financial arrangement where MSV Invest will be investing up to £3m as a mix of debt and equity into GMJV Fundco LLP, which is subsequently invested (along with funds from other joint venture members) into Hive Homes.

As required by statute, the financial statements consolidate the results of the subsidiaries of the Association at the end of the year. Details of subsidiaries can be found on page 4. The Association has the right to appoint Members to the Boards of all subsidiaries and thereby exercises control over them. Details of related party transactions can be found at Note 31.

18 Stock and properties held for sale

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Stock – materials	-	186	-	186
First tranche shared ownership:				
- Work in progress	2,063	6,874	2,063	6,874
- Completed properties	4,815	1,179	4,815	1,179
	6,878	**8,239**	**6,878**	**8,239**

19 Debtors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Rent and service charges receivable	2,562	2,296	2,562	2,281
Less provision for bad & doubtful debts	(1,293)	(1,142)	(1,293)	(1,138)
Net rent arrears	**1,269**	**1,154**	**1,269**	**1,143**
Amounts owed by Group undertakings	-	-	259	229
Other debtors	315	222	300	222
Prepayments and accrued income	1,359	1,091	1,355	1,086
	2,943	**2,467**	**3,183**	**2,680**
Due after more than one year:				
Amounts owed by Group undertakings	-	-	1,536	1,396
Loans to jointly controlled entities	388	311	-	-

Amounts owed by Group undertakings due after more than one year relates to loans with a subsidiary undertaking, MSV Invest Limited, and attract an average fixed interest rate of 4.03%. All other inter-group balances are repayable on demand and do not attract interest.

Loans to the jointly controlled entity, GMJV Fundco LLP (see Note 17) attract an average fixed interest rate of 6.0%. Interest payments are accrued from the date of advance, with payment of interest to be received, along with repayment of capital, upon completion of the related development and sales programme (forecast 2025, no later than 2030).

20 Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Loans and borrowings (Note 24)	1,956	16,185	1,956	16,185
Trade creditors	2,118	821	2,113	821
Rent & service charges received in advance	2,232	2,415	2,231	2,399
Other taxation and social security	305	257	305	257
Other creditors	361	251	361	251
Accruals and deferred income	4,573	6,640	4,479	6,602
Retentions	628	1,206	628	1,206
Deferred capital grant (Note 22)	2,202	2,187	2,202	2,187
Recycled Capital Grant (Note 23)	573	-	573	-
	14,948	**29,962**	**14,848**	**29,908**

Amounts owed to Group undertakings are repayable on demand and do not attract interest. Loans are secured on housing properties. See Note 14.

21 Creditors: amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Loans and borrowings (Note 24)	183,520	165,713	183,520	165,713
Funds held on behalf of others	1,555	1,319	1,555	1,319
Deferred capital grant (Note 22)	182,672	178,946	182,672	178,946
Recycled Capital Grant Fund (Note 23)	1,459	1,473	1,459	1,473
	369,206	**347,451**	**369,206**	**347,451**

Loans are secured on housing properties. See Note 14.

22 Deferred capital grant

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
At 1 April	181,133	179,589	181,133	178,299
Transferred in from Mossbank Homes	-	-	-	1,290
Grants received in the year	6,341	4,439	6,341	4,439
Grants recycled to the RCGF (Note 23)	(567)	(845)	(567)	(845)
Released to income in the year (note 5)	(2,221)	(2,207)	(2,221)	(2,207)
Transfers from RCGF (Note 23)	52	55	52	55
Other movement	136	102	136	102
Transferred from housing properties	-	-	-	-
At 31 March	**184,874**	**181,133**	**184,874**	**181,133**

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Amounts to be released within one year (Note 20)	2,202	2,187	2,202	2,187
Amounts to be released in more than one year (Note 21)	182,672	178,946	182.672	178,946
	184,874	**181,133**	**184,874**	**181,133**

The value of Group Deferred capital grants excluding amortisation is £233,489k(2022: £226,968k); for the Association the gross value is £233,489 (2022: £226,968k) (see Note 14).

23 Recycled capital grant fund (RCGF) – Group and Association

	2023 £000	2022 £000
At 1 April	1,473	681
Grants recycled (Note 22)	567	845
Interest accrued	44	2
Grants utilised in the year (Note 22)	(52)	(55)
At 31 March	**2,032**	**1,473**

Grants utilised in-year relate to reallocation to new development schemes.

Repayment may be required where deferred grants are held for over three years. At 31 March 2023 the value of grants held for over three years was £Nil (2022: £Nil).

24 Debt Analysis

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Due within one year				
Bank loans and overdrafts (Note 20)	1,956	16,185	1,956	16,185
Due after more than one year				
Bank loans	177,106	159,063	177,106	159,063
Total loans and overdrafts	**179,062**	**175,248**	**179,062**	**175,248**
Loans repayable by instalments				
In one year or less (Note 20)	1,956	16,185	1,956	16,185
Between one and two years	1,662	1,956	1,662	1,956
Between two and five years	9,218	5,005	9,218	5,005
After five years	14,593	30,368	14,593	30,368
Total loans repayable by instalments	**27,429**	**53,514**	**27,429**	**53,514**
Loan issue premia/discount	8,190	8,520	8,190	8,520
Loan issue costs	(1,776)	(1,870)	(1,776)	(1,870)
Total loans repayable by instalments net of issue costs	**33,843**	**60,164**	**33,843**	**60,164**
Loans not repayable by instalments				
Between two and five years	9,500	4,500	9,500	4,500
After five years	142,133	117,234	142,133	117,234
Total loans not repayable by instalments	**151,633**	**121,734**	**151,633**	**121,734**

The Association has a portfolio of funding facilities with various lenders, each of which is secured by fixed charges on a specific portfolio of individual properties, which are subject to periodic revaluation in line with the terms of the relevant funding agreement.

The committed repayment profile is based on the facility agreements in place at 31 March 2023.

24 Debt Analysis (continued)

Security, terms of repayment and interest rates

Loans are secured by fixed charges on individual properties. The loans repayable by instalments are repaid by quarterly, half-yearly or annual instalments at variable or fixed rates of interest ranging from 4.695% to 11.166%. The instalments are due to be repaid between 2023 and 2043.

Loans not repayable by instalments are interest only at fixed rates ranging from 2.09% to 6.84%. The principal falls due to be repaid in the period 2023 to 2060. In addition to the above debt at 31 March 2023 the Association had £135.4m of undrawn loan facilities (2022: £147.9m).

The Association's weighted average cost of capital (excluding offset fees/premia) is 3.78% at 31 March 2023, and the weighted term of all facilities is 13 years.

25 Analysis of Net Debt

Group

	At 1 April 2022 £000	Cashflows £000	Other Non-Cash £000	At 31 March 2023 £000
Cash at bank and in hand	7,440	(3,709)	-	3,731
Bank loans (net of issue costs)	(175,248)	(3,814)	-	(179,062)
Net debt	**(167,808)**	**(7,523)**	**-**	**(175,331)**

Association

	At 1 April 2022 £000	Cashflows £000	Other Non-Cash £000	At 31 March 2023 £000
Cash at bank and in hand	7,305	(3,588)	-	3,717
Bank loans (net of issue costs)	(181,898)	(3,814)	6,650	(179,062)
Net debt	**(174,593)**	**(7,402)**	**6,650**	**(175,345)**

26 Pensions

The Group participates in schemes independently administered by three providers.

There are employees in two funds administered by the Social Housing Pension Scheme, both of which are defined benefit schemes.

Scottish Widows administer a defined contribution scheme which is no longer open to new members.

The Greater Manchester Pension Fund is a defined benefit scheme with two employees that is no longer open to new members.

Total contributions to employee pensions are detailed in Note 8 to these accounts.

Social Housing Pension Scheme (Group and Association)

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

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The next triennial valuation of The Scheme for funding purposes is due to be carried out on 30 September 2023. The last triennial valuation at 30 September 2020 revealed a deficit of £1,560m (£1,522 in September 2017). The Recovery Plan has been revised to remove this deficit by 31 March 2028.

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

26 Pensions (continued)

Present values of defined benefit obligations, fair value of assets and defined benefit asset/(liability)

	2023	2022
	£000	£000
Fair value of plan assets	14,855	23,446
Present value of defined benefit obligation	18,234	26,741
Surplus/(deficit) in plan	(3,379)	(3,295)
Unrecognised surplus	-	-
Defined benefit asset/(liability) to be recognised	(3,379)	(3,295)
Closing SHPS defined benefit liability at 31 March (Note 27)	(3,379)	(3,295)

Reconciliation of opening and closing balances of the defined benefit obligation

	2023	2022
	£0	£0
Defined benefit obligation at the start of the period	26,741	27,654
Current service cost	0	470
Expenses	19	14
Interest expense (Note 12)	739	606
Contributions by plan participants	0	42
Actuarial losses/(gains) due to scheme experience	(526)	1,217
Actuarial losses/(gains) due to demographic assumptions	(41)	(410)
Actuarial losses/(gains) due to changes in financial assumptions	(8,178)	(2,418)
Benefits paid and expenses	(520)	(434)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses/(gains) on curtailments	-	-
Losses/(gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of the period	**18,234**	**26,741**

26 Pensions (continued)

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

	2023	2022
	£0	£0
Fair value of plan assets at the start of the period	23,446	21,522
Interest income (Note 11)	658	477
Experience of plan assets (excluding amounts included in interest income – gain/(loss)	(9,571)	929
Contributions by employer	842	910
Contributions by plan participants	-	42
Benefits paid and expenses	(520)	(434)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of the period	**14,855**	**23,446**

Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)

	2023	2022
	£0	£0
Current service cost	-	470
Expenses	19	14
Net interest expense	81	129
Losses/(gains) on business combinations	-	-
Losses/(gains) on settlements	-	-
Losses/(gains) on curtailments	-	-
Losses/(gains) due to benefit changes	-	-
Defined benefit costs recognised in the Statement of Comprehensive Income	**100**	**613**

26 Pensions (continued)

Defined benefit costs recognised in Other Comprehensive Income

	2023	2022
	£0	£0
Experience on planned assets (excl. amounts included in net interest costs) – gain/(loss)	(9,571)	929
Experience gains/(losses) arising on the plan liabilities – gain/(loss)	526	(1,217)
Effects of the demographic assumptions underlying the present value of the defined obligation – gain/(loss)	41	410
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	8,178	2,418
Total actuarial gains/(losses) (before restriction due to some of the surplus not being recognisable)	(826)	2,540
Effect of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain/(loss)	-	-
Total amount recognised in Other Comprehensive Income – gain/(loss)	**(826)**	**2,540**

26 Pensions (continued)

Assets

	2023	2022
	£000	£000
Global Equity	277	4,500
Absolute Return	161	941
Distressed Opportunities	450	839
Credit Relative Value	561	779
Alternative Risk Premia	28	773
Fund of Hedge Funds	-	-
Emerging Markets Debt	80	682
Risk Sharing	1,094	772
Insurance-Linked Securities	375	547
Property	639	633
Infrastructure	1,697	1,670
Private Debt	661	601
Opportunistic Illiquid Credit	635	788
High Yield	52	202
Opportunistic Credit	1	83
Cash	107	80
Corporate Bond Fund	-	1,564
Liquid Credit	-	-
Long Lease Property	448	603
Secured Income	682	874
Liability Driven Investment	6,841	6,542
Currency Hedging	28	(92)
Net Current Assets	38	65
Total assets	**14,855**	**23,446**

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

Key assumptions

	2023	2022
	% per annum	% per annum
Discount Rate	4.85%	2.79%
Inflation (RPI)	3.18%	3.51%
Inflation (CPI)	2.78%	3.16%
Salary Growth	3.78%	4.16%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

26 Pensions (continued)

The mortality assumptions adopted at 31 March 2023 imply the following expectations:

	Life expectancy at age 65 2023 (Years)	Life expectancy at age 65 2022 (Years)
Male retiring in 2023	21	21.1
Female retiring in 2023	23.4	23.7
Male retiring in 2043	22.2	22.4
Female retiring in 2043	24.9	25.2

27 Provisions for liabilities and charges

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
SHPS defined benefit asset/(liability) (Note 26)	(3,379)	(3,295)	(3,379)	(3,295)

28 Share capital

Allotted, issued and fully paid	Group 2023 Number	Group 2022 £	Association 2023 Number	Association 2022 £
At 1 April	53	62	50	59
Issued during the year	5	5	5	-
Cancelled during the year	(9)	(14)	(9)	(9)
At 31 March	**49**	**53**	**46**	**50**

The par value of each share is £1. Shares provide members with the right to vote at General Meetings, but do not provide any rights to dividends or distributions on a winding up and are not redeemable. Each share has full voting rights. All shares are fully paid.

29 Operating leases

The Group and Association hold land & buildings, office premises and office equipment under non-cancellable operating leases. At 31 March 2023 commitments of future minimum lease payments are as follows:

Amounts payable as lessee

Group	Land & buildings £000	Office premises £000	Equipment £000	Total 2023 £000	Total 2022 £000
In one year or less	279	104	15	398	359
Between one and five years	786	235	-	1,001	796
Greater than 5 years	1,363	-	-	1,363	1,341
At 31 March	**2,408**	**339**	**15**	**2,762**	**2,496**

Association	Land & buildings £000	Office premises £000	Equipment £000	Total 2023 £000	Total 2022 £000
In one year or less	320	104	15	439	421
Between one and five years	931	235	-	1,166	961
Greater than 5 years	1,401	-	-	1,401	1,420
At 31 March	**2,652**	**339**	**15**	**3,006**	**2,802**

30 Capital commitments

	Group 2023 £000	Group 2022 £000	Association 2023 £000	Association 2022 £000
Capital expenditure				
Capital expenditure that has been contracted for but has not been provided for in the financial statements	18,765	9,628	18,765	9,628
Capital expenditure that has been authorised but has not yet been contracted for	15,217	89,350	15,217	89,350
	33,982	**98,978**	**33,982**	**98,978**

The Group expects to finance the above expenditure with a mixture of social housing grants, loans drawn under existing loan arrangements and cash reserves generated from operations and property sales.

31 Related parties

The ultimate controlling party of the Group is Mosscare St. Vincent's Housing Group Limited.

There is currently one tenant who is a member of the Group Board. The member holds tenancy agreements on normal terms and cannot use their position to their advantage. The rent charged for the period was £5807 (2022: £5,496) and the tenant had a credit balance of £301 (2022: credit £735).

Transactions with non-regulated entities

The Association provides management services, other services, and loans to its subsidiaries. The Association also receives charges from its subsidiaries. The quantum and basis of those charges is set out below:

Payable to the Association by subsidiaries

	Management charges		Other charges		Interest charges	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
MSV Invest Ltd	8	8	-	-	125	37
	8	**8**	**-**	**-**	**125**	**37**

There are no charges payable by the Association to subsidiaries

Intra-Group management fees

Intra-Group management fees are receivable by the Association to cover the running costs the Association incurs on behalf of managing its subsidiaries. The management fee is calculated on a department basis with varying methods of allocation. The costs are apportioned as follows:

Department	By reference to
Finance	Time
Human Resources	Staff
Executive	Units
Health & Safety	Staff
ICT	Equipment
Rent Collection	Turnover

Intra-Group interest charges

Intra-Group interest is charged by the Association to its subsidiaries at the rates set in the relevant loan agreements.

Intra-Group loans

Entity granting loan	Entity receiving loan	Opening balance £000	Movement £000	Closing balance £000
Mosscare St Vincent's Housing Association Limited	MSV Invest Limited	1,475	143	1,618

31 Related parties (continued)

Terms of repayment

The terms of the secured intercompany loan agreements require MSV Invest to repay the total loan by no later than 31 December 2030 or any other date as separately agreed by the boards of both MSV Invest and MSV. MSV may at its discretion demand the repayment of the total amount of the loan in full at any time during the term on giving 12 months' prior written notice to MSV Invest.

Other amounts owing to the Association by subsidiaries.

	Association 2023 £000	Association 2022 £000
MSV Invest Ltd	177	229
	177	**229**

There are no other amounts owed by the Association to subsidiaries.

32 Contingent Liabilities

We were notified in 2021 by the Trustee of the SHPS Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.