

Pickering and Ferens Homes

Report and Financial Statements

31 March 2024

BOARD OF DIRECTORS

At the date of this report the directors of Pickering and Ferens Homes Trustee Ltd were:

Kate Calvert (Chair)	Co-opted board member
Valerie Crowhurst	Co-opted resident board member
Pam Davies	Co-opted board member
Anna Folwell	Co-opted board member
Rachel Garton	Co-opted board member
Andy Gladwin	Co-opted Committee member
John Glenton	Co-opted board member
Allen Healand	Nominated board member
John Holmes	Co-opted resident board member
Catherine Kelly	Co-opted board member
Andy Micklethwaite	Co-opted board member
Cheryl Payne	Nominated board member
Emma Whittles	Co-opted board member

The following changes took place:

Linda Chambers	resigned on 19 Mar 2024	Catherine Kelly	appointed on 1 Nov 2023
Paul Common	retired on 25 July 2023	Christine Mackay	resigned on 7 Oct 2023
Andy Gladwin	appointed on 1 Nov 2023	Andy Micklethwaite	appointed on 26 Sept 2023
John Glenton	appointed on 25 July 2023	Cheryl Payne	appointed on 18 May 2023
Allen Healand	appointed on 19 Mar 2024	Rupert Pometsey	resigned on 27 Feb 2024
John Holmes	appointed on 25 July 2023	Emma Whittles	appointed on 21 May 2024

EXECUTIVE TEAM

Claire Warren	Chief Executive
Lish Harris	Business Services Director
Richard Walker	Home Services Director

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

TIAA Ltd
Artillery House
Fort Fareham, Newgate Lane
Fareham PO14 1AH

PRINCIPAL BANKERS

Santander UK plc
6-8 King Edward Street
Hull HU1 3SS

National Westminster Bank plc
34 King Edward Street
Hull HU1 3SS

Barclays Bank plc
(Hull Branch)
Leicester LE87 2BB

LENDERS

Nationwide Building Society
Kings Park Road
Northampton
NN3 6NW

The Housing Finance Corporation Ltd /
Affordable Housing Finance plc
3rd Floor
17 St. Swithin's Lane,
London EC4N 8AL

SOLICITORS

Rollits LLP
Citadel House
58 High Street
Hull HU1 1QE

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

REGISTERED OFFICE

7 Beacon Way
Hull
HU3 4AE

REGULATOR OF SOCIAL HOUSING REGISTERED No.

A4020

PICKERING AND FERENS HOMES TRUSTEE LTD COMPANY No.

13968187

CHARITY COMMISSION REGISTERED No.

1014862

NATIONAL ASSOCIATION OF ALMSHOUSES REGISTERED No.

981

Pickering and Ferens Homes
REPORT OF THE TRUSTEE
for the year ended 31 March 2024

INCORPORATION

Pickering and Ferens Homes is a registered Charity (the Charity), a registered provider with the Regulator of Social Housing, and a member of the National Association of Almshouses.

In March 2022, the Board of Trustees agreed to incorporate Pickering and Ferens Homes Trustee Limited as a trustee company (No. 13968187), and for that company to be appointed as corporate trustee of the Charity by a Charity Commission Scheme. The individual trustees of the Charity are now Directors of the trustee company and operate the Charity through the trustee company with the benefit of limited liability.

DIRECTORS

The Directors during the year are those listed on page 1. The full complement of Directors comprises two nominated Hull City Councillors, two residents, eight co-opted board members and one co-opted committee member.

DIRECTORS INTERESTS

The Directors do not receive any remuneration from the trustee company or the Charity.

THE CHARITABLE TRUST DEED AND ADDITIONAL MATTERS

On 14 March 2022 the Charity Commissioners for England and Wales approved a new Charitable Trust Scheme. This scheme forms the governing document of the Charity. The powers of the corporate trustee are included within the Charitable Trust Scheme. No Directors of the trustee company may have a personal interest in the Charity and all Directors exercise their powers jointly at properly convened meetings.

Beneficiaries of the Charity are “persons who are in need by reason of age, ill health, disability, financial hardship or other disadvantage with priority being given to those who were either born or are resident in the area of benefit”. The objects of the Charity are:-

- a) the provision of temporary or permanent housing accommodation for the beneficiaries, and
- b) such charitable purposes for the benefit of the beneficiaries as the Board of Directors decide, including but not limited to the provision of health and social care and wellbeing activity to improve their quality of life, relief of financial hardship, sickness and poor health amongst them, and the provision of specially designed or adapted housing, and items, services or facilities calculated to relieve their needs.

During the year the Charity refreshed the corporate plan and its strategic ambitions to demonstrate its exemplar status:

- a) To provide a home where residents feel safe.
- b) To invest in its homes and keep them to a high standard.
- c) To deliver services that offer value for money.
- d) To increase the energy efficiency of its homes (and reduce the carbon they produce).
- e) To build more homes to support the area's older persons housing needs.
- f) To meet residents' needs by offering a range of ways to access services, embracing user friendly technology, when it makes residents' lives easier or better.
- g) To work alongside the community, and other agencies, to help residents live well in the Charity's homes, for as long as they want to.
- h) To run the Charity well, ensuring everyone working on behalf of residents is professional and has the right skills, tools and knowledge.

The Charity's strategic review is driven by the following factors:

- A desire to be a local organisation delivering quality nationally recognised exemplar services to older people.
- A commitment to reviewing performance, reducing costs and maintaining quality services so that they are competitive, affordable and achieve value for money as judged by sector comparisons and the Charity's customers.
- A desire to meet local demand by providing a supply of new housing for older people.
- The opportunity to review and modernise strategic approaches and working practices so that they remain relevant, offer choice and recognise differing needs.
- The opportunity to work with partners to deliver health and wellbeing outcomes particularly with regards to combatting loneliness and isolation and to offer homes as a 'home for life' wherever possible.

- To have an ongoing conversation with our residents to identify how we can add value to our communities and be “more than just a landlord”.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

Our primary objective is to provide quality social housing homes and services which enhances the lives of older people within our communities.

As at 31 March 2024, the Charity was responsible for the management of 1,429 properties. All properties are located within the city of Kingston upon Hull and the East Riding of Yorkshire.

During the year ended 31 March 2024, the Charity -

- Developed a new 3-year Corporate Plan to take it to 2027/28. An accompanying Financial Plan enabled the setting of rents, service charges, capital and revenue budgets, new development targets and property improvement programmes.
- Moved into new Head Office premises at The Beacon.
- Appointed a new Chair of Audit and Risk Committee, Andrew Micklethwaite.
- Appointed Catherine Kelly, Cheryl Payne, John Glenton, John Holmes, Valerie Crowhurst and Allen Healand as new board members, and Andrew Gladwin as a co-opted committee member to the Audit and Risk Committee.
- Successfully evidenced its governance and financial strength through a regulatory stability check where the highest G1/V1 rating was retained.
- Co-designed a new approach to staff engagement and rewards and recognition through the support of a staff working group.
- Achieved Gold Investors in People accreditation status and 90% of its staff would recommend PFH as a great place to work.
- Appointed Pro Development to lead the next phase of organisational culture development work.
- Established a new communications and marketing partnership with HOME Marketing.
- Evaluated the Ryde Avenue development experimental sustainable infra-red heating systems.
- Undertook a range of capital investment and compliance service-related re-procurements to deliver value for money for residents, including an extension of the Grounds Maintenance Contract on revised commercial terms.
- Undertook a programme of externally commissioned audits of all health and safety property related compliance areas including damp, mould and condensation.
- Using independent researchers, Viewpoint, undertook regulatory Tenant Satisfaction Measures survey work, and achieved an overall satisfaction score of 90%, with 96% of residents satisfied with the repairs service and that their home is well maintained. 88% of residents felt that their views were listened to and acted upon and the Charity worked with its resident scrutiny panel to progress their recommendations in relation to complaints management and communications.
- Retained its Customer Service Excellence Award, with areas of outstanding progress and good practice identified.
- Undertook a comprehensive review of policy related to data protection.
- Evaluated the “Try Before You Apply” sheltered housing project initiative alongside research by Hull University.
- Updated policy and commissioned stock condition work to increase the level of physical surveys and to validate associated financial assumptions within our long-term plans.
- Continued work to maintain exemplary standards in relation to health and safety compliance.
- Invested £260k in communal area enhancements at Christopher Pickering Lodge.
- Significantly improved the occupancy levels and reduced turnover to lower void loss, protecting the Charity’s income streams.
- Reduced staff turnover and sickness levels but experienced difficulty recruiting suitable candidates to key posts requiring established levels of skills and experience.
- Reviewed supplier spend and procurement activity to determine a new Procurement Strategy.
- Received Feed-In-Tariff income of £36k during the year following strategic solar panel investment.
- Supported its sustainability roadmap by commencing a partnership programme of funded cavity wall insulation programme with Warm Front to over 200 homes, securing grant support of over £300k, improving average SAP ratings from 71 to 72.47 leaving only a maximum of 232 homes (16% of all stock) with a rating lower than an EPC Grade C.
- Held strategic workshops to refresh the Charity’s key risks and evaluate how these risks could affect the finances through a process of robust stress testing and mitigation planning.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS (continued)

- Completed capital financing arrangements with Nationwide Building Society; and
- Self-assessed against the new Consumer Standards regulatory standards requirements.

As at 31 March 2024 the Charity was also:

- On site developing 24 new homes at Padstow Close for completion in Summer 2024.
- Progressing the implementation of the CIVICA Housing and Financials system with a projected go live date of October 2024.
- Onboarding the Chair Designate, John Glenton. Kate Calvert will remain as Chair until October 2024 and an extension to her term of up to 1 year was considered and agreed by the Board.
- Completing phase 4 insulation works and internal remodelling to the original, Grade II listed Pickering Crescent Almshouses and upgrading external spaces.
- Implementing PFH Connect new assistive technology project.
- Recruiting to the long term vacant, difficult to recruit, Property and Compliance Manager role
- Commissioning external consultants to work on decarbonisation and energy solutions, including the accessing of external funding where possible.
- Self-assessing against the revised Ombudsman Complaints Handling Code requirements.
- Preparing to tender the grounds maintenance service working alongside residents.
- Researching key land site and development opportunities to deliver the Charity's growth plans; and
- Continuing projects prioritised as part of the "More Than a Landlord" research:
 - Integrated welcome service.
 - Integrated bereavement support service, in partnership with other agencies.
 - Activities programmes, in partnership with other agencies.
 - Warmer homes offer, in partnership with other agencies.
 - An updated Aids and Adaptations service offer

Public Benefit

We have referred to the guidance set out in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities. The Board of Directors consider the Charity's activities reflect our aims and objectives, and that they are designed to provide accessible services that benefit the social housing sector in accordance with our charitable activities.

Pickering and Ferens Homes
REPORT OF THE TRUSTEE (continued)
for the year ended 31 March 2024

BUSINESS AND FINANCIAL REVIEW

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Comprehensive income - highlights					
Total turnover	9,593	9,201	8,304	9,528	8,262
Operating surplus	1,258	1,354	1,286	3,118	2,098
Interest payable and similar charges	452	463	477	389	385
Surplus for the year	1,093	993	923	2,890	1,721
	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Cash flow - highlights					
Net cash inflow from operating activities	3,454	2,232	2,739	3,551	3,004
	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Financial position - highlights					
Housing property at cost	101,805	97,599	95,281	89,860	86,384
Cash at bank	4,652	5,469	6,749	11,054	5,693
Net current assets	4,731	5,670	6,470	11,417	3,784
Total loans	17,216	17,471	18,123	20,394	14,323
Defined benefit pension (liability) / asset	-	-	(63)	(1,267)	34
Net assets	37,036	35,943	34,798	32,481	30,821
	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Statistics					
Units in ownership	1,429	1,429	1,392	1,379	1,353
Operating margin overall	13.11%	14.72%	15.49%	32.72%	25.39%
Operating margin social housing lettings	12.76%	11.04%	14.74%	20.67%	24.13%
Rent lost from voids and bad debts	1.15%	1.04%	2.02%	1.64%	0.72%
Rent arrears (current residents)	1.16%	1.12%	0.48%	1.23%	1.08%
Interest cover (earnings before interest, tax, depreciation, amortisation, major repairs included to net interest payable)	3.28	3.96	3.67	9.67	6.4
Adjusted gearing	15.75%	15.10%	14.54%	12.64%	12.07%

The Charity is pleased to report a net surplus for the year of £1,093k (2023 £993k). The improvement on net surplus was mainly driven by an increase in investment income received during the year. Net surplus was 11.4% (2023: 10.8%) of turnover and the operating margin on social housing lettings was 12.8% (2023: 11.0%). Total loans reduced during the year by £255k following scheduled repayments. Total comprehensive income was not impacted by an actuarial adjustment due to the Charity exiting the East Riding of Yorkshire defined benefit pension scheme during 2022-23 (see note 24).

Total turnover increased from £9,201k in 2023 to £9,593k in 2024, an increase of 4.3%, which was predominantly due to rent increases and an increase in the amount of revenue grant received during the year. Operating expenditure increased from £7,847k to £8,335k in 2024 following increases in management, maintenance and service costs and increases in the depreciation of property and other fixed assets.

The Charity continues to generate a strong net cash flow from operating activities of £3,454k (2023: £2,232k).

BUSINESS AND FINANCIAL REVIEW (continued)

Tangible fixed assets stood at £83,584k (2023: £80,410k) an increase of 3.95% predominantly driven by the investment in new and existing homes. The Charity ended the year with cash and short-term investments of £6,283k (2023: £7,023k). The decrease was due to cash being utilised for the development and investment in the Charity's homes. These resources will continue to be used to fund the Charity's operational and development objectives over the next two years.

Interest cover (which measures the extent to which the surplus covers interest payments) was 3.28 at 31 March 2024 (2023: 3.96), and gearing (which measures the level of indebtedness, using the value for money metrics definition for adjusted gearing) increased to 15.75% (2023: 15.10%) following utilisation of cash balances in the year.

VALUE FOR MONEY (VFM)

Introduction

The Charity remains committed to providing high quality services which represent value for money for both its customers and stakeholders. VFM is central to the Charity being able to deliver its mission and strategic ambitions and is about:

- doing the right things and investing in the right physical and human assets at the right price;
- doing things right through economic, efficient, and effective delivery; and
- evaluating success and checking that the right outcomes have been delivered.

Effective management of the Charity's resources enables a healthy generation of surpluses that can be reinvested in both existing and new homes and in services that residents value. Strong financial performance also enables access to new loans at an affordable interest rate to support future development plans.

Linked to its strategic ambitions the Charity has developed the following VFM objectives:

- Involve board members, staff, and residents in understanding costs, how they relate to performance and how the Charity compares with others.
- Assess the return on assets and ensure effective procurement and delivery of alternative models and solutions for poor performing assets.
- Deliver cost effective services to residents, at the right level of quality and with particular emphasis being placed on a range of customer access options, including a digital platform.
- Delivering added value elements to our service that improve resident's health and general well-being including affordable warmth projects.
- Increase development capacity and the supply of new homes.
- Explore all avenues of improving VFM including using partnership working and alternative methods of service delivery.

We recognise that value for money does not have to mean cheapest. There are however many competing demands on the resources available to us for example: development of new homes, investment in our existing homes, achieving net zero carbon targets, complying with building safety regulations, providing a wide range of services to our customers, and investing in local communities. We are not seeking to minimise cost to maximise profit or improve our metrics, for us, Value for Money means using our resources wisely to achieve these ambitions for the benefit of those we serve.

VFM Framework and Communication

The Board meets at least six times a year and as part of the scheduled agenda items, board members receive Performance and Value for Money reports. The Board demonstrates ownership and oversight of VFM activities in the following ways:

- Approval of the Charity's VFM strategy.
- Approval of all business strategies, plans and actions that underpin the Charity's approach to creating value.
- Consider the VFM implications of key decisions through standardised board reporting templates, where possible considering the costs and benefits of alternative options.
- Review and agree VFM targets and monitor VFM achievements against targets through half yearly progress reports.
- Proactively championing a culture of VFM outcomes throughout the Charity.
- Give importance to and assess the social value created through the Charity's activities.

Pickering and Ferens Homes

REPORT OF THE TRUSTEE (continued) for the year ended 31 March 2024

VALUE FOR MONEY (VFM) (continued)

The Charity communicates its VFM achievements to stakeholders in the following ways:

- Through the Report of the Trustee in the annual financial statements, which are also published on its website.
- In its periodic newsletter to residents "People First".
- Through its Annual Report to residents which is also distributed to partners and funders.
- Through the leadership and management team to staff at management, staff, and team meetings.

Understanding our costs

The code of practice that supports the VFM standard states that registered providers must understand absolute costs, how these have moved over time and how they compare. We are committed to carrying out benchmark analysis against a peer group of registered providers that offer similar services and are similar in size to the Charity. Our peer group is reviewed annually and includes the following organisations: Arawak Walton HA, Arches HA, Durham Aged Mineworkers HA, Nehemiah, and Railway HA. We use the latest data set from Housemark and the Regulator of Social Housing to compare results (currently 2022/23). In previous years Leeds and Yorkshire HA have been included as part of our peer group, however following their merger with the Karbon Homes Group in December 2022, along with York Housing Association they have become 54North Homes Group and are therefore no longer a comparable partner. They did not submit any data for the year to March 2023 and are therefore not included in our peer group comparisons.

Regulator metrics

The table below shows our performance against the metrics set out by the regulator. It also shows the average performance against both our peer group and the sector and sets out our expected outturn and performance targets (VFM Ambitions) for the coming years.

Metric	Backward Look			Current Performance			Forward Look		
	2021-22 PFH Actual	2022-23 PFH Actual	2022-23 Peer Group Average	2023-24 Target	2023- 24 Actual	2022-23 Status against Target	2024-25 Year 1	2025-26 Year 2	VFM Ambition
Reinvestment in Existing Stock and New Build	7.29%	3.53%	4.41%	5.66%	5.57%	☹️	8.18%	6.90%	>6%
New Supply Delivered as a Percentage of total stock owned	0.93%	2.59%	1.71%	0%	0%	😊	1.65%	2.35%	>1%
Adjusted net leverage / Gearing	14.54%	15.10%	27.6%	16.76%	15.75%	😊	17.94%	21.46%	<40%
Interest Cover EBITDA (MRI)	346%	320%	205%	377%	328%	☹️	419%	351%	>300%
Headline social housing cost per unit	£4,707	£5,126	£4,008	£5,552	£5,768	☹️	£6,028	£6,135	<£5,250
Operating Margin - Social Housing lettings	14.74%	11.01%	19.75%	11.18%	12.76%	😊	12.06%	10.16%	>19%
Operating Margin - Overall	15.49%	14.72%	20.5%	12.50%	13.11%	😊	12.48%	10.58%	>20%
Return on capital employed	1.50%	1.57%	2.26%	1.10%	1.42%	😊	1.44%	1.21%	>3%

New Supply (Non-social housing units)

The Charity does not own any non-social housing units, nor does it have plans to acquire or develop any – therefore this metric is 0% and is not shown in the table above.

Pickering and Ferens Homes
REPORT OF THE TRUSTEE (continued)
for the year ended 31 March 2024

VALUE FOR MONEY (VFM) (continued)

Reinvestment in Existing stock and new build

This metric looks at the investment we have made in properties (existing stock and new supply) as a percentage of the total properties we hold. The higher the percentage, the more investment has been made.

The outturn for this metric has increased from 3.53% in 2022-23 to 5.57% in the reporting year. This reflects investment of over £2m in the new homes being built at Padstow Close and a further £2m in our existing homes during 2024-25. We expect the level of reinvestment to increase further during 2024-25 as we complete the 24 new homes at Padstow Close, and continue to replace boilers, kitchens and windows at a number of our schemes. Our longer-term strategy is to continue to progress our programme of component replacements in line with our asset strategy and build an average of 15-20 new homes each year.

Housemark Benchmark results for 2022-23:

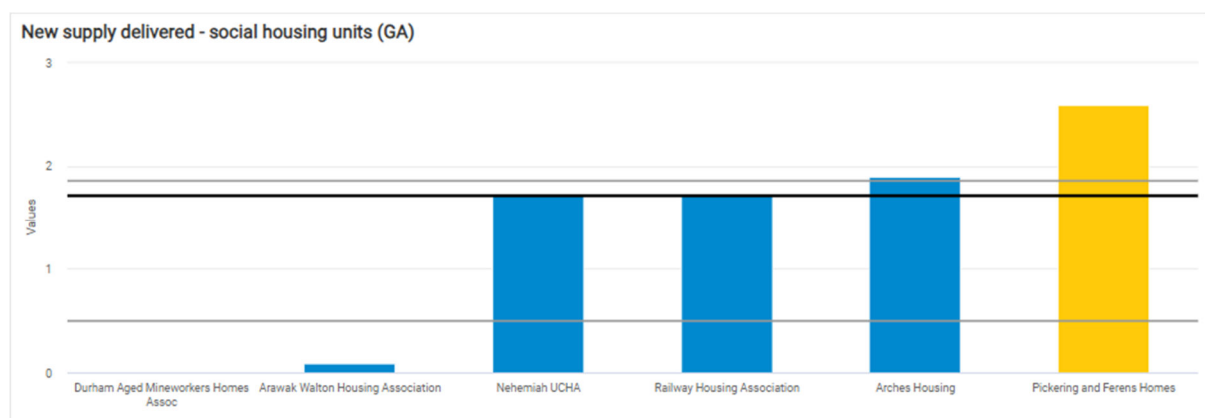


New Supply Delivered

This metric sets out the number of new social housing units that have been constructed (acquired or developed) in the year as a proportion of the total social housing units we owned at the end of the year. The higher the percentage, the greater the number of units added.

In line with our development plans there were no new properties added to our portfolio of stock during the year. We expect this metric to increase to 1.7% in 2024-25 as we complete the new properties at Padstow Close.

Housemark Benchmark results for 2022-23:



Pickering and Ferens Homes
REPORT OF THE TRUSTEE (continued)
for the year ended 31 March 2024

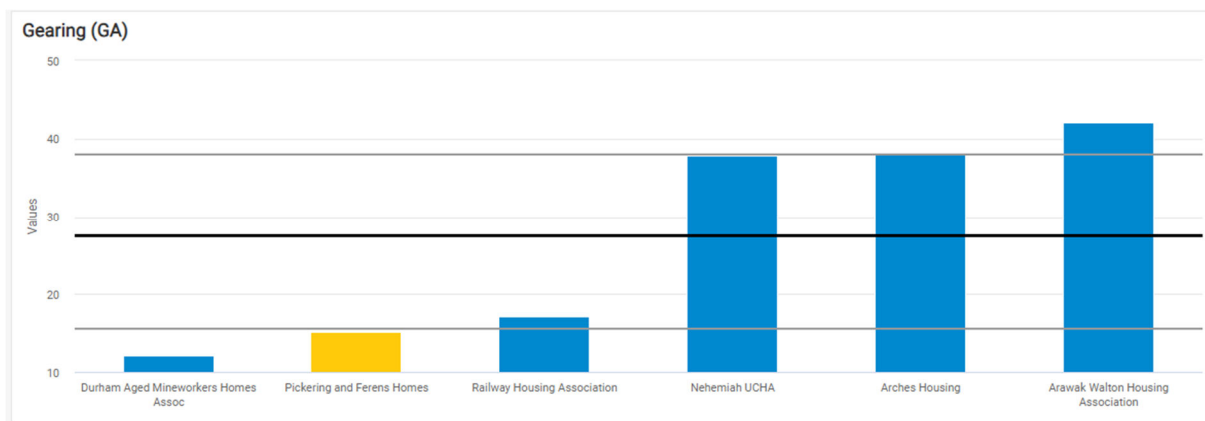
VALUE FOR MONEY (VFM) (continued)

Adjusted Net Leverage / Gearing

This metric assesses how much of our adjusted assets are made up of debt and the extent to which we depend on debt finance. It can be seen as a registered provider's appetite for growth. The lower this percentage the better as a highly geared organisation is more susceptible to economic downturns and is more at risk of financial failure.

The metric increased slightly in 2023-24, but ended the year lower than expected. It also remained significantly below the benchmark average of 27.51% for the year. The 15.75% outturn reflects a reduction in cash balances at the end of the year. We expect further upward movement to circa 21% over the next 2 years however the Charity will continue to remain significantly below the benchmark average and lower than most of our peers.

Housemark Benchmark results for 2022-23:

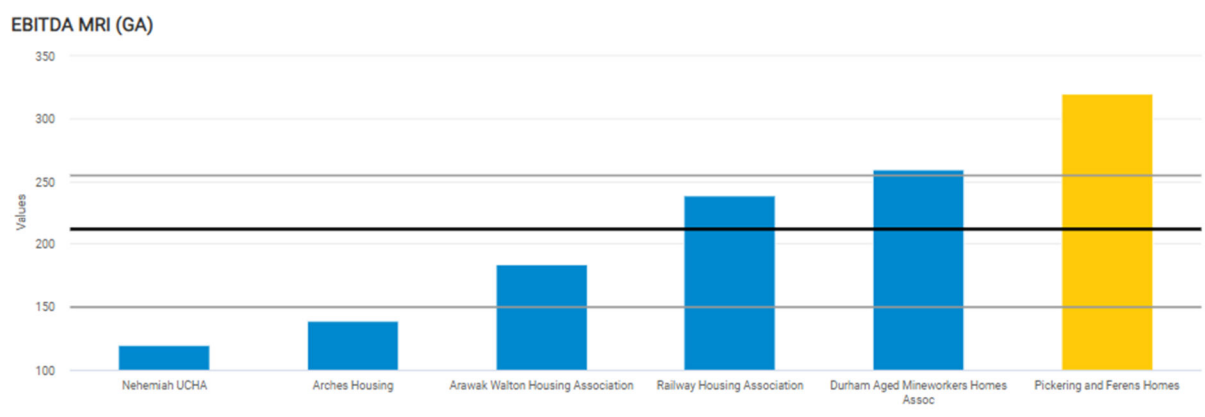


Interest Cover - EBITDA (MRI)

This measures the level of surplus that is generated compared to interest payable. It is a key indicator for liquidity and investment capacity. The higher this percentage is, the better.

This metric was below forecast at 328% in 2023-24, a small increase from the 320% recorded in 2022-23, but significantly higher than the benchmark average of 211%. It is expected to increase in the next 2 years and will continue to perform better than most of our peers.

Housemark Benchmark results for 2022-23:



Pickering and Ferens Homes

REPORT OF THE TRUSTEE (continued) for the year ended 31 March 2024

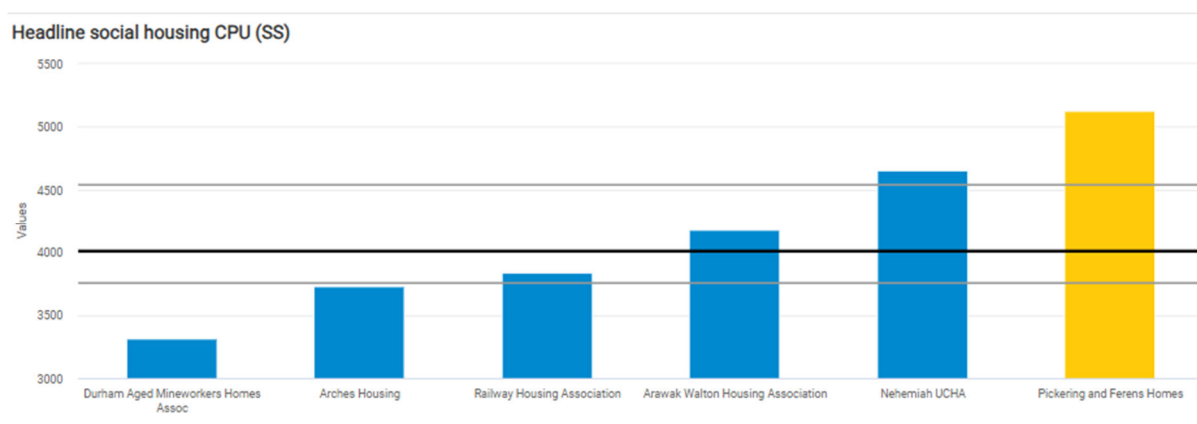
VALUE FOR MONEY (VFM) (continued)

Headline Social Housing cost

This metric assesses the headline social housing cost as defined by the regulator. It takes into account management costs, service charge costs, maintenance and repair costs as a proportion of the total number of units owned.

Continuing increases in management and service costs during the year have meant that there has been a further increase in this metric from the £5,126 reported for 2022-23 to £5,768 in 2023-24. We understand that our commitment to a high-quality repairs and maintenance programme along with the unprecedented high cost of insuring our properties, means that this metric is generally higher compared to our peers. We anticipate that, as a result of this, and continued cost pressures, this metric will increase further in the coming years, potentially at a slower rate, following the retender of insurance services during the year, and as we continue to ensure that our residents receive the best quality service.

Housemark Benchmark results for 2022-23:

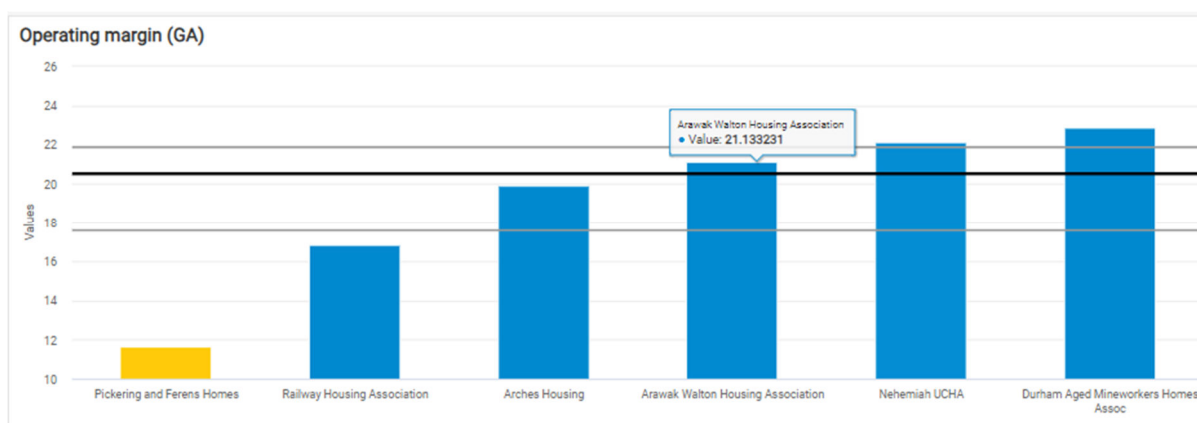


Operating Margin (Overall)

The operating margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

For 2023-24 the overall operating margin has reduced to 13.11% from the 14.72% reported last year. The annual turnover has increased however the operating surplus is lower than the previous year due to the continuing rise in operating expenditure. We forecast this metric to decrease further over the next two years but plan to continue to seek efficiency measures to ensure that our target of >20% is achieved.

Housemark Benchmark results for 2022-23:



Pickering and Ferens Homes

REPORT OF THE TRUSTEE (continued) for the year ended 31 March 2024

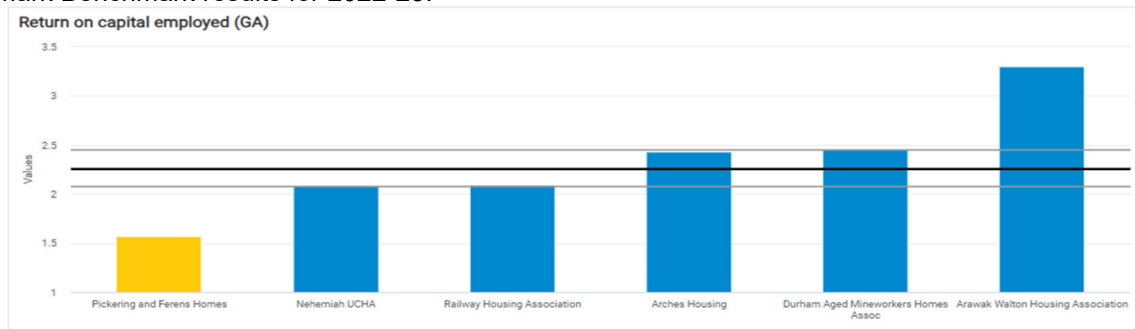
VALUE FOR MONEY (VFM) (continued)

Return on Capital Employed

This metric compares the operating surplus to total assets, less current liabilities. It is a common measure for assessing the efficient investment of capital resources. The higher the percentage, the higher the return and the better the performance.

This metric has seen a reduction on the 1.57% reported last year to 1.42% for 2023-24, as a result of increased operating costs. Although we continue to invest in new properties, surpluses are expected to remain level over the next 3 years. We are forecasting this metric to increase slightly in 2025 and then reduce over the following years. Work continues on an efficiency plan for current and future years with the intention that it will move the Charity closer to the benchmark average.

Housemark Benchmark results for 2022-23:



2023-24 Performance Against Strategic Objectives and Local Value for Money Measures

In addition to the Regulatory VFM metrics, we have identified some local VFM measures against each of our strategic objectives.

Strategic Ambitions 1 and 2

To provide a home where residents feel safe. To invest in our homes and keep them to a high standard.

VfM Metric	Measure of:	2023-24 Target	2023-24 Actual	RAG Status	2024-25 Target	Notes / Rationale
% Emergency Repairs attended in time	Efficiency	99%	99.9%	😊	99%	The target was achieved again for 2023-24, every emergency is discussed with contractors to learn lessons and assess risk.
% Repairs completed in target	Efficiency	99.0%	99.9%	😊	91%	Good performance throughout the year, which is expected to be maintained during 2024-25..
% Properties meeting the Decent Homes Standard	Effectiveness	100%	100%	😊	100%	Full compliance achieved
Full compliance with Landlord Health and Safety (Inc Gas Safety)	Effectiveness	100%	100%	😊	100%	Full compliance achieved
% properties with valid Electrical (EICR) certificate	Effectiveness	100%	100%	😊	100%	Full compliance achieved
% properties with a valid Fire Risk Assessments	Effectiveness	100%	100%	😊	100%	Full compliance achieved
% of non-domestic properties with an Asbestos survey	Effectiveness	100%	100%	😊	100%	Full compliance achieved
% Tenant satisfaction with their homes (STAR)	Effectiveness	94%	96%	😊	95%	Top quartile performance in our benchmarking group is 85%
% Tenant satisfaction with repairs & maintenance (ongoing)	Effectiveness	92%	96%	😊	95%	Satisfaction in this area increased by 5% in 2023-24.


Pickering and Ferens Homes

REPORT OF THE TRUSTEE (continued) for the year ended 31 March 2024

VALUE FOR MONEY (VFM) (continued)


Strategic Ambition 3

To increase the energy efficiency of homes and reduce the carbon they produce.

VfM Metric	Measure of:	2023-24 Target	2023-24 Actual	RAG Status	2024-25 Target	Notes / Rationale
Number of Properties with an EPC rating lower than C	Efficiency	< 500	253		< 200	EPC reviews continued in February 2024 following a short delay, this reflects in the drop in numbers of properties with an EPC rating lower than C compared to 2022-23. There were still some reviews to be carried out at the year end.







Strategic Ambition 4

To meet residents' needs by offering a range of ways to access services, embracing user friendly technology, when it makes residents' lives easier or better.

VfM Metric	Measure of:	2023-24 Target	2023-24 Actual	RAG Status	2024-25 Target	Notes / Rationale
Satisfaction that PFH listens to residents' views and acts upon them (STAR)	Effectiveness	86%	88%		87%	Results were ahead of target for 2023-24, top quartile performance for our benchmarking group is 83%. Current performance is expected to continue in 2024-25.

Strategic Objective 5

To deliver services that offer value for money.

VfM Metric	Measure of:	2023-24 Target	2023-24 Actual	RAG Status	2024-25 Target	Notes
Overall satisfaction with PFH (STAR)	Efficiency	95.00%	90.00%		90%	We maintain a high satisfaction rating. The top quartile performance for our benchmarking group is 89%.
% Residents satisfied that service charge provides VfM (STAR)	Efficiency	86.00%	74.00%		86%	Results based on 25 surveys per month, satisfaction dropped in final month of the year following the receipt of letters informing residents of the WMC (Rent) increase.
% Rent Loss through void properties	Efficiency	1.04%	0.97%		1.05%	Performance was significantly below target following performance improvements implemented throughout year. Void loss closed 2023-24 at lowest level since 2019-20. Void loss including TBYA properties is 1.01%
Average Re-let time (days)	Efficiency	40	36.9		40	Actual performance was better than expected for 2023-24. Target for 2023-24 assumes current performance continues.
% Rent Collected	Efficiency	100%	99.04%		99.5%	Rent collection levels remain positive and fluctuate slightly due to timing of housing benefit payments and direct debit collections.
% Current Rent Arrears (Excl. amounts due from Housing benefit)	Efficiency	0.50%	0.31%		0.50%	Our rent arrears levels continue to be amongst the best experienced in the housing sector.

Pickering and Ferens Homes

REPORT OF THE TRUSTEE (continued) for the year ended 31 March 2024

VALUE FOR MONEY (VFM) (continued)

Strategic Ambition 6

To work alongside the community, and other agencies, to help residents live well in the Charity's homes, for as long as they want.

VfM Metric	Measure of:	2023-24 Target	2023-24 Actual	RAG Status	2024-25 Target	Notes / Rationale
% Tenancy Turnover	Effectiveness	7.22%	7.55%	☹️	8.13%	Tenancy Turnover ended the year ahead of target, but lower than 2022-23
Resident Loneliness & Isolation Score	Effectiveness	17%	17%	😊	17%	Result from the Resident Satisfaction Survey carried out in November 2022.
Funding from external sources	Efficiency	£10,000	£4,535	☹️	£10,000	Funding from the local council from the Winter Warmth Grant was unsuccessful, £300 was received from the NHS, £3,500 from Efficiency North and £885 from donations for the resident's Christmas party.

Strategic Ambition 7

To run the Charity well, ensuring everyone working on behalf of residents is professional and has the right skills, tools and knowledge.

VfM Metric	Measure of:	2023-24 Target	2023-24 Actual	RAG Status	2024-25 Target	Notes / Rationale
Staff turnover	Effectiveness	17.00%	11.49%	😊	15.00%	Labour turnover has settled during 2023-24 and out turned below the target of 17%. We continue to manage staff turnover (e.g. training and development programmes, coaching and mentoring, improved staff engagement, flexible working arrangements and employee recognition awards); the target for 2024-25 has been set slightly lower than 2023-24 at 15%.
Health and safety breaches	Effectiveness	None	0	😊	None	There were no breaches of health and safety.
Governance and viability regulatory rating	Effectiveness	G1 / V1	G1 / V1	😊	G1 / V1	We continue to maintain top ratings for governance and viability.
Working days lost to sickness (days)	Efficiency	<9 days	7.61	😊	< 9 days	Sickness levels continued to drop in 2023-24 and remained below target for the year.

Strategic Ambition 8

To build more homes to support the area's older persons housing needs..

VfM Metric	Measure of:	2023-24 Target	2023-24 Actual	RAG Status	2024-25 Target	Notes / Rationale
Number of new homes completed	Effectiveness	0	0	😊	24	Development at Padstow Close commenced in 2023-24 and is expected to be complete during 2024-25.

VALUE FOR MONEY (VFM) (continued)

Other VFM headlines for 2023-24

Use local contractors where possible to contribute to local economy (Strategic Ambition 5 and 8)

During 2023-24 we placed 58% of our spend with local suppliers, an estimated impact of around £9.5m in the local economy. During 2024-25 we will continue to look for opportunities to place more business with local suppliers, with the aim of increasing this to around 60%.

Continue to achieve the best possible deals on utility contract prices and maximise energy grants available (Strategic Ambition 3 and 5)

Increasing energy prices continued to impact our residents during the year. Through our continued partnership work with Auditel we re-procured several utility contracts that ended during 2023-24, ensuring that a comprehensive market search was done in order to secure the best value for money for our residents keeping service charge increases as low as possible.

We currently have 21 fixed utility contracts, with a total annual cost of around £227k.

- 1 of these was renewed in November 2023 and fixed for 1 year (approx. £20k annual spend - which represents a small reduction on the expiring fixed contract rates)
- 2 are due to end in June 2024 (current annual spend approx. £1k)
- 2 are due to end in July 2024 (current annual spend approx. £1k)
- 6 are due to end in August 2024 (current annual spend approx. £3k)
- 10 are due to end in September 2024 (current annual spend approx. £202k)

During 2022-23 and 2023-24, as part of the Warm Front scheme, we worked with South Coast Insulation Services to survey our properties, add cavity wall insulation, and carry out EPC surveys following the addition of the insulation. This will ensure that the energy efficiency of many of our homes is greatly improved for our residents. Due to the funding provided through the scheme the following savings have been made through this project:-

- Phase 1: - 230 complete @ approx £400 each = £92,000 (completed 2022/23)
- Phase 2: - 472 complete @ approx. £400 each = £188,800
- 739 EPCs complete @ approx. £3,500 per 100 = £25,865

Total Saving to the end of 2023/24 = £306,665

- EPCs still to be done during 2024/25: 56 @ approx. £3,500 per 100 = £1,960

Total Saving of Phase 1 & 2 = £308,625

During 2024-25 we will continue to work with procurement specialists to find best value in the current energy market and ensure that we secure the best deals possible as the above contracts come to an end. We will also continue to regularly investigate and participate in grant schemes that provide support with improvements to energy systems (such as that undertaken with Warm Front during 2023-24). This will allow us to offer residents modern, energy efficient homes and improve our EPC ratings in line with Government requirements.

The Charity has photo voltaic (PV) panels installed at 5 retirement living schemes, 8 blocks of flats, 4 pop-ins and 58 bungalows. During the year these panels generated Feed in Tariff income of £36k, we expect this to increase slightly in 2023-24 to around £38k.

Implementation of a new housing and finance management system (Strategic Ambition 4 and 7)

We aimed to deliver the remaining 30% of the new Civica housing and finance management system by the end of 2023-24, due to unforeseen circumstances, this stage of the project fell behind, we expect to complete the project in the autumn of 2024. Once up and running the new systems will enable us to offer a slicker service to our residents and suppliers as a result of many benefits including: -

- Cloud Based Functionality
- Improved Document Management and integration with MS Office
- Ability to Link the customer relationship management system to our telecom system
- Enhanced resident and contractor portal functionality providing self-service tools, including appointment scheduling and document management
- Proactive monitoring of customer accounts
- Ability to automate many of our manual processes.

Pickering and Ferens Homes

REPORT OF THE TRUSTEE (continued) for the year ended 31 March 2024

VALUE FOR MONEY (VFM) (continued)

"More Than a Landlord" (MTAL) Initiative (Strategic Ambition 4)

Within the 2023-24 budget, a sum of £25k was again agreed to support the progression of MTAL projects.

Areas that were identified during 2022-23 continued to be progressed to enhance the service that we offer to our residents. Initiatives that took place during the year included:-

- Aids and Adaptations trial
- Continuation of the bereavement service – evaluation pending
- New aftercare calls have been introduced 8 weeks after residents move in to PFH properties as part of the enhanced welcome service

A further £25k has been allocated for 2024-25 to enable the project to continue its valuable work in enhancing the services we provide to our residents.

Carry out a full review of insurance services and re-procure the insurance contracts for 2024 onwards (Strategic Ambition 5)

Insurance costs have increased significantly over recent years and PFH's costs have been heavily affected by the floods that occurred in 2007. We are also aware that a number of insurance providers are now moving away from the Social Housing sector which has caused prices to increase further, and although our current provider committed to honouring our Long-Term Agreement for the 2023-24 year before they exit the market, we still experienced a large increase in costs.

During 2023-24 we have been working with insurance specialists to assess the market and ensure that we have the best quality cover in place, at the best price, for future years. During quarter 4 we completed the tender process to secure insurance cover for 2024-25. This was a long and complex process, resulting in cover being agreed through a different broker for Property cover than for the other categories of cover required. This has given rise to a financial saving for 2024-25, however this has come with decreased flood cover and therefore and increased risk to the charity. Discussions about how this can be mitigated will continue during the coming year to ensure that exposure is kept to a minimum.

Our Future Plans

We will continue to look to make Value for Money efficiencies through the following projects during 2024-25:

Maintain use of local contractors (Strategic Ambitions 5 and 8)

We currently place around 58% of our business with local suppliers which (as reported above) has had an estimated impact of over £9.5m on the local economy. During the coming year, we will look to increase the percentage of our spend with local firms to 60%.

Continue to achieve the best possible deals on utility contract prices and maximise energy grants available (Strategic Ambition 3 and 5)

The impact of increased energy prices will continue to have a significant impact on our residents during the next financial year. By striving to ensure that we regularly review the markets and achieve the best prices, we can prevent costs rising to an unmanageable level. This will give peace of mind to our residents as they will not be burdened with large increases in their service charges.

We will continue to regularly investigate and participate in grant schemes that provide support with improvements to energy systems (such as that undertaken with Warm Front during 2023-24). This will allow us to offer our residents modern, energy efficient homes and improve our EPC ratings in line with Government requirements.

Maximise use of the IT systems to ensure a positive digital experience for all users (Strategic Ambition 4 & 7)

Following the implementation of Civica during the autumn of 2024 we will support all users to ensure that the functionality of the software is fully utilised. This will include supporting residents to ensure they can access and use all services within the resident portal and ensuring that they gain full benefit from the services offered.

We will also support contractors to ensure a smooth transition to the new contractor portal, therefore ensuring efficient processes for works orders and invoicing. This will result in reduced processing time across several areas of the organisation, improving efficiencies and reducing operating costs.

VALUE FOR MONEY (VFM) (continued)

During 2024-25 we will implement the new 'PFH Connect' service which will enhance the current 'Alertacall' system, encompassing a proactive approach to ensuring residents are OK, providing reassurance and peace of mind and early intervention if there's a problem, in the long term it is hoped that this contributes to the longevity of licence periods, allowing residents to age in place, reduce property turnover and the costs associated with that. PFH Connect includes the roll out to residents of new tablet devices that will provide them with additional facilities and allow us to provide enhanced support to residents on a day to day basis and self-service to many PFH services. Along with the many service benefits for our residents this will also provide significant value for money savings. Alertacall have agreed to continue to provide and expand a Social Value Subsidy (SVS) for all self-payers to ensure that there is no increase in cost for existing residents, this equates to a value of around £164k in the first year. The provision of a tablet device using a specially designed safe and secure platform for older people, is expected to help increase the digital confidence of hundreds of our residents, provide direct information that they will find useful and help ensure they have access to services and support in their own home and at a time that best suits them. The use of the surveying function, along with access to the portal to enable residents to 'self-serve' for many services, will result in staff time savings that can be deployed to support other areas of the business. The use of PFH Connect as a communication tool is also expected to generate savings of up to £10k on postage and printing costs.

"More Than a Landlord" Initiative (Strategic Ambition 4)

The More Than A Landlord (MTAL) project will continue in 2024-25 to enhance the service provided to residents.

In prior years the project has successfully covered areas such as:

- An integrated bereavement support service, in partnership with other agencies
- Activities programmes, in partnership with other agencies.
- Warmer homes offer, in partnership with other agencies
- An integrated welcome service

The next phase of project priorities is yet to be confirmed, however they will continue to cover the key themes of:

- Physical and mental changes
- Life Changes
- Health and Wellbeing
- Environmental changes
- Digitalisation
- Socialisation

A sum of £25k has again been agreed to support the progression of MTAL projects during 2024-25.

Continue to evaluate and develop ways to ensure sustainable tenancies for our residents (Strategic Ambition 2 & 6)

As an organisation whose purpose is to house and support those over the age of 55 we will continue our work to develop our homes and services to enable sustainable tenancies for our residents, enabling them to stay in their PFH home for longer.

This will not only improve the quality of life of our residents, it will also reduce void loss and the costs associated with void property turnaround. This will allow us to reduce costs and provide better value for money for our residents.

Provide Improved Aids and Adaptations for our Residents (Strategic Ambition 4 and 6)

A full review of our aids and adaptations service has been undertaken with members of the resident scrutiny group during 2023-24. This covered a full review of our current service and provided recommendations as to how this service could be improved.

During 2024-25 we will ensure that the recommendations are implemented, supporting our aim to build a 'best in class' aids and adaptations service offer. This will deliver measures which will help to prevent further health issues for our residents and enhance PFH's social value contribution.

VALUE FOR MONEY (VFM) (continued)

Ensure the best solution for Grounds Maintenance is achieved during a comprehensive procurement process (Strategic Ambition 2)

The current grounds maintenance company (Outco) recently gave notice that they would need to uplift their charges by at least 30% in order to make the contract viable for them to continue. In order to ensure continued service for our residents we agreed to continue with the Outco for 1 year, however we have removed the grounds maintenance for properties in the East Riding from this contract and placed it across three local SMEs, giving an anticipated saving of around £2.5k during the coming year. Work is under way to explore the options we have around the alternative ways of managing our communal areas along with procuring a main contractor for the 2025-26 cutting season with the intention of ensuring the best value for money for our residents.

Social Value

The wide range of services provided by the Charity have an impact on two levels: the benefits to our customers and the benefits to society as a whole. These combined benefits are referred to as the social value of our work. This social value is created through:

- Our properties – we provide safe and secure homes for our residents, where they can gain stability in their later lives.
- Support and advice - the support and advice provided by our staff enhances the independence and quality of life for the people we support.
- Community activities - participation in training, education and volunteering improves the health and wellbeing of our residents.

Our aim is to create sufficient social value from the investment decisions that we make. We have delivered and continue to increase some of the activities that we offer our residents - these include:

- Art classes
- Gardening sessions
- Summer Fairs
- Christmas Party
- Links with primary schools and the university
- IT sessions and provision of social kiosks at our schemes
- Let's-Talk sessions
- Financial Inclusion workshops
- Intergenerational events
- Flower arranging
- Development of existing sessions.
- Loan a radiator scheme
- Scheme refurbishments

FIXED ASSETS

Details of movements in fixed assets are set out in notes 12 and 13 of the financial statements. Housing properties have been depreciated in accordance with the Statement of Recommended Practice - Accounting by Registered Social Housing Providers (SORP 2018).

RENTS, SUPPORT AND SERVICE CHARGES, AND RENT ARREARS

Gross rental income from social housing lettings for the year amounted to £9,169,567 (2023: £8,500,248). The Charity has an established rent policy which aims to charge affordable rents within the guidelines set out by the Regulator of Social Housing. Current rent arrears represent 1.16% of income due (2023: 1.07%). Voids and bad debts represent 1.15% of income due (2023: 1.05%).

RESERVES

It is the Board of Directors intention to retain levels of reserves which allow for the on-going provision of quality housing at affordable rents, provide sufficient funding for investment in future repair and regeneration programmes and enable the Charity to raise new funding and manage risk associated with a large organisation. A budget for the forthcoming year has been set to attain these objectives. Total reserves at 31 March 2024 amounted to £37,036k (2023: £35,943k). Free reserves, i.e. unrestricted funds excluding tangible fixed assets net of grant and other commitments, were -£12,435k (2023: -£10,967k); £83,584k (2023: £80,410k) is represented by fixed assets and can only be realised by their disposal. The loan facilities are secured against the housing property fixed assets.

TREASURY MANAGEMENT

The Charity's treasury operations are managed by the finance team and are subject to policies approved by the Board of Directors, with delegated authorities supplemented by detailed procedures and bank mandates. The Charity's treasury activities are routinely reported to the Board of Directors and are subject to review by the internal auditors. The main financial risks to which the Charity is exposed relate to liquidity and movements in interest rates.

Interest rate risk

The Charity finances its operations through a mixture of retained surpluses and loans from banks and building societies. The Charity borrows at both fixed and variable rates of interest. At the end of the year long term fixed rate debt formed 98.3% (2023: 97.8%) of total borrowing.

Liquidity

Throughout the year the Charity's policy has been to ensure flexibility and continuity of funding through the use of term deposits and borrowings with a range of maturities. All committed capital investment for the next year is covered by cash, investments or current borrowing facilities. Loans have continued to be repaid in accordance with financial agreements, and no breaches of covenants have occurred since the loans were established in 1998.

EMPLOYEES

The Charity believes firmly in equal opportunities, personal development and in on-going training opportunities. The organisation wishes all staff to be trained to their maximum potential. The Charity encourages staff involvement and is committed to ensuring the health, safety and welfare of its entire workforce. On-going training is also provided to the Board of Directors. As at 31 March 2024 the organisation employed 43 members of staff, of which 29 were full-time and 14 were part-time.

DIRECTOR AND OFFICER INDEMNITY INSURANCE

During the year the Charity purchased and maintained liability insurance for its Directors and Officers.

AUDITORS

A resolution to appoint external auditors will be proposed at the Annual General Meeting.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of the approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Director has taken all the steps that he or she ought to have taken to be aware of any relevant audit information, and to establish that the auditors are aware of that information.

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Trustee is responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Legislation requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing those financial statements the Trustee has delegated the preparation of the financial statements to the Business Services Director and required him to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Housing SORP 2018 - Statement of Recommended Practice for Social Housing Providers (SORP 2018); and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustee confirms that the financial statements comply with the above requirements. The Trustee is responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable it to ensure that the financial statements comply with the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2022 and the provisions of the trust deed;
- safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities; and for
- the maintenance and integrity of the Charity and the financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

NHF Code of Governance

The Charity complies with the principal recommendations of the NHF Code of Governance (2020). The ways in which we seek to achieve good governance are outlined below. The Board of Directors formally adopted the NHF Code of Governance at a meeting of the Board of Directors held on 27 September 2021. As an exception to the 6-year term of office for Directors, the Board has agreed the extension of appointment of up to one year for the current Chair, Kate Calvert. This is to enable the transition of John Glenton into the Chair's role from October 2024. The Board has reviewed compliance against the Regulator of Social Housing's Regulatory Standards and has devised a plan to support enhancement of compliance activities and assurances. The Charity's Board has determined that it is compliant with all elements of the Regulator's Governance and Viability Standard. In relation to considering future partnerships, the Charity has not adopted the Merger Code but has developed a merger, acquisitions and partnership strategy which is reviewed periodically.

The Board of Directors

The Charity is led by a Board of up to 12 Directors who have collective responsibility for all aspects of the Charity. There are three forms of Director on the Board: two nominees, appointed by Kingston upon Hull City Council; two co-opted Resident Directors appointed by the Directors of the Charity; and eight co-opted independent Directors who are persons, through residence, occupation, employment or otherwise that have a special knowledge of the City of Kingston upon Hull. Independent co-optees are appointed by the Board of Directors of the Charity. The Board meets on a minimum bi-monthly basis and has overall responsibility for every aspect of the affairs and business of the Charity. Its key purpose is to direct and control the Charity's work, to determine strategic direction and policy, to establish and oversee risk and control frameworks and to ensure that the Charity achieves its aims and objectives. The Charity has both a financial and non-financial delegation scheme set out within its Manual of Governance. The Board of Directors does not have capacity to deal with all details of the Charity's business and has therefore delegated several decisions to either Board committees, working groups or to staff. The Committees of the Charity are:

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)

- Governance and Remuneration Committee – its main purpose is to oversee the Charity's governance arrangements and compliance, ensure that an appraisal of the performance of the Chief Executive of the Charity is undertaken on an annual basis and to determine the remuneration of the Chief Executive and annual pay awards for the Charity's staff. The Charity benchmarks all salaries by utilising housing sector salaries and benefits data, peer group comparators and local market information.
- Audit and Risk Committee – its overall purpose is to ensure that the Charity identifies and manages risk effectively, to ensure that an effective framework of controls is present and is satisfactorily in place, to ensure that all internal control systems are subject to an effective audit and to oversee the work programme and performance of the internal and external auditors.
- Resident Committee – its overall purpose is to ensure that residents are able to provide their views with regard to the work of the organisation, the services provided and to promote resident engagement.

The Charity works with residents to enable them to deliver a task and finish approach to policy and service scrutiny. Scrutiny is the process where residents can review how the organisation provides services, and challenge and make recommendations on how these services can be improved. The Board and Executive Team consider all reports and recommendations made by the group.

The minutes of committee meetings are forwarded to each ordinary meeting of the full Board of Directors for consideration.

Executive Officers

The Chief Executive and Directors are the senior officers of the Charity from a control perspective. It is their responsibility to ensure that officers of the Charity undertake their duties in accordance with the policies of the Board, to ensure that various operational targets set by the Board are met, to present the Board through the committees with sufficient information to enable the Board to gather assurance and monitor the operation of the policies and to identify the need for new policies or amendments to existing policies and to present proposals to the Board through the committees. The Chief Executive and Management Team can also delegate specific financial and operational matters to other members of the Charity's staff, as they deem appropriate.

INTERNAL CONTROLS ASSURANCE

Scope of Responsibility

The Charity, through its Executive Team, has responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives set by the Board of Directors, whilst safeguarding the Charity's funds and assets. The work of the Executive Team in delivering the control framework is governed through the Board of Directors and the Audit and Risk Committee's delegated responsibilities. In carrying out these responsibilities, the Charity needs to comply with the regulatory requirements of The Charity Commission and Regulator of Social Housing to ensure proper handling and reporting of its funds, emphasising value for money, good practice and high standards of integrity and propriety.

Purpose of the System of Internal Control

The system of internal control is designed to manage rather than eliminate the failure to achieve the Charity's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of the Charity's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. Its effectiveness is reviewed on an annual basis.

Risk and Control Framework

- **Identification and evaluation of key risks**

The identification of key risks is undertaken through review of key strategic risks at Board strategic away days, each Audit and Risk Committee meeting and an annual committee level review of the operational register. The Executive Team considers the risk environment through periodic team reviews and through subject specific reviews at committee level. Following periodic reviews of the operational risk register, significant risks are transferred to the corporate strategic risk register. The strategic level risk register is submitted to each meeting of the Audit and Risk Committee. The Committee also considers the level of risk appetite and tolerance for each strategic risk and makes appropriate recommendations to the Board.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)

Leadership to the risk agenda is provided through the Chief Executive and the Chair of the Audit and Risk Committee. The risk matrix is used to inform the Charity's forthcoming internal audit plans and activities. Training and guidance on the risk framework is provided through the Charity's internal audit contract and external providers.

- ***Monitoring and corrective action***

There is an on-going process of self-assessment coupled with regular management reporting as described above. The risks are identified and scored in respect of likelihood and impact and changes in scores noted to generate increased focus and activity where necessary. This process also includes the updating of effective controls and mitigating actions. The work is supplemented by regular reviews by internal audit that provide independent assurance to the Board of Directors via its Audit and Risk Committee. The arrangements include a rigorous procedure monitored by the Committee for ensuring that corrective action is taken in relation to any significant control issues.

- ***Control environment and control procedures***

The Board of Directors is responsible for the risk and control framework of the organisation. It also delivers leadership and maintains strong governance of the Charity. A statement of internal control is produced and submitted to both the Board and the Audit and Risk Committee each year. The Board considers and approves appropriate policies and procedures which are applicable to Directors and Employees of the organisation such as:

- Standing Orders
- Financial Regulations and Financial Procedure Rules
- Delegated Authorities
- Accountancy Practices
- Treasury Management
- Whistleblowing
- Other items of statutory compliance and best practice in areas including equality, health and safety, employment, anti-fraud and bribery; and data protection.

- ***Information and financial reporting systems***

The Charity prepares and approves an annual financial plan which sets out detailed budgets and other financial considerations for the year ahead together with forecasts for subsequent years. Budget monitoring and management accounts are provided to the Board of Directors on a quarterly basis. The Board also reviews key performance and management information to assess progress towards the achievement of its key objectives.

Review of Effectiveness

The Executive Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within teams and reinforced by risk awareness training.

The Executive Team and the Audit and Risk Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. At its May 2024 meeting, the Board of Directors carried out the annual assessment for the year ended 31 March 2024 by considering documentation from the Executive Team and internal audit and taking account of events since 31 March 2024.

Based on the advice of the Audit and Risk Committee and Chief Executive, the Board of Directors is of the opinion that the Charity has an adequate and effective framework for governance, risk management and internal control.

Pickering and Ferens Homes

REPORT OF THE TRUSTEE (continued) for the year ended 31 March 2024

Statement of Compliance

The Board of Directors confirms that this report has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers.

Governance and Financial Viability

The Board of Directors has reviewed its compliance with the Governance and Financial Viability Standard and confirms that it complies with the requirements of the standard for the year.

Approved by order of the Board of Directors on 23 July 2024, and signed on its behalf by



Kate Calvert
Chair
23 July 2024

**INDEPENDENT AUDITORS' REPORT
to the Trustee of Pickering and Ferens Homes**

Opinion

We have audited the financial statements of Pickering and Ferens Homes "the charity" for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cashflows 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 charity's affairs as at 31 March 2024 and of its incoming resources and application of resources including its 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 Charities Act 2011, 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 charity 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 Trustee'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 charity'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 Trustee 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 Trustee 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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Report of the Trustee is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Statement of the Trustee's Responsibilities in respect of the financial statements set out on page 19, the Trustee 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 Trustee 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 Trustee is responsible for assessing the charity'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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity, 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 Charities Act 2011, 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 trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board has in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board has 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 charity's activities.

Pickering and Ferens Homes

INDEPENDENT AUDITORS' REPORT

to the Trustee of Pickering and Ferens Homes (continued)

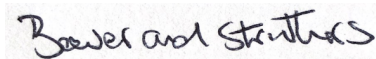
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected 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 charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers



Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 9 August 2024

Pickering and Ferens Homes**STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 31 March 2024

	<i>Notes</i>	<i>2024</i> £	<i>2023</i> £
TURNOVER	3	9,592,838	9,200,669
Operating expenditure	3	(8,335,234)	(7,846,575)
OPERATING SURPLUS	3	1,257,604	1,354,094
Movement in fair value of investments	15	22,313	(25,730)
Income from investments	6	265,429	127,636
Interest payable and similar charges	7	(452,449)	(462,869)
SURPLUS BEFORE TAXATION	8	1,092,897	993,131
Taxation	11	-	-
SURPLUS FOR THE YEAR		1,092,897	993,131
OTHER COMPREHENSIVE INCOME / (EXPENDITURE)			
Actuarial gain in respect of pension scheme	24	-	3,339,000
Effects of closure of pension scheme	24	-	(3,187,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,092,897	1,145,131

The financial statements on pages 26 to 44 were approved and authorised for issue by the Board on 23 July 2024 and were signed on its behalf by:



Kate Calvert
Chair



Andy Micklethwaite
Director



Claire Warren
Secretary

Pickering and Ferens Homes**STATEMENT OF FINANCIAL POSITION****31 March 2024**

	Notes	2024 £	2023 £
FIXED ASSETS			
Housing properties	12	82,530,389	79,471,656
Other fixed assets	13	1,053,650	938,728
		<u>83,584,039</u>	<u>80,410,384</u>
CURRENT ASSETS			
Debtors	14	428,834	463,683
Investments	15	1,631,666	1,554,516
Cash and cash equivalents	16	4,651,526	5,468,533
		<u>6,712,026</u>	<u>7,486,732</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	17	(1,980,712)	(1,816,871)
		<u>4,731,314</u>	<u>5,669,861</u>
NET CURRENT ASSETS			
		<u>88,315,353</u>	<u>86,080,245</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	18	(51,279,760)	(50,137,549)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>37,035,593</u>	<u>35,942,696</u>
Defined benefit pension scheme liability	24	-	-
TOTAL NET ASSETS		<u><u>37,035,593</u></u>	<u><u>35,942,696</u></u>
RESERVES			
Income and expenditure reserve	20	<u><u>37,035,593</u></u>	<u><u>35,942,696</u></u>

The financial statements on pages 26 to 44 were approved and authorised for issue by the Board on 23 July 2024 and were signed on its behalf by:



Kate Calvert
Chair



Andy Micklethwaite
Director



Claire Warren
Secretary

The notes on pages 30 to 44 form part of these financial statements.

Pickering and Ferens Homes**STATEMENT OF CHANGES IN RESERVES**
for the year ended 31 March 2024

	£
Balance as at 1 April 2022	34,797,565
Surplus for the year after tax	993,131
Actuarial gain in respect of pension scheme	3,339,000
Effects of closure of pension scheme	(3,187,000)
Balance at 31 March 2023	<u>35,942,696</u>
Surplus for the year after tax	1,092,897
Balance at 31 March 2024	<u><u>37,035,593</u></u>

The notes on pages 30 to 44 form part of these financial statements.

Pickering and Ferens Homes
STATEMENT OF CASHFLOWS
for the year ended 31 March 2024

	<i>Notes</i>	<i>2024</i> £	<i>2023</i> £
NET CASH GENERATED FROM OPERATING ACTIVITIES	25	3,454,055	2,231,594
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition and investment in housing properties		(4,515,993)	(3,349,344)
Purchase of other tangible fixed assets		(373,640)	(791,252)
Grants received		990,000	669,610
Interest received		252,436	118,041
Transfers to current asset investments		(21,692)	(10,541)
Cash inflow on sale of other fixed assets		-	875,000
NET CASH USED IN INVESTING ACTIVITIES		<u>(3,668,889)</u>	<u>(2,488,486)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(540,146)	(542,173)
New secured loans		300,000	-
Repayment of borrowings		(362,027)	(481,879)
NET CASH USED IN FINANCING ACTIVITIES		<u>(602,173)</u>	<u>(1,024,052)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(817,007)</u>	<u>(1,280,944)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		<u>5,468,533</u>	<u>6,749,477</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u><u>4,651,526</u></u>	<u><u>5,468,533</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash at bank and in hand		1,125,812	2,068,827
Short term deposits		3,525,714	3,399,706
		<u><u>4,651,526</u></u>	<u><u>5,468,533</u></u>

The notes on pages 30 to 44 form part of these financial statements.

1. LEGAL STATUS

Pickering and Ferens Homes (the Charity) is a registered provider with the Regulator of Social Housing, a registered Charity, a member of the National Association of Almshouses and a Public Benefit Entity. The Charity's primary objective is to provide quality social housing homes and services which enhance the lives of older people. The financial statements of the Charity are prepared in accordance with the provisions of the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022. The Charity is registered in England and Wales, and its principal place of business is: 7 Beacon Way, Hull HU3 4AE.

2. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP), and under the historical cost convention modified to include certain financial instruments at fair value. The financial statements have also been prepared in accordance with the Housing SORP 2018 - Statement of Recommended Practice for Registered Social Housing Providers (SORP 2018), issued by the National Housing Federation and under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Directors have determined that it is appropriate to prepare accounts in line with the Housing Statement of Recommended Practice due to the current status and activities of the Charity. The financial statements are presented in £ sterling.

Going concern

The activities of the Charity, together with the factors likely to affect its future development and performance are set out in the Report of the Trustee. The financial position of the Charity, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. The financial statements have been prepared on a going concern basis after consideration of the future prospects for the Charity and the preparation of long-term financial forecasts and plans which include an assessment of the availability of funding, continued compliance against lenders' covenants and certainty of cash flow from the rental of social housing stock. The Charity has a strong cash position and continues to hold significant unencumbered assets valued at approximately £55.4m (Market Value - Subject to Tenancies). During the year the key strategic risks monitored by the Charity have been health and safety compliance, cyber security risks and the risk of increases in property insurance costs. The business plan has been stress tested and assessed for any imminent or likely future breach in loan covenants, taking into account radical multi-variant scenarios covering the above risks. Management and Directors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future and in particular, for a period of at least twelve months after the date on which the report and financial statements are signed. The Charity therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Business combinations

The financial statements comprise the financial statements of the Charity incorporating any organisations previously acquired by the charity or acquired during the year. The results of the acquired organisations are included from the effective date of acquisition. Where acquisitions are in substance the gifting control of a business to the Charity, the combination is treated as a non-exchange transaction and the fair value of the gifted assets and liabilities in the transaction is recorded as a gain or loss in the statement of comprehensive income in the year of combination.

Turnover and revenue recognition

Turnover comprises rental and service charge income receivable in the period, amortised capital grant, revenue based grants receivable from the local authority, and management charge income from charitable organisations managed by the Charity. Rental and service charge income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Revenue grants are recognised when the conditions for receipt of agreed grant funding have been met. All other income is recognised on an accruals basis.

Borrowing costs

All borrowing costs in relation to long-term loans are accounted for over the life of the matched underlying liability and are released to the statement of comprehensive income over the life of the loan.

Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Value Added Tax

The Charity charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Charity and not recoverable.

Fixed assets

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as completed housing properties on practical completion of construction. The Charity only capitalises expenditure on housing which results in an increase in the net rental income, a reduction in future maintenance costs or a significant extension of the life of a property and/or its components. All other expenditure incurred in respect of general repairs to its housing stock is charged to the statement of comprehensive income in the year in which it is incurred. Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold properties other than freehold land to their estimated residual value on a straight-line basis over their estimated useful economic lives. The Charity depreciates freehold housing properties by component at the following annual rates:

Housing Properties 40 – 120 years

Major components:

Roofs	50 years	Doors / Windows / Bathrooms	25 years	Lifts	20 years
Photovoltaic Panels	25 years	Kitchens	20 years	Boilers	15 years

The Charity depreciates housing properties held on long leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category. Other tangible fixed assets are stated at cost less accumulated depreciation. The Charity depreciates its freehold office (excluding land) by component in the same manner as its housing properties. All other tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is charged on other tangible fixed assets to write off the cost less residual value over their anticipated economic useful lives which are as follows:

Computer equipment	2-3 years	Furniture and equipment	5-10 years	Housing Software	7-10 years
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Where there is evidence of impairment, assets are written down to their recoverable amount through a charge to the statement of comprehensive income.

Leasing

Leases are treated as operating leases and payments are charged to the statement of comprehensive income on a straight-line basis over the term of the lease. Any incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Current asset investments

Current asset investments include equities which are held for short term and are valued at fair value on a recognised stock exchange at the reporting date. Upward revaluations are reported in the statement of comprehensive income and credited to the investment revaluation reserve. Diminutions in value are recognised in the statement of comprehensive income until the investment revaluation reserve (see note 20) in respect of that asset no longer exists. Further diminutions in value or impairments of current asset investments are recognised in the statement of comprehensive income.

Current asset investments also include cash and cash equivalents invested for periods of more than 3 months which are not accessible on demand and are held to cover 12 months' interest in respect of the Affordable Housing Finance and The Housing Finance Corporation facilities. Current asset investments are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

Deposits and liquid resources

Cash and cash equivalents comprise cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year end and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the end of the period.

Social housing grant

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Social housing grant received for items of cost written off in the statement of comprehensive income is included as part of Turnover. Social housing grant, which is received in advance of the total development programme costs, if applicable, is shown as a current liability. Social housing grant must be recycled by registered providers under certain conditions, if a property is sold or if another "relevant event" takes place. In these cases, the social housing grant can be used for projects approved by Homes England. However, the social housing grant may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, grant may be repayable, and, in that event, is subordinated unsecured repayable debt.

Other grants

Grants received in respect of revenue expenditure are credited to the statement of comprehensive income in the same period as the expenditure to which they relate.

Retirement benefits

The Charity operates a defined contribution scheme with Legal and General Assurance Society Ltd which is made available to all employees. The amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments. The assets in the scheme are invested and managed independently of the finances of the Charity. Pension costs are assessed in accordance with the advice of an independent qualified actuary.

Financial instruments

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

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

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the statement of comprehensive income for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the statement of comprehensive income.

In the case of payment arrangements that exist with residents, these are deemed to constitute financing transactions and, if material, are measured at the present value of the future payments discounted at a market rate of interest applicable to similar debt instruments.

ACCOUNTING POLICIES (continued)
for the year ended 31 March 2024

Financial liabilities

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

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

Commitments to receive a loan are measured at cost less impairment. All loans provided by the Charity's lenders are classed as basic under the requirements of FRS102, and are measured at amortised cost.

Critical accounting estimates and areas of judgement

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

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

a) Development expenditure

The Charity capitalises development expenditure in accordance with the accounting policy described on page 31. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

b) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated economic useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.

c) Retirement benefits

The cost of the defined benefit pension plan in the previous year was determined using actuarial valuations. The actuarial valuation involved making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates were subject to significant uncertainty. Further details are provided in note 24.

d) Impairment of assets

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the statement of comprehensive income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Charity estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential (VIU-SP), are recognised as impairment losses in the statement of comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

3. TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	<i>Turnover</i>	<i>Operating Expenditure</i>	<i>Operating Surplus</i>
	£	£	£
31 March 2024			
Social housing lettings (Note 4)	9,554,775	(8,335,234)	1,219,541
Other social housing activities			
Management charges and other income	38,063	-	38,063
	<u>9,592,838</u>	<u>(8,335,234)</u>	<u>1,257,604</u>
31 March 2023			
Social housing lettings (Note 4)	8,817,839	(7,846,575)	971,264
Other social housing activities			
Management charges and other income	64,777	-	64,777
Profit on sale of offices	318,053	-	318,053
	<u>9,200,669</u>	<u>(7,846,575)</u>	<u>1,354,094</u>

4. TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

			2024	2023
	£	£	£	£
Income				
	General needs housing	Housing for older people	Total	Total
Rent receivable net of identifiable service charges and net of voids	6,831,061	906,812	7,737,873	7,161,147
Service charge income	662,048	676,489	1,338,537	1,255,883
	7,493,109	1,583,301	9,076,410	8,417,030
Amortised government grants	330,385	46,453	376,838	373,098
Other grants	91,161	10,366	101,527	27,711
Turnover from Social Housing Lettings	<u>7,914,655</u>	<u>1,640,120</u>	<u>9,554,775</u>	<u>8,817,839</u>
Operating Expenditure				
Management	2,402,608	296,890	2,699,498	2,530,233
Service charge costs	647,133	756,010	1,403,143	1,388,808
Routine maintenance	981,089	161,346	1,142,435	1,121,199
Planned maintenance	437,757	67,656	505,413	362,531
Major repairs expenditure	390,862	193,674	584,536	586,059
Bad debts	11,477	608	12,085	5,701
Internal support grants and related costs	-	274	274	312
Depreciation of housing properties	1,401,900	139,456	1,541,360	1,570,290
Lease costs	79,401	1,264	80,665	10,924
Other costs	282,668	83,157	365,825	270,518
Operating expenditure on social housing lettings	<u>6,634,899</u>	<u>1,700,335</u>	<u>8,335,234</u>	<u>7,846,575</u>
Operating Surplus on Social Housing Lettings	<u>1,279,756</u>	<u>(60,215)</u>	<u>1,219,541</u>	<u>971,264</u>

Total rent receivable net of identifiable service charges includes void loss of £93,157 (2023: £83,218). This amount is rent lost through dwellings being vacant.

Pickering and Ferens Homes**NOTES TO THE FINANCIAL STATEMENTS (continued)**
for the year ended 31 March 2024**5. ACCOMMODATION IN MANAGEMENT**

	2024	2023
	No.	No.
Number of units - general needs and housing for older people let at social rent levels		
Housing accommodation	1,429	1,429
Total units in management	1,429	1,429

There were 24 units in development at 31 March 2024 (2023: Nil). During the year there were no additions.

6. INCOME FROM INVESTMENTS

	2024	2023
	£	£
Interest on bank deposits	221,205	91,016
Income from listed investments	44,224	36,620
	265,429	127,636

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2024	2023
	£	£
On bank loans repayable wholly or partly after more than five years	434,501	432,408
Defined benefit pension charge	-	2,000
Amortisation of issue costs of bank loan	17,948	28,461
	452,449	462,869

The Charity has £568,704 (2023: £547,012) in designated interest-bearing accounts charged in respect of Affordable Housing Finance plc's £10m facility and The Housing Finance Corporation Ltd's £4.5m facility - covering 12 months interest.

8. SURPLUS BEFORE TAXATION

	2024	2023
	£	£
Surplus before taxation is stated after charging / (crediting):		
Depreciation of tangible fixed assets		
- housing properties	1,541,360	1,570,290
- other	258,718	173,501
Auditors' remuneration (excluding VAT):		
- statutory audit	17,652	17,655
- internal audit	10,912	9,875
Operating lease rentals (note 22)		
- buildings	72,746	7,358
-equipment	4,486	3,566
Amortisation of governments grants	(376,838)	(373,098)

9. EMPLOYEES

The average monthly number of persons employed during the year including the executive team (expressed as full-time equivalents of 37 hours per week) was:

	2024	2023
	No.	No.
Resident and customer services	17	15
Corporate and business services	11	11
Property services	6	7
Scheme Managers and Cleaners	5	5
	39	38

Pickering and Ferens Homes**NOTES TO THE FINANCIAL STATEMENTS (continued)**
for the year ended 31 March 2024**9. EMPLOYEES (continued)**

	2024	2023
	£	£
Staff costs (for the above persons) were:		
Wages and salaries	1,426,339	1,409,295
Social security costs	145,918	126,035
Other pension costs and current service cost (note 24)	-	162,899
Defined contribution pension cost	155,711	91,851
	<u>1,727,968</u>	<u>1,790,080</u>

The full time equivalent number of staff whose remuneration exceeded £60,000 in the period:	2024	2023
	No.	No.
£60,001 to £70,000	-	1
£70,001 to £80,000	2	-
£80,001 to £90,000	-	1
£90,001 to £100,000	-	-
£100,001 to £110,000	-	1
£110,001 to £120,000	1	-
£120,001 to £130,000	1	-
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-

10. KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are defined as non-executive members of the Board, the Chief Executive and the Executive Directors.

Emoluments of the Executive Officers (including the Chief Executive)	2024	2023
	£	£
Emoluments	307,861	328,461
Social security costs	38,599	42,613
Pension contributions	43,913	47,324
	<u>390,373</u>	<u>418,398</u>

The emoluments of the Chief Executive, being the highest paid person, were:	2024	2023
	£	£
Emoluments	119,844	112,188
Social security costs	15,257	14,949
Pension contributions	19,580	19,792
	<u>154,681</u>	<u>146,929</u>

The Executive Officers are entitled to ordinary membership of the Charity's pension scheme. No special terms or funded individual pension arrangements apply to these posts. Board members serve on a voluntary basis and receive no emoluments in their capacity as board members of the corporate trustee company.

11. TAXATION

The Charity is registered for VAT. A large proportion of its income is exempt for VAT purposes which gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and any input tax recovered is deducted from appropriate expenditure. As the Charity only undertakes charitable activities it is therefore generally exempt from liability to taxation on Income and Capital Gains.

12. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Completed housing properties £	Housing properties in the course of construction £	Total £
Cost:			
At 1 April 2023	97,598,563	-	97,598,563
Additions - construction costs	-	3,139,124	3,139,124
Additions - replacement components	1,460,969	-	1,460,969
Schemes completed	701,334	(701,334)	-
Disposals (including replaced components)	(393,877)	-	(393,877)
At 31 March 2024	99,366,989	2,437,790	101,804,779
Depreciation and impairment:			
At 1 April 2023	18,126,907	-	18,126,907
Charge in the year	1,541,360	-	1,541,360
Released on disposal	(393,877)	-	(393,877)
At 31 March 2024	19,274,390	-	19,274,390
Carrying amount:			
At 31 March 2024	80,092,599	2,437,790	82,530,389
At 31 March 2023	79,471,656	-	79,471,656

The carrying amount of housing properties charged as security is £18,991,949 (2023: £18,747,510)

13. TANGIBLE FIXED ASSETS - OTHER

	IT Systems £	Furniture fixtures and fittings £	Total £
Cost:			
At 1 April 2023	838,615	632,425	1,471,041
Additions	289,255	84,385	373,640
At 31 March 2024	1,127,870	716,810	1,844,681
Depreciation and impairment:			
At 1 April 2023	450,738	81,575	532,312
Charge in the year	155,241	103,477	258,718
At 31 March 2024	605,979	185,052	791,030
Carrying amount:			
At 31 March 2024	521,892	531,759	1,053,650
At 31 March 2023	387,878	550,851	938,728

14. DEBTORS	2024 £	2023 £
Rent arrears	106,707	90,909
Less: provision for bad debts	(16,520)	(9,198)
Net arrears	90,187	81,711
Other debtors	145,846	227,154
Prepayments and accrued income	192,801	154,818
	<u>428,834</u>	<u>463,683</u>

15. INVESTMENTS	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2023	1,007,504	547,012	1,554,516
Additions	33,145	21,692	54,837
Change in fair value	22,313	-	22,313
At 31 March 2023	<u>1,062,962</u>	<u>568,704</u>	<u>1,631,666</u>
	£		
Listed investments at cost - 31 March 2024	<u>544,584</u>		
Listed investments at cost - 31 March 2023	<u>511,440</u>		

Investments are held for short term and are valued at fair value on a recognised stock exchange at the reporting date.

16. CASH AND CASH EQUIVALENTS	2024 £	2023 £
Cash at bank and in hand	1,125,812	2,068,827
Short term deposits	3,525,714	3,399,706
	<u>4,651,526</u>	<u>5,468,533</u>

17. CREDITORS: amounts falling due within one year	2024 £	2023 £
Loans (Note 18a)	98,541	456,818
Deferred capital grant (Note 18b)	382,343	376,843
Rents and service charges received in advance	171,116	184,810
Accruals and deferred income	41,759	48,079
Trade creditors	1,234,408	730,993
Other creditors	52,545	19,328
	<u>1,980,712</u>	<u>1,816,871</u>

Pickering and Ferens Homes

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2023

18. CREDITORS: amounts falling after more than one year	2024 £	2023 £
Loans (Note 18a)	17,215,595	17,014,136
Deferred capital grant (Note 18b)	33,731,075	33,123,413
Other long-term creditors	333,090	-
	<u>51,279,760</u>	<u>50,137,549</u>

18(a). BORROWINGS	2024 £	2023 £
Loans > 1 year	17,215,595	17,014,136
	<u>17,215,595</u>	<u>17,014,136</u>
Loans	17,440,865	17,257,354
Loan issue costs	(225,270)	(243,218)
	<u>17,215,595</u>	<u>17,014,136</u>

No additional funding was raised during the year. All loans are secured by specific charges on the Charity's housing land and buildings. The following interest rates have applied to all loans held during the year.

<i>Lender</i>	<i>Type</i>	<i>Rate</i>	<i>Rate Expiry Date</i>	<i>Loan Expiry Date</i>	<i>% of Total Debt at 31 March 2024</i>
Nationwide	Variable	4.06%-5.22%	Apr 2033	Apr 2033	1.71%
AHF plc	Fixed	2.89%	Aug 2043	Aug 2043	59.34%
THFC Ltd	Fixed	5.2%	Oct 2043	Oct 2043	38.74%
Orchardbrook	Fixed	12.25% / 15.25%	Jul 2044 / Mar 2031	Jul 2044 / Mar 2031	0.21%

		2024 £	2023 £
Bank loans due:	Within 1 year	98,541	456,818
	Between 1-2 years	101,560	98,541
	Between 2-5 years	321,945	313,540
	After 5 years	16,792,090	16,602,055
		<u>17,215,595</u>	<u>17,014,136</u>
	Total	<u>17,314,136</u>	<u>17,470,954</u>

18(b). DEFERRED CAPITAL GRANT	2024 £	2023 £
At 1 April	33,500,256	33,203,744
Grant received in the year	990,000	669,610
Capital grant released	(376,838)	(373,098)
At 31 March	<u>34,113,418</u>	<u>33,500,256</u>
Amount due to be released < 1 year	382,343	376,843
Amount due to be released > 1 year	33,731,075	33,123,413
	<u>34,113,418</u>	<u>33,500,256</u>

19. FINANCIAL INSTRUMENTS

The carrying amount of the Charity's financial instruments at 31 March were:	2024 £	2023 £
<i>Instruments measured at fair value</i>		
Investments	1,631,666	1,554,516
Total	<u>1,631,666</u>	<u>1,554,516</u>

20. INCOME AND EXPENDITURE RESERVE

	<i>Investment revaluation reserve</i> £	<i>General reserve</i> £	<i>Total</i> £
At 1 April 2023	169,570	35,773,126	35,942,696
Surplus from Statement of Comprehensive Income	-	1,092,897	1,092,897
Transfer from / (to) general reserves	22,313	(22,313)	-
At 31 March 2024	<u>191,883</u>	<u>36,843,710</u>	<u>37,035,593</u>

Historically negative goodwill has arisen on the acquisition of smaller charities. In accordance with the SORP, these transactions are accounted for as non-exchange transactions, and the fair value of the assets and liabilities in the combining entity are treated as a gain or loss to the statement of comprehensive income. The general reserve includes cumulative negative goodwill of £4,579,110 (2023: £4,579,110).

21. CAPITAL COMMITMENTS

	2024 £	2023 £
Capital expenditure contracted but not provided for in the financial statements	1,555,138	3,959,286
Capital expenditure approved by the Board of Directors but not contracted at the year end	-	-
	<u>1,555,138</u>	<u>3,959,286</u>

The above commitments will be funded from:

Capital grants	330,000	1,320,000
Cash reserves	<u>1,225,138</u>	<u>2,639,286</u>
	<u>1,555,138</u>	<u>3,959,286</u>

22. OPERATING LEASE COMMITMENTS

	£	£	2024 £	2023 £
The total future minimum lease payments under non-cancellable operating leases are as follows:	Buildings	Equipment	Total	Total
Amounts due:				
Not later than one year	77,642	4,221	81,863	80,399
Later than one year and not later than five years	317,832	5,970	323,802	327,065
Later than five years	58,950	-	58,950	137,550
	<u>454,424</u>	<u>10,191</u>	<u>464,615</u>	<u>545,014</u>

23. GRANT AND FINANCIAL ASSISTANCE

	<i>Social Housing grants</i> £	<i>Other grants</i> £	2024 £	2023 £
Total accumulated government grant and financial assistance received or receivable at 31 March:	41,024,964	915,000	41,939,964	40,949,964
Recognised as income in Statement of Comprehensive Income	(7,826,546)	-	(7,826,546)	(7,449,708)
Held as deferred capital grant	<u>33,198,418</u>	<u>915,000</u>	<u>34,113,418</u>	<u>33,500,256</u>

24. RETIREMENT BENEFITS

Defined contribution scheme

Defined contribution pension arrangements were put in place during 2015-16 with Legal and General Assurance Society Ltd. During the year these arrangements were available to all employees who were not members of the East Riding Pension Fund (ERPF). On 30 November 2022 the Charity closed its defined benefit pension scheme with the ERPF to future accrual, and transferred all active members to its defined contribution scheme. Employer contribution rates are fixed at 10%, however an enhancement of 8% (to November 2025) or a cash lumpsum of 25% of annual salary was offered to transitioning employees. The assets of the scheme are held separately from those of the Charity, in an independently administered fund.

The charge to the statement of comprehensive income in respect of the defined contribution scheme was £155,305 (2023: £91,851). Included in the figure above are accrued contributions of £2,237 (2023: £1,831)

Defined benefit scheme

The Charity ceased participation in the ERPF defined benefit scheme on 30 November 2022. Through a business agreement, Hull City Council agreed to subsume all of the Charity's defined benefit pension obligations and assets for all active, deferred and pension members. As a result, the Charity ceased to be an admitted body in the ERPF and requested a cessation valuation under Regulation 64 of the Local Government Pension Scheme Regulations 2013 (as amended and updated). No cessation payment was required to or from the Charity following cessation of its participation in the ERPF scheme. The assets of the scheme were held in separate trustee-administered funds. The contribution rates were 19.9% for the Charity and ranged between 5.5% and 12.5% for employees, depending on salary.

Total contributions in respect of the defined benefit scheme were £Nil during the year (2023: £105,332) of which employers' contributions totalled £Nil (2023: £76,484) and employee contributions totalled £Nil (2023: £28,848).

24. RETIREMENT BENEFITS (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the Fund at 31 March 2019 updated to 30 November 2022 by a qualified independent actuary.

The financial assumptions used are as follows:

	At 31 Mar 2024 % per annum	At 30 Nov 2023 % per annum
Future pension increases	-	2.9%
Inflation assumption (CPI)	-	2.9%
Expected rate of increase in salaries	-	3.8%
Expected return on scheme assets	-	4.3%
Discount rate	-	4.3%

* The salary increase assumption has been set to be consistent with the most recent formal valuation.

Mortality

The post-retirement mortality assumptions are in line with the actuary's Club Vita analysis which was carried out for the formal funding valuation as at 31 March 2019. These are a bespoke set of VitaCurves that are specifically tailored to fit the membership profile of the Fund and are based on the data provided at the last formal valuation. Improvements have been applied that are in line with the Continuous Mortality Investigation (CMI) 2021 model, which assumes that the current rate of longevity improvements has reached a peak and will converge to a long-term rate of 1.5% p.a., with improvements declining for the over 90's. The average future life expectancies at retirement age are shown below:

	31 Mar 2024	30 Nov 2023
Current pensioners - Male	-	20.8 years
Future pensioners - Male	-	22.0 years
Current pensioners - Female	-	23.5 years
Future pensioners - Female	-	25.3 years

Commutation

An allowance is included for future retirements to elect to take 60% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 80% of the maximum tax free cash for post-April 2008 service.

Analysis of amounts charged to the Statement of Comprehensive Income

	2024 £'000	2023 £'000
Current service cost	-	(163)
Net interest on the net defined benefit pension liability	-	(2)
	<u>-</u>	<u>(165)</u>

Amounts recognised in Other Comprehensive Income

Effect of settlements	-	(3,187)
Actuarial gain	-	3,339
	<u>-</u>	<u>1,393</u>

Actual return on scheme assets was £Nil (2023: (£227,000)).

At 31 March 2024 outstanding contributions amounted to £- (2023: £-).

24. RETIREMENT BENEFITS (continued)

Amounts recognised in the Statement of Financial Position

The amounts included in the statement of financial position arising from the Charity's obligations in respect of the defined benefit scheme are as follows:

	2024 £'000	2023 £'000
Present value of defined benefit obligations	-	-
Fair value of scheme assets	-	-
Total obligations recognised	-	-

Movement in liability during the year

	2024 £'000	2023 £'000
Liability in scheme at 1 April	-	(63)
Service costs	-	(163)
Employer contributions	-	76
Net return on assets	-	(2)
Effect of settlements	-	(3,187)
Remeasurements	-	3,339
Liability in scheme at 31 March	-	-

Changes in scheme assets and obligations

	2024 £'000	2023 £'000
Changes in the present value of the defined benefit obligation:		
Defined benefit obligation at 1 April	-	9,394
Service costs	-	163
Interest cost	-	170
Employee contributions	-	29
Effect of settlements	-	(6,364)
Remeasurements	-	(3,280)
Benefits paid	-	(112)
Defined benefit obligation at 31 March	-	-

	2024 £'000	2023 £'000
Changes in the fair value of scheme assets:		
Assets at 1 April	-	9,331
Return on scheme assets	-	168
Employer contributions	-	76
Employee contributions	-	29
Effect of settlements	-	(9,551)
Remeasurements	-	59
Benefits paid	-	(112)
Scheme assets at 31 March	-	-

The Charity's share of the scheme assets were:

	2023 £'000	2022 £'000
Equity instruments	-	-
Debt instruments	-	-
Property	-	-
Other assets	-	-
Total market value of assets	-	-

25. NET CASH GENERATED FROM OPERATING ACTIVITIES

	2024 £	2023 £
Surplus for the year	1,092,897	993,131
Adjustments for:		
Depreciation	1,800,078	1,743,791
Amortisation of government grants	(376,838)	(373,098)
Defined benefit pension schemes	-	89,000
Gain on sale of other fixed assets	-	(318,053)
Interest received	(265,429)	(127,636)
Interest payable	452,449	462,869
Amortisation of discounted interest on loan issue costs	112,738	110,121
Operating cash flows before movements in working capital	2,815,895	2,580,125
Decrease / (increase)	21,856	(157,087)
Increase / (decrease in creditors)	616,304	(191,444)
Cash generated from operations	3,454,055	2,231,594

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2023 £	Cashflow £	Other changes £	At 31 March 2024 £
Cash at bank and in hand	2,068,827	(921,323)	(21,692)	1,125,812
Bank and other loans	(17,732,121)	62,027	112,738	(17,557,356)
Refinance costs	261,167	-	(17,948)	243,219
Short-term deposits	3,399,706	126,008	-	3,525,714
Current Asset Investments	547,012	-	21,692	568,704
	(11,455,409)	(733,288)	94,790	(12,093,907)

27. RELATED PARTY TRANSACTIONS

During the year Linda Chambers, Cheryl Payne and Allen Healand served as nominated board members by Kingston upon Hull City Council. Emma Whittles, an employee of Kingston upon Hull City Council, was co-opted as Board member on 21 May 2024. All transactions with the Council are made at arm's length and on normal commercial terms.

John Holmes and Valerie Crowhurst served as resident board members during the year. Resident board members of the Charity occupy properties on normal commercial terms.

Transactions and balances outstanding at 31 March are as follows:

	2024 £	2023 £
Rent and service charges during the year	14,813	5,876
Balances owed to the Charity at 31 March	-	-
Balances owed to residents at 31 March	740	-

Details of the Key management personnel's remuneration are disclosed in note 10.

No one party / person has over-all control.