

TEIGN HOUSING

England & Wales · Charity number 1112196

Details

Status	Registered
Legal form	Charitable company
Company number	04619035
Registered	2005-11-21
Register	View on the Charity Commission register

Contact

Address	Teign Housing Millwood House Collett Way Newton Abbot TQ12 4PH
Phone	01626322722
Email	customerhub@teignhousing.co.uk
Website	www.teignhousing.co.uk

Activities

Objects: 4.1.1 TO PROVIDE SOCIAL HOUSING AND OTHER HOUSING AND ANY ASSOCIATED AMENITIES FOR PERSONS IN NECESSITIOUS CIRCUMSTANCES UPON TERMS APPROPRIATE TO THEIR MEANS;4.1.2 TO PROVIDE FOR ELDERLY OR CHRONICALLY SICK PEOPLE OR PEOPLE WITH A DISABILITY (INCLUDING MENTAL, PHYSICAL AND LEARNING OR ASSOCIATED DISABILITIES) IN NEED OF SOCIAL HOUSING AND OTHER HOUSING AND ANY ASSOCIATED AMENITIES SPECIALLY DESIGNED OR ADAPTED TO MEET THE DISABILITIES AND REQUIREMENTS OF SUCH PERSONS;4.1.3 TO PROVIDE SERVICES, ADVICE OR ASSISTANCE UPON TERMS APPROPRIATE TO THEIR MEANS TO ELDERLY OR CHRONICALLY SICK PEOPLE OR PEOPLE WITH A DISABILITY (INCLUDING MENTAL, PHYSICAL AND LEARNING OR ASSOCIATED DISABILITIES) IN NEED THEREOF AND TO PROVIDE ANY ASSOCIATED AMENITIES SPECIALLY DESIGNED OR ADAPTED TO MEET THE DISABILITIES AND REQUIREMENTS OF SUCH PERSONS;4.1.4 TO PROVIDE RECREATION OR OTHER LEISURE FACILITIES IN THE INTEREST OF SOCIAL WELFARE WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR THE RESIDENTS OF THE LOCAL AUTHORITY AREA IN WHICH THE COMPANY OWNS OR MANAGES HOUSING STOCK;4.1.5 TO RELIEVE POVERTY AMONGST THE RESIDENTS OF THE LOCAL AUTHORITY AREA IN WHICH THE COMPANY OWNS OR MANAGES HOUSING STOCK;4.1.6 TO ADVANCE EDUCATION, TRAINING OR RETRAINING PARTICULARLY AMONG UNEMPLOYED PEOPLE AND PROVIDING UNEMPLOYED PEOPLE WITH WORK EXPERIENCE; 4.1.7 TO MAINTAIN, IMPROVE OR PROVIDE PUBLIC AMENITIES FOR THE PUBLIC BENEFIT IN THE INTERESTS OF REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION IN WHICH THE COMPANY OWNS OR MANAGES HOUSING STOCK.4.1.8 TO ASSIST AND PROVIDE SERVICES TO ANY OTHER CHARITY OR NON-PROFIT MAKING BODY IN RELATION TO HOUSING OR RELATED SERVICES AND AMENITIES;4.1.9 TO CARRY OUT ANY OTHER CHARITABLE OBJECT THAT CAN BE CARRIED OUT BY A CHARITY REGISTERED WITH THE CHARITY COMMISSION AND REGISTERED WITH THE REGULATOR;

Activities: Large scale voluntary transfer organisation that provides affordable housing services in south devon.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** PRIMARILY TEIGNBRIDGE, DEVON.
- Devon

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£26,158,000	£23,775,000	£100,874,000	187
2024-03-31	£24,843,000	£22,216,000	£101,182,000	211
2023-03-31	£21,390,000	£18,982,000	£98,742,000	160
2022-03-31	£20,704,000	£22,355,000	£96,326,000	155
2021-03-31	£20,126,000	£16,836,000	£96,554,000	149

Trustees

Name	Role	Appointed
Anne Marie Henderson		2025-02-01
George Dexter		2025-02-01
Joanna Davoile		2021-11-04
Rebecca Harwood Lincoln		2022-07-28
Richard David Gammage		2024-07-24
Richard Plumb		2025-02-01
Sean Gavin Palka		2022-10-27
Stephen Higginson		2021-07-29
Stuart Davies		2021-01-28
Thomas Woodman		2024-04-15

TEIGN HOUSING

England & Wales - Charity number 1112196

Accounts



Teign Housing

Report and financial statements

Reporting date 31 March 2025

Registered company number 04619035

Registered charity number 1112196

Regulator of Social Housing
registration number LH4403

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Teign Housing – Company information

Board of Management

Non-Executive Directors

Maureen Robinson	Chair of Board, retired 24 July 2024
Richard Gammage	Chair of Board, appointed on 25 July 2024
Rebecca Harwood-Lincoln	Chair of Customer Experience Committee & Resident Voice Champion
Sean Palka	Board Member, appointed Vice-Chair of the Board 24 October 2024
Stephen Cook	Chair of Audit Committee until 4 September 2024, retired 27 March 2025
Stephen Higginson	Chair of Remuneration Committee until 24 July 2024 Chair of Audit & Assurance Committee, appointed on 4 September 2024
Stuart Davies	Chair of Templer HomeBuild
Joanna Davoile	Chair of Government Committee*, appointed on 25 July 2024

* The Remuneration Committee changed its name to the Governance Committee on 4 September 2024.

Co-opted Advisors to the Board

Dr George Dexter	Board Member, co-opted 1 February 2025, appointed 27 March 2025
Anne Marie Henderson	Board Member, co-opted 1 February 2025, appointed 27 March 2025
Richard Plumb	Board Member, co-opted 1 February 2025, appointed 27 March 2025

Executive Directors

Tom Woodman	Chief Executive, appointed on 12 April 2024
Helen Hilditch	Acting Chief Executive, 1 April 2024 to 11 April 2024

Independent Audit Committee

Colin McDonald	Independent Audit Committee Member

For the year ending 31 March 2025, the Board met on eight occasions. There was 100% attendance at Board meetings.

Executive Management Team

Tom Woodman	Chief Executive, appointed on 12 April 2024
Helen Hilditch	Director of Finance and Investment & Deputy Chief Executive
Amanda Nicholls	Director of Customer and Communities
Justin Glue	Director of Operations Templer HomeBuild
Alison North	Director of People & Technology, appointed on 8 April 2024

Auditors	External Auditor Beever and Struthers 150 Minories London EC3N 1LS	Internal Auditor Bishop Fleming LLP Emperor Way Exeter EX1 3QS

Solicitors	Housing Management Capsticks Solicitors LLP 1 George Street London SW19 4DR	Human Resources Tozers Southernhay West Exeter EX1 1UA
	Governance and Development Trowers & Hamblins LLP 3 Bunhill Row London EC1Y 8YZ	

Bankers and Funders	The Housing Finance Corporation 3 rd Floor 17 St Swithin's Lane London EC4N 8AL	GB Social Housing 5 Great St Helen's London EC3A 6AP

Nationwide Building Society Public Sector Team Kings Park Road Moulton Park Northampton NN3 6NW	Barclays Bank PLC. 1 Churchill Place, London, E14 5HP

Company Secretary	Helen Hilditch (non-Board member)

Registered Office	Millwood House Collett Way Newton Abbot Devon TQ12 4PH

Strategic Report

The Directors present their Strategic Report incorporating the Value for Money Statement for the year ending 31 March 2025.

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers and Housing SORP guidance note 2022.

Overview of the Business

Teign Housing is a registered charity, a company limited by guarantee, and is registered with the Regulator of Social Housing. Our focus is on the core activity of the company, which is the provision of low cost rented accommodation. The organisation has a wholly owned subsidiary, Templer HomeBuild Limited. Its purpose is to provide property maintenance and construction services to the social housing sector. Consolidated accounts for the Group are also reported along with those of Teign Housing, the parent organisation.

Vision

We dedicate ourselves to providing good quality homes and tailored housing support. Working with our diverse customers and trusted partners we provide effective services that bring long term benefits to all. We are sustainable in a fast-changing environment and reinvest our surpluses to grow our communities.

Values

Respectful

We treat people with empathy, respect diversity and provide quality customer service. We appreciate the relationships we build with our customers, contractors and partners; we are proud to be *Team Teign*.

Resourceful

We maximise our resources through innovation and by using our money in efficient ways. We look for opportunities to expand our business by building new homes and creating and growing valuable services. We recognise our role in supporting the local economy.

Ethical

We value our responsibility as a charity providing homes and services for those who need them and as an employer. We are an organisation with heart and strive to offer an empowering workplace and the personal service our communities want.

Governance

The Articles stipulate that there can be up to 10 Board Members, including up to three executive members. The Board currently consists of nine non-executive members and one executive member. The members of the Board are legally the directors of the company, and the Board is Teign Housing's governing body.

The Board adopted the National Housing Federation (NHF) 2020 Code of Governance on 1 April 2021. The Board is committed to and complies with the standards in the Code; however, there has been one exception this year. The Chair of the Board has served just over 9 years, which is over the prescribed nine-year maximum. However, she stepped down in July 2024, and the new Chair-elect has taken up her

position. The Code states that the maximum tenure will normally be up to six consecutive years and may be extended to a maximum of nine years, where the Board agrees it is in the organisation's best interest.

The Chief Executive retired on 31 March 2024, and a new Chief Executive started on 12 April 2024. The Chair of the Board retired on 25 July 2024, and the new Chair was appointed on the same day.

We aim to recruit Board members 6 months ahead of any vacancy. They join the Board as co-optees and are trained and inducted during this period before being formally appointed to the Board. Further training is carried out throughout their term of office. We conduct two-yearly pay benchmarking for all staff and Board posts and benchmark any vacancies for advertising. We have a schedule of standing orders and financial regulations which set out delegated authorities from the Board to its committees and the executive management team. Our three-yearly external governance review took place in early 2024-25.

The Board is supported in its governance by two committees:

- Audit & Assurance Committee
- Governance Committee (previously known as the Remuneration Committee)

The key governing documents are the Articles, the Standing Orders, the Financial Regulations, and a range of policies that guide the company's operational activities.

All non-executive Board members are paid a fee for their services. Payments during the year (including expenses) were:

Maureen Robinson	Chair of Board (retired 24th July 2024)	£3,439
Stephen Cook	Chair of Audit until September 2024 (retired 27th March 2025)	£4,559
Steve Higginson	Chair of Remuneration until 4th September 2024, then appointed Chair of Audit & Assurance Committee	£5,296
Stuart Davies	Board Member	£6,030
Joanna Davoile	Board Member until 25 July 2024, then Chair of Governance (was Remuneration)	£4,564
Colin McDonald	Independent Audit Committee Member	£1,872
Sean Palka	Board Member until 24 October 2024, then appointed Vice Chair of Board	£3,703
Richard Gammage	Chair of Board appointed 25th July 2024	£7,198
George Dexter	Board Member co-opted 1st Feb, appointed 27 March 2025	£583
Anne Marie Henderson	Board Member co-opted 1st Feb, appointed 27 March 2025	£583
Richard Plumb	Board Member co-opted 1st Feb, appointed 27 March 2025	£583
Rebecca Harwood-Lincoln	Resident Voice Champion & Chair of Customer Experience Committee	£4,695

Public Benefit Entity

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. Teign Housing also pays due regard to the guidance published by the Charity Commission on public benefit.

We provide homes for rent at lower than market prices, homes designated for older people with additional needs, and shared ownership properties.

Financial Performance

Teign Housing Group has made a deficit after tax for the year of £429,000 (2023-24: surplus £2,665,000). Full details of our financial results can be found on pages 35 – 73. The deficit for the current financial year is wholly attributable to the £2,704,780 provision for fire safety remedial work for a high-rise building, Douglas House in Teignmouth. The work will start in the next financial year and will be completed in two years.

Financial performance is monitored through the annual budget, which is set by the Board. The budget is based on the business plan, and the Board receives a report at each meeting assessing the company's performance against the budget.

Operational Performance

The current 3-year corporate plan was agreed by the Board in March 2024. The Board has established a range of key performance indicators to assess the company's performance in relation to the corporate plan objectives. The Board monitors this quarterly through the Balanced Scorecard, Management Accounts and Financial Report.

Further details of our operational performance, including value for money, can be found on pages 12 – 28.

Business Plan

The 30-year Business Plan reflects the company's strategic direction and future aspirations. In the coming years, the focus will be on maintaining the housing stock to an appropriate level, delivering further new homes, and managing services. The business plan has been thoroughly stress-tested, and the key risks to the organisation have been identified. Appropriate mitigation arrangements are in place.

Treasury Management

At 31 March 2025, Teign Housing was funded by a £33m bond from The Housing Finance Corporation (THFC), a £25m bond from GB Social Housing (GBSH) and a £50m revolving credit facility (RCF) from Nationwide. We have fully drawn the £33m from THFC and £25m from GBSH. We have also drawn £10.75m of the RCF from Nationwide and have an undrawn RCF of £39.25m (2023-24: £12m). Finance costs on loans were £3.008m (2023-24: £2.641m), which equates to an average rate of 4.87% (2023-24: 4.59%). Finance costs of £225,000 were capitalised during the year (2023-24: £620,000). At 31 March 2025, Templer HomeBuild had a loan balance with Teign Housing of £400,000 (2023-24: £400,000). This loan is drawn for a period of six months, being repaid to the parent and redrawn by the subsidiary in June and December each year. There was £10.308m of capital committed to the development programme, which was in contract at 31 March 2025 (2023-24: £14.972m), and there was a cash and cash equivalents

balance of £2.829m (2023-24: £2.662m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

Reserves Policy

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives, provide the new homes and services that the reserves are intended to support, and manage the risks associated with long-term expenditure plans.

A budget is set each year, along with a 30-year business plan including a forecast for reserves, allowing the company to achieve these objectives. This is monitored throughout the year and reported quarterly to the board through the management accounts.

The level held in the income and expenditure reserve at 31 March 2025 was £69,152,000 (2023-24 £69,401,000), and in the revaluation reserves £31,722,000 (2023-24 £31,781,000).

Unrestricted reserves, excluding tangible fixed assets net of grant, were £-103,805,000 at 31 March 2025 (2023-24 £-98,347,000) and can only be released by disposing of tangible fixed assets.

Property Sales

During the year, four properties were sold (2023-24: 3 properties), of which one property was under the Right to Acquire scheme (2023-24: nil), one property was under the Preserved Right to Buy Scheme (2023-24: 3 properties), two properties were fully staircased (2023-24: nil) and none were sold on the open market (2023-24: nil). We received further income for a property previously sold under the Right to Buy Scheme, which had been resold within five years of purchase. A percentage of the original discount was paid back to us upon completion. Teign Housing received proceeds of £284,000, all from Right to Buy and Right to Acquire sales (2023-24: £339,000).

Staff

The average number of employees for the year ending 31 March 2025 was 187 (2023-24: 178 employees). The Board recognises the contribution made by all staff and is committed to their continued development. During the year, the company spent £158,200 on staff training and development (2023-24: £90,100).

Fire Safety Remedial Work

The Building Safety Act 2022 and the new Fire Safety (England) Regulations 2023, which came into force in January 2024, set out how landlords of high-rise buildings (those with seven stories or more, or over 18m high) should work with fire services to ensure a planned and effective response to fire alarms at these buildings. We have just one property, Douglas House in Teignmouth, which falls into this high-rise definition.

To fully comply with this new legal requirement, Teign Housing commissioned an independent review of Douglas House. This Fire Risk Appraisal of External Walls (FRAEW) report based on PAS 9980 (Fire Risk Appraisal of external wall construction and cladding of existing blocks of flats – code of practice), resulted in a number of recommendations which we will be actioning including the planned removal of the external wall insulation. The residents have been informed of the decision, and we are in constant communication with them about the progress of the project. We started consultation on the project in

2023-24, and £213,352 has been incurred in legal and professional advice in 2024-25. It is estimated that £2,220,000 will be needed for this work and will all be revenue expenditure. We will receive a £296,000 grant to cover the works for leaseholders. At the same time as carrying out the remediation work, the windows will also be replaced at a cost of £780,780, which will all be capital spend. We have provided for all of these costs in this year's accounts, and the remedial work will start in the next financial year.

Damp and Mould

In 2023, Teign Housing and Templer HomeBuild collaborated to create a new Damp and Mould Policy and Procedure to set out and improve the approach to dealing with these issues. We aim to proactively reduce issues relating to damp and mould by maintaining the housing stock to decent homes standard or better through the asset management information system, investment programmes, Housing Health and Safety Rating System assessment outcomes, initiatives to maximise customer contact points to identify issues, and the use of environmental monitoring systems. Reactively, a Damp Mould and Condensation (DMC) working group monitors the situation and actions informed via a case tracker and monthly update, a specific role to investigate and monitor DMC issues has been created within THB, a triage process has been adopted to categorise reports of damp and mould at the outset to prioritise our resources, and mandatory training has been delivered to continue this annually and to new starters. In 2024-25, we paid £45,100 to tenants in compensation relating to damp and mould. We dedicated five of our homes as decant properties to provide temporary accommodations to the tenants whilst their homes were being rectified. In spring 2024, our resident scrutiny panel conducted a review of our approach to damp and mould, making recommendations to the Board which were accepted. The Audit & Assurance Committee is monitoring progress closely. We are ready for the implementation of Awaab's law in October 2025. We are already embracing the new processes and ensuring that this keeps us compliant with the pending change in the autumn. We are continuing to meet monthly with the DMC Action Group. Now that we have a Senior Building Surveyor in post, they will create a subgroup to monitor and evolve our DMC at an operational level.

Development

During 2024-25, we entered into one new contract worth £7,171,000 to purchase a section 106 scheme, which will deliver 30 rented and 13 shared ownership homes over the coming years.

Due to the refinancing process and Douglas House Funding, we were not able to bid for around 6 months of the year, which has impacted our programme. Despite this, we were able to get into a contract with Brook Vale, Dawlish, which provided us with 43 homes. In addition, we have also had a bid accepted on three properties at The Orchard, Aller Road, Kingskerswell, which EMT has recently approved. We are currently working on offers for two sites that would provide a total of 76 homes over the next four years and are hopeful to receive approval to exchange contracts in the next few months.

43 new affordable homes were completed in 2024-25. This was less than anticipated due to the time during which we were unable to bid, as mentioned above, and the delayed start to the Upper Coly Valley development. In addition, two schemes (Beara Farm and Oak Mead), totalling 52 properties, were aborted during the year. Beara Farm was aborted due to concerns about the developers' ability to complete the

project and the associated infrastructure following a slow and tricky contract negotiation period. Oak Mead was aborted via a mutual agreement due to a delay in granting planning permission.

	Social Rental Units	Low Cost Home Ownership	Total Units
Under construction 31/03/2024	81	31	112
Started in the year	22	5	27
Aborted in the year	38	14	52
Completed in the year	31	12	43
Under construction 31/03/2025	34	10	44

In 2025-26, we plan to develop 44 homes over the next 12 months, potentially increasing another 11 homes if the above opportunities successfully proceed to the exchange of contracts. In 2026-27, we plan to deliver 26 homes, again with the potential for up to an additional 39 homes depending on the outcome of the abovementioned opportunities.

Shared Ownership

Since 2023-24, we have brought the Shared Ownership sales process in-house. During 2024-25, we sold 11 homes with a combined share value of £1,397,750, only one of which was sold via our previous sales agent.

Future Direction

To achieve the corporate vision and values, we focus on the core of our business, and the Board has committed to the following strategic aims:

- **Excellent Services** – We will deliver high quality services to all our customers and partners. We will provide considerate customer services, empowering housing services and effective repairs.
- **Quality Homes** – We will invest in new and existing homes by maintaining high standards of repairs and improvements to our current homes and develop new homes to meet the needs of the local people.
- **Sustainable Business** – We will strengthen our business by continually improving our governance, increasing the value of our work, seeking ways of working jointly with our partners, and investing in our staff.

Performance against these aims is monitored as part of a three-year Corporate Plan for 2024 to 2027.

We are committed to maintaining our financial performance and delivering good homes and customer services. We achieve this by focusing on maintaining our operational performance, maximising our income, and effectively driving down costs.

We have several strategies in place to support our strategic aims. The neighbourhood services strategy directs us to provide excellent services, and the ageing well strategy focuses on our older customers.

The asset management strategy focuses on the quality of our homes and ensures that they are of a good standard and are maintained appropriately. The development strategy sets out the aspirations for future development and the business plan, which currently has a capacity for 179 homes over the next 5 years. The regeneration strategy sets out plans for longer-term regeneration, and £456,986 has been included in the business plan for 2025-26. It has been reduced to £330,000 in 2026-27, and £203,087 for 2027-28.

The carbon reduction strategy sets out plans for the business to reduce its carbon footprint, and the first stage is to invest in homes with lower energy performance ratings. In order to meet the government's target of all homes having a minimum EPC (energy performance certificate) rating of C by 2030, in 2025-26, the business plan makes provision for £1.18m of investment in our homes to improve their energy performance rating in 2026-27, and then £1.2m per year until 2030. We have successfully gained grant funding of £3.7m over the next three years. For decarbonisation, we will invest £0.5m per year from 2031 until 2037, which will then rise to £1.0m per year.

To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. In October 2023, Teign Housing proudly retained its Investors in People Platinum accreditation in recognition of our continued investment in employee engagement, learning and development, leadership, management, and wellbeing. We continue the agile working policy, empowering our staff to work flexibly from the office and home to support the well-being of our people and to promote a healthy work-life balance. The value for money strategy sets out how we continually seek to improve quality and performance and, where possible, reduce costs and create efficiencies.

Risk Management

We recognise that risks are inevitable, and our integrated approach ensures risk management is an integral part of achieving our goals and objectives.

During the year, the Board revised the Strategic Risk Register and identified ten key strategic risks to replace the previous 27.

We operate in a constantly changing environment, and our risk owners review their risks each month to ensure they are still appropriate and reflective of current activities. We report risks to the Board through the Audit & Assurance Committee. The Board determines our risk appetite statement, which shapes the parameters within which we operate, and our risk management framework manages our risks, closely monitors them, ensuring the way we manage them is appropriate to the rewards and opportunities they will deliver.

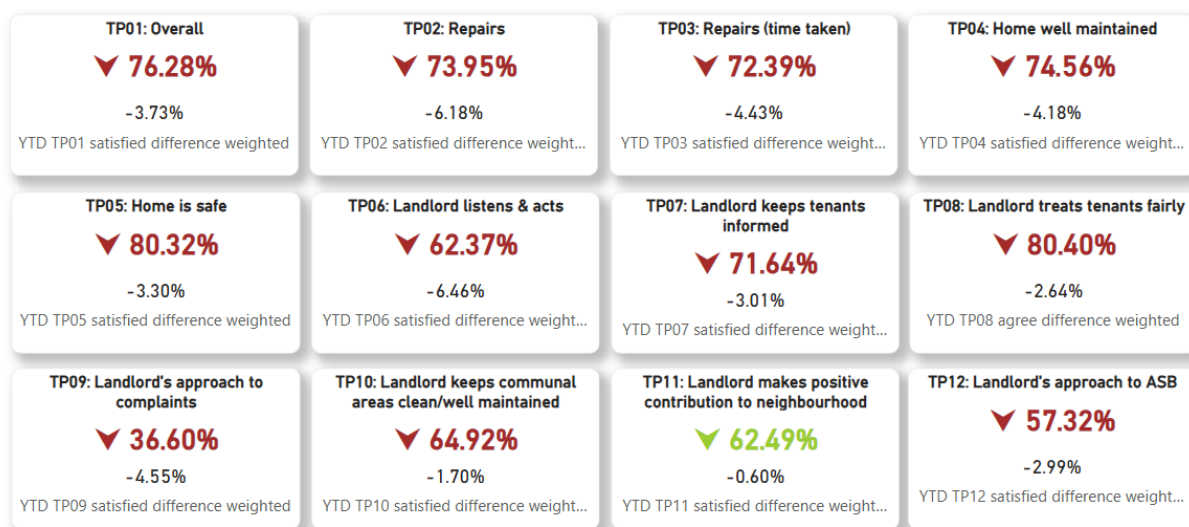
Our highest risks were:

Risk	Link to our corporate Plan Strategic Aims	Impact	Examples of how we mitigate this risk	How we will introduce additional controls
Recruitment, Development & Retention	Sustainable Business	Failure to complete key tasks Loss of knowledge	Staff benefits package Agile Working Policy	Introduction of a People Strategy
External Conditions: Failure to plan and respond to external events	Sustainable Business	Increased costs Inability to provide services	Business Continuity plan in place Customer Experience Committee Clear strategic direction	Further developments in the ways we listen to our customers' voices
Asset Management: Failure to manage our assets effectively	Quality Homes	Devaluation of our homes Health & Safety breaches Additional costs of remedial works	Asset Management Strategy Acquisitions & Disposals Policy	
Data: Failure to manage our data properly	Sustainable Business	Incorrect reporting or ill-informed decision-making due to poor data quality or management	Monthly performance information Internal audits to scrutinise data accuracy	The introduction of a data strategy
Customers: Failure to provide good customer service.	Excellent services	Loss of customers' confidence in the service we provide Increased costs due to high turnover, longer letting times and higher incidence of ASB	Resident Involvement Policy Customer Experience Committee	Development of an EDI Strategy Further development of the Customer Experience Committee

Tenant Satisfaction Measures

Tenant Satisfaction Measures (TSM) are a set of 12 expectations set by the Regulator of Social Housing to measure how well we are performing. Twelve measures are about tenant perception and 10 relate to management information. Each year we publish our full results and provide our residents with a plan of how we are going to improve upon our performance. Our full TSM report will detail our approach to surveying along with details of how we listened and responded to our residents to improve our service to them over the past twelve months.

To ensure our data is representative we have weighted the results below. Prior year data is unweighted.



Value for Money Statement

The Board approved the Value for Money (VFM) strategy in July 2024. The VFM strategy reflects the changes to the regulator's value for money standard issued in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation. These are presented below.

		Group		Association		Budget FY26	Target FY25	Sector Metrics
		2024/25	2023/24	2024/25	2023/24	2025/26	2024/25	2023/24
Metric 1	Reinvestment %	7.3%	10.8%	7.3%	10.8%	8.5%	8.1%	7.8%
Metric 2	A New supply delivered SH %	1.1%	3.1%	1.1%	3.1%	1.1%	1.1%	1.5%
	B New supply delivered NSH %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Metric 3	Gearing %	32.8%	32.9%	32.9%	33.1%	36.9%	40.9%	46.4%
Metric 4	EBITDA MRI Interest Cover %	7.5%	134.4%	7.5%	134.4%	109.8%	110.3%	123.7%
Metric 5	Social housing cost per unit £	£ 5,388	£ 4,809	£ 5,388	£ 4,809	£ 5,565	£ 5,156	£ 5,094
Metric 6	A Operating margin SH %	9.0%	22.0%	8.8%	21.8%	17.1%	18.6%	21.0%
	B Operating margin overall %	8.0%	20.4%	7.8%	20.2%	15.5%	17.5%	18.9%
Metric 7	ROCE %	1.3%	2.7%	1.3%	2.7%	1.5%	2.4%	2.8%

The group's metrics above compare favourably against the sector average in some areas but less so in others.

The group's reinvestment is slightly below our targeted 8.1% and is below the sector metrics of 7.8%. The latest sector metrics relate to 2023-24, and as such, it is difficult to compare with this benchmark as it is nearly one year behind. During 2024-25, we entered into one new contract with a value of £7,171,000 to purchase a section 106 scheme and delivered 31 rented and 12 shared ownership homes over the coming years.

We have a strong development pipeline through the purchase of section 106 schemes and smaller land-led developments within the Teignbridge District and further afield in neighbouring authority areas. This has been further facilitated through the additional funding secured during the year from financing an additional £30m of Revolving Credit Facility (RCF). However, due to rising energy prices and labour costs, which have increased the cost of building new homes and other costs, the re-investment forecast will increase from 7.3% to 8.5% for next year.

The new supply delivery is calculated based on units completed in 2024-25. We have achieved our targeted supply of 1.1% by delivering 43 units. We are marginally below the sector average of 1.5% on this metric; however, as the benchmark relates to 2023-24 data, it does not show the true comparison of our 2024-25 year-end performance. For a like-for-like comparison, our metric of 2023-24 is 3.1%, which has outperformed the sector's benchmark of 1.5%.

The new supply is forecasted to be 44 units in 2025-26, including 31 affordable rent, seven social rent, and six shared ownership properties. 34 of these have been committed, and the remaining ten are currently in the process of contract negotiation. We will continue to seek new opportunities to achieve our development aspirations, and we now have the capacity to deliver 196 homes over the next four years.

Gearing decreased slightly to 32.8% from 32.9%. We are now utilising the Revolving Credit Facility and cash reserves to fund our increased investment in new homes and regeneration. At 32.8%, this remains well below the sector average, 46.4%, giving us scope to increase the borrowing. The new tranche of £30m RCF was secured in June 2024 and will be available for ten years. This will allow us to further invest in new homes and regeneration, as well as give us the financial capacity to meet any requirements from the Decent Homes 2 Standard and stock condition surveys. All of this aims to improve the quality of our homes and the effectiveness of our service to tenants, improve efficiencies and achieve savings for both tenants and Teign Housing whilst keeping our interest cover rate well within sustainable levels.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) is 7.5%, below the target and the sector metrics. An exceptional case has caused the low EBITDA, the £2.2m provision of fire remediation work to Douglas House that will take place in 2025-26. Although our funders do not use EBITDA MRI as one of their covenants, we have historically met the funders' targets, except for this one-off occurrence. The interest cover ratio is expected to rise to 109.8% in 2025-26 as we have fully provided Douglas House costs in 2024-25.

The social housing cost per unit has increased from £4,809 last year to £5,388 this year due to increased responsive repairs, cyclical maintenance, and void repairs. We have used more subcontractors to reduce the number of works in progress, such as damp, mould, and condensation jobs. The continuing increase in materials, energy, and labour costs impacts the sector. Overall, we have seen a rise in the cost per property compared to the prior year, which is an overall increase within the sector.

The operating margin overall is 8.0%, below the sector's average and our targeted margin. Again, this is caused by the provision of fire remediation work. Without these exceptional expenses, we would have achieved 16.2%. In 2025-26, we have a budgeted margin of 15.5%. The target has been further reduced compared to previous years, and it is anticipated that the drive to improve the service we deliver to tenants and to increase the investment in decarbonisation will be pursued.

The return on capital employed (ROCE) was reduced to 1.3%. This metric is below the target and the sector benchmark due to increased operating costs and the provision of Douglas House fire remediation work. Due to rising materials, labour, and utilities costs, the ROCE is forecasted to be 1.5% in 2025-26.

We continue to be committed to providing good customer service in a challenging environment. Economic and political uncertainty will continue for the coming year, and Teign Housing has modelled and planned for further potential issues through the business planning process.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it to make informed choices about how resources are effectively channelled towards delivering services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality and stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan, including the financial position after refinancing, includes the delivery of 179 homes over the next five years.

The Board scrutinises financial and service delivery performance at each meeting through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps to deliver improvements.

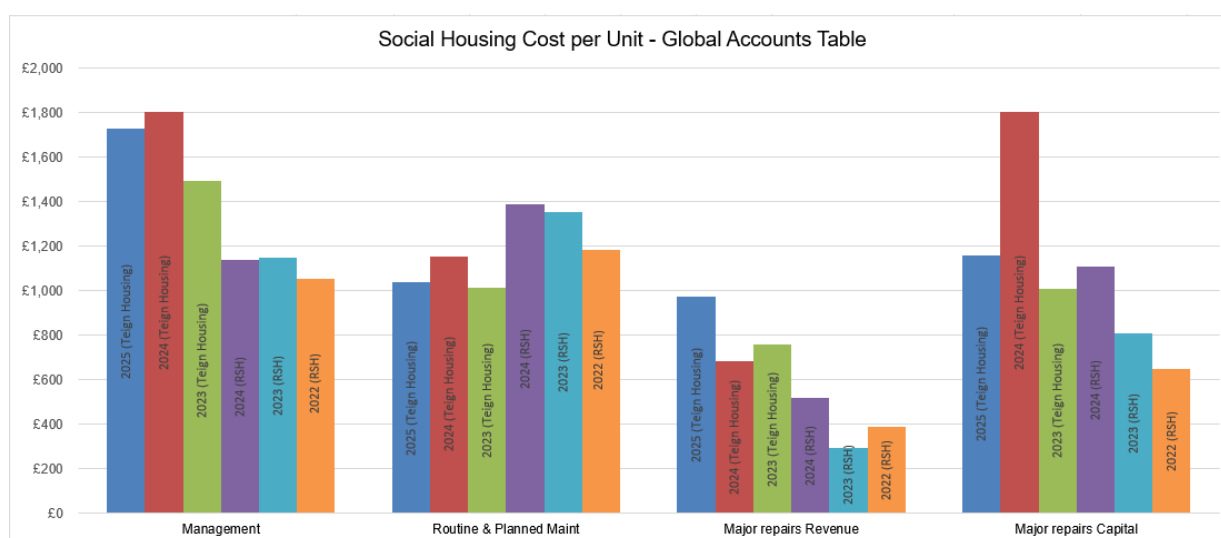
These include:

- Value for Money Metrics – full details of value for money achievements
- The balanced scorecard, including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly Financial Report
- Annual report – report sent annually to our tenants
- Interim annual review of the business plan against actual progress
- Regular reforecasting as part of the management accounts review

An evaluation of our costs in comparison to the global accounts is presented below, and the figures for Teign Housing have been re-stated in line with the current global accounts format (based on SW & SE Peer Group). The latest figures available as a sector comparative are for the year ending March 2024, one year behind our year-end.

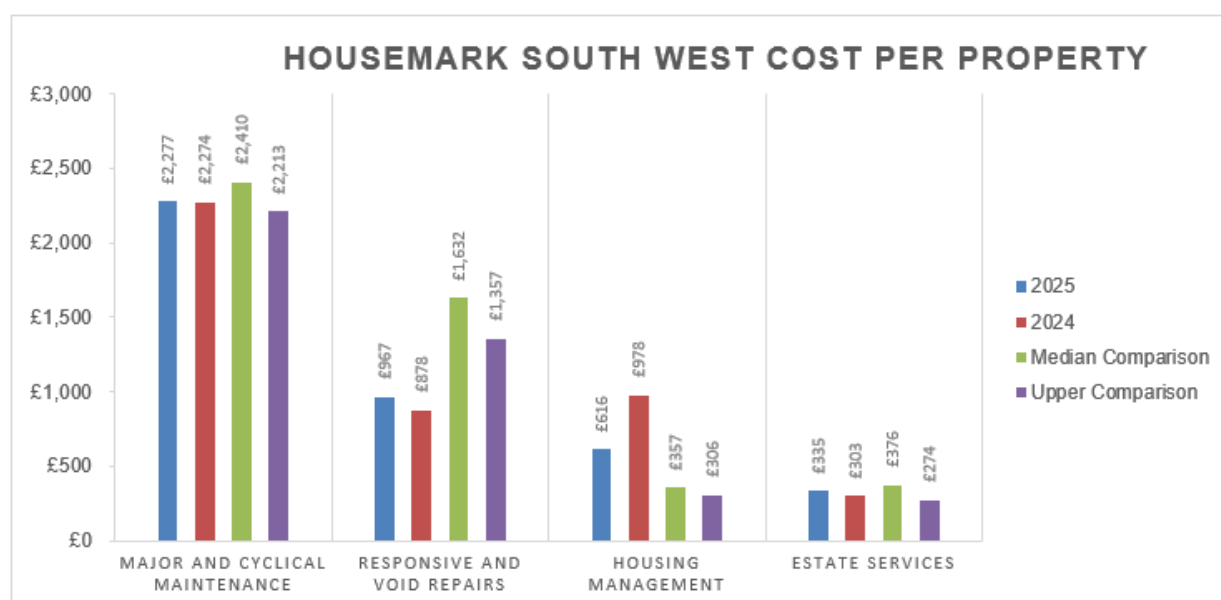
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2024-25 £	2023-24 £	2022-23 £	2024 £	2023 £	2022 £
<i>Expenditure – per Social Housing Property</i>						
Management	1,728	1,802	1,495	1,138	1,151	1,053
Routine & Planned Maintenance	1,037	1,154	1,013	1,390	1,354	1,182
Major repairs – Total	2,134	2,487	1,770	1,629	1,104	1,038
Major repairs – Revenue	973	685	759	520	295	390
Major repairs – Capital	1,161	1,802	1,011	1,109	810	648
Total cost per unit	4,899	5,443	4,278	4,157	3,609	3,273



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing		Comparison Group Median	Comparison Group Upper
	2024-25	2023-24	2023-24	2023-24
Department	£	£	£	£
Major and Cyclical Maintenance	2,277	2,274	2,410	2,213
Responsive and Void Repairs	967	878	1,632	1,357
Housing Management	616	978	357	306
Estate Services	335	303	376	274
Total costs per unit	4,195	4,433	4,775	4,149
<i>No of Properties</i>	3,946	3,904	3,493	1,689



Compared to the prior year, our major repairs cost per unit has been reduced in 2024-25, which is due to a reclassification of costs in the preceding year. The total cost per unit remains higher than the average of RSH (SW & SE), as their data is one year behind. After examining the 2023-24 and 2024-25 costs, we see a consistent increase compared to 2022-23. RSH (SW & SE) global accounts and the Housemark South West Housing peer group show similar findings.

Although our management costs per unit have decreased from last year, they are still over the RSH sector average due to factors outside our control, particularly the increase in insurance premiums and Douglas House legal and professional costs. Continued scrutiny of management costs and tight budgetary control will ensure the organisation's overall efficiency.

Routine and Cyclical Maintenance has decreased slightly from last year and is lower than the sector average. We are continually working to ensure we receive the best quality for the best price for our purchases to mitigate the increases as much as possible. We also drive efficiencies where possible by planning similar works in areas and by type.

The total costs of major repairs, including capital and revenue, are above the RSH sector average and reduced from last year due to the reclassification. Revenue expenditures increased by 42% over the last year due to the provision of Douglas House fire safety remediation costs. Capital expenditures were reduced offsetting some of the increase in revenue expenditures. Capital expenditures fluctuate year on year due to the maintenance programme's planning to make the most efficient use of resources.

We will ensure that we maintain tight budgetary control going forward to provide optimum value and investment in our housing stock for the future. We have embarked on a stock condition survey programme that we aim to largely complete by the end of 2025-26 to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes. We continue looking for opportunities to invest in energy efficiency for our existing homes and balance the cost of better energy efficiency and the viability of new build schemes.

With the acknowledgement that the stock condition survey results will impact the future strategy, the Asset Management Strategy was reviewed, updated and approved by the Board in April 2024. A further updated Asset Management and Carbon Reduction Strategy will be developed during 2025-26 to provide us with a clear focus and direction about the future use and energy efficiency of our assets such as continued use, redesignation, redevelopment or disposal. When we dispose of properties assessed as unsuitable or unsustainable for affordable housing, the proceeds are used to support the development of new homes.

We will continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable, these are now included within the future development programme.
- Review key assets for potential opportunities.
- Assess the requirements and resources needed for progress towards EPC Band C by 2030 and Net Zero Carbon by 2050.
- Consider our asset management viability tool to assist us with knowledge of our housing stock. This includes neighbourhood mapping and allows us to consider various options to determine the future of the asset. We continue looking at alternative options to improve on this.

Below is an extract from the scorecard, which presents the company's performance against targets set internally for the year ended 31 March 2025 and against targets taken from Housemark data for 2024. We have selected areas that we believe represent current VFM significance.

Area	2024-25	2023-24	2022-23	2021-22	Housemark 2023-24 Benchmark	Target 2024-25
Customer satisfaction						
Repairs	98.3%	98.2%	97.9%	97.6%	78.9%	96.0%
Standard of property at re-let	100.0%	96.6%	99.0%	94.0%	-	100.0%
Satisfaction with complaints process	52.0%	50.0%	95.0%	95.0%	76.2%	85.0%
Rent collection & arrears						
Rent collection	101.6%	100.4%	99.3%	100.1%	-	100.0%
Rent arrears (% of annual debt)	2.13%	2.72%	2.65%	2.33%	2.02%	3.20%
Void loss & turnaround						
Void losses	0.67%	1.10%	0.56%	0.50%	1.02%	0.50%
Void turnaround time (days)	21.9	33.9	25.1	22.6	42	25
Digital agenda						
Total number of tenant portal registrations	1197	901	650	603	-	1000
Inbound communication by Webchat	1.8%	1.3%	1.1%	1.6%	-	-

Customer satisfaction with repairs has increased slightly from 98.2% to 98.3%, compared to last year, and we continue to exceed our targeted 96.0% for the year. We are significantly above the Housemark average of 78.9%. Satisfaction with the standard of property at relet has met our 100% target. Satisfaction with the complaints process is 52.0%, a small increase from last year, but still below the Housemark benchmark of 76.2%. We did 89 satisfaction surveys over the year, and 47 were satisfied. In 2024-25, complaints have more than tripled compared to the previous year, as we expected with the Housing Ombudsman Service. Our tenants' response rate on the survey has improved to 34% in 2024-25, which has given us some valuable insight into what residents are complaining about and how we can improve our service.

The rent collection rate reached 101.6%, a slight increase from last year, and above our target of 100%, as we have collected some prepayments and rent arrears. The rent arrears have reduced to 2.13% from last year's 2.7%, and above the benchmark of 2.02%. We exceeded our target, 3.2%. We have continued to support tenants over the last year by applying for universal credit and working with them where it is possible to manage their rent payments. This has helped us to improve our performance from last year and exceed our internal targets. Through our Head Start team, we have signposted and assisted tenants in securing the additional financial support they need. We have also distributed over £50,700 (2023-24: £37,500) of financial support through a hardship fund to tenants in greater need.

Void losses due to voids have dropped to 0.67% compared to last year's 1.10% and are well below the benchmark 1.02%. However, we are still slightly over our targeted 0.50% due to the delays in letting new properties in early in the year. The delay is caused by fire door issues that must be rectified.

Across the organisation, we have a strong focus on VFM, and many departments have specific VFM targets. An updated VFM report was presented to the Board and approved in July 2024. In 2024-25, our VFM focus was on:

Digital and Technology

We successfully upgraded our housing management system, Civica Cx, to the latest version, providing enhanced functionality and security for staff and, in turn, improving the customer experience. User Acceptance Testing (UAT) continues to be carried out by our in-house workstream leads across the organisation and Cx Analyst, with no consultancy required. We have also successfully migrated data from our legacy EDRM system (Documotive) into SharePoint. This will save us £11,500 per year in support and maintenance fees.

All our frontline staff within the Customer & Communities directorate now have tablets to conduct estate inspections, keep in touch (KIT) visits, and use various forms directly within Civica Cx to enter data at the source. Following thorough testing, we found that staff were able to use Cx through their web browsers rather than procuring the Cx Mobile app. This provided us with a saving of approximately £66,000 per year.

A brand-new website was launched in March, providing a better resident and key stakeholder experience. The website has enhanced accessibility and security built in as standard. We tested the market to obtain the best value quotation for developing it. An element of the new website was the introduction of ReciteMe as our new accessibility tool and scanner. We procured this software for three years upfront, resulting in a £7,500 saving across the contract's three-year term.

We have developed Power BI reports and dashboards to replace Mobyssoft for rent arrears predictions. It provides more accurate and up-to-date data for our income and renting team, saving us approximately £65,000 a year. Following a recent value-for-money review, we have also ceased developing the Cadcorp GIS solution, as the cost outweighs the benefit, saving us approximately £ 22,500 a year. After attending the Cyber UK conference, we sourced a supplier for our network penetration test and Cyber Essentials Plus assessment for almost £15,000 less than budgeted.

Improve skills and behaviours of staff

We recognise that motivated staff create satisfied customers. We continue prioritising staff professional development throughout 2024-25 by investing in training to enhance our service delivery, safety, and compliance. This included an organisational culture transformation programme with Mary Gobar International, housing law training for frontline colleagues, and health and safety training and qualifications. In 2025-26, the focus will remain on cost-effective, high-value training, utilising in-house expertise where possible and with trusted providers.

Welfare reform and cost of living impact

We continue to work with our customers to support them with issues surrounding Universal Credit and the Cost-of-Living crisis. Our Head Start Team comprises three Coordinators and one Team Leader with a clear focus on tenancy sustainment. Whilst not limited to, their work and support will consider trial calculations for our customers to ensure they are claiming everything they are entitled to; carrying out

affordability assessments during the pre-tenancy allocation process to ensure their new property will be affordable; and delivering our Assisted Lettings Scheme to eligible customers with white goods or carpets to reduce the costs associated with moving to a new property.

With the pressures of the cost of living, the Tenancy Sustainment team often finds themselves working with customers to increase their financial resilience and support them in managing the impact this may have on the individual and/or household. Our support extends further to help improve Health and Wellbeing, Digital Inclusion, and Positive Participation.

In 2022-23, we launched a Hardship Grant with a core purpose to support customers impacted by the cost of living and rent increases. The support offered via the Hardship Grant has continued since then. From 2022-23 to 2024-25, we have supported 679 households, with a total grant spending of £120,238. We are pleased that, in 2025-26, a further £35,000 funding has been made available. The level of support provided benefits customers who benefit from the grant's immediate financial respite and can also be beneficial in reducing other pressures, such as stress and anxiety. As a result, this has led to better engagement in managing tenancies.

We have been working with Homemaker Southwest since 2019 to help our tenants with debt problems. In 2024-25, for an annual fee of £5,000, they helped our tenants receive a total of £48,400 of the support they were entitled to. This is a cost-efficient service that directly benefits our tenants. Some of this income helps tenants pay their rent on time, reducing our arrears. During the year, the Head Start Team received 206 referrals from our Customers and Communities Directorate, 195 of which identified financial inclusion as an area of need. The Head Start Team obtained a total of £70,321 additional income for these residents. Within the year, we have received a total of £118,721 in income support from the partnership between our Head Start Team and Homemaker Southwest, £34,916 of which was directly allocated on the rent account of tenants with a combination of successful backdated housing costs, Discretionary Housing Payments and Housing Benefit entitlement costs.

Asset Management

Our full housing stock survey continued over 2024-25, meaning we have surveyed 83% of the stock at the end of the financial year. This will give us valuable insight into the condition of our housing stock so that we can undertake any necessary remedial action, better plan our cyclical and planned maintenance cycle and carbon reduction work and highlight any issues before they become too serious. Whilst a financial outlay in the short term, this will provide efficiency savings over the long term. It will also allow us to identify any problem stock that may be beneficial to dispose of and replace with newly developed housing or consider local regeneration where the opportunity arises. Planning is underway to target the 17% of the stock we have remaining to survey.

Procurement

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and to improve value for money for its members. In 2024-25, the savings delivered through the membership of this consortium total £179,491.

Templer HomeBuild

The wholly owned subsidiary Templer HomeBuild (THB) continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on 'right first time', generating progressive efficiencies and cost savings. The VAT savings from Templer HomeBuild in 2024-25 were £678,198. The 2025-26 budget includes a further VAT saving of £670,990.

This year, we have reflected on independent Value for Money reviews to ascertain Templer HomeBuild's (THB) overall performance. Benchmarking reports analysed the volume and cost of works to give context to the overall repairs and maintenance service, providing a better understanding of the value achieved compared to other similarly sized Housing Associations in the South West.

Responsive Repairs

THB carried out 3.14 repairs per property, almost exactly in line with the benchmark average. Our average repair cost was £207.25, significantly lower than the benchmark average and the second lowest of those included in the measure.

In reviewing the cost breakdown, THB is highly consistent with the benchmark average, demonstrating the effectiveness of our delivery model and the balanced use of direct labour and subcontract resources.

Void Repairs

Our average void cost has seen a consistent year on year reduction but is high compared to the benchmark average. This high cost is not considered indicative of poor Value for Money but rather representative of local customer expectations and a high re-let standard. The focus in 2025-26 is to revisit the void standard to find an acceptable balance between cost and customer satisfaction.

Unlike Responsive Repairs, the Void delivery model was considered inconsistent with the benchmark. Void delivery is more commonly delivered through subcontracted works than the THB self-delivery approach. In the coming year, this is being reviewed alongside the re-let standard.

In 2024-25, we have seen a rise in total void property repair costs due to the number of void properties rising from 158 to 206, but the average void cost per property has been reduced from £8,600 to £7,900. This year, we have completed 75 (£731,100) major voids and 24 (£441,000) mega voids, compared to 53 (£475,400) and 23 mega (£499,700) last year.

Component Replacement

The cost of planned works in general compares very favourably with benchmark averages.

The two principal component replacement programmes show that kitchens were 6.8% below the benchmark average, and bathrooms were 8.6% below.

Like Voids, the THB self-delivery approach is also considered inconsistent with the benchmark; subcontract is the most common delivery model. The primary reason for externalising planned works is often a lack of continuity or duration of programmes and the resulting risk to productivity within a directly employed workforce. Whilst the procurement of packages such as kitchens and bathrooms will be evaluated, it is important for THB to maintain an approach that delivers the optimum balance of internal and external resources.

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

We completed work on a further block (three of four blocks) containing 16 properties. With the addition of external wall insulation, we have improved the energy efficiency of the residents' homes. We conducted preparatory assessments on a small number of properties to inform our application to the Government's flagship Warm Homes Social Housing Fund to assist our future energy improvement work to get all our homes to EPC C or better.

We started work on contract term negotiations with LivGreen Futures Ltd to deliver a 'turnkey' energy improvement and carbon reduction retrofit project through the Greener Futures Partnership Decarbonisation Delivery framework.

Customer Service

We have successfully implemented the Omnichannel project, so we now have all communication avenues in one place. This allows us to ensure that all correspondence is answered promptly and that we resource each channel appropriately.

During the year:

- there was 98.3% satisfaction with repairs carried out
- 100% of all planned work was completed on time

The Customer First Team continued to engage in Call Quality and Monitoring Coaching to improve customer interactions.

Our Customer First Team Advisors are scored on set criteria around tone of voice and active listening. This process has increased baseline scores, significantly improving our customers' experience and, hopefully, their expectations of our service. We achieved Contact Centre accreditation from the Contact Centre Management Association early in the year.

Community Engagement

We have continued to be fully engaged with our Community Safety Partnership to resolve safeguarding and anti-social behaviour issues where there is a community impact. This saves on resources and legal costs.

Following a recent assessment of the effectiveness of the Anti-Social Behaviour (ASB) Respect Line, we have decided not to renew it for 2025-26, as the cost outweighs the benefits. This will save us approximately £4,500 each year, which can be used in other areas of need, such as additional security measures for victims of violence. We have appointed a Senior Tenancy Enforcement Officer who can take on the work currently being referred to our solicitor. They will ensure a more comprehensive, swift outcome, reducing time spent managing ASB and making customers more satisfied.

We are looking at how Estate Inspections are undertaken and by whom, recognising that this is a protracted process with many people involved at different stages. We have worked tenaciously, in partnership with Templer HomeBuild, to continue achieving 100% compliance on gas and electrical safety testing this year, employing various strategies that have helped us avoid legal costs. We moved the repair

diagnostics tool from M3 Central to our portal and app, which will allow us to implement self-scheduled repairs for residents in the future.

Following a recent Value for Money review, we have stopped running skip days, which is not financially beneficial. We are now working with tenants more intensely, on an individual basis, to improve the condition of their homes and take responsibility for their communities. This is both empowering for residents and more cost-efficient.

The Rents and Tenancy Sustainment teams have completed more Discretionary Housing Payment applications on behalf of tenants. While initially it takes more time, this does prove value for money when the applications are awarded, as the debt is cleared quicker than when we chase a tenant for payment and the cost of the tenant making payments to us.

Independence and Wellbeing

The Winter Warmer events continue to provide information on reducing fuel consumption, understanding benefit entitlements, and avoiding fuel poverty. Some agencies have attended some of our events. Devon Fire and the Fire and Rescue came along and spoke with tenants and booked them in for Home Safety Visits. Affordability and Billing Support for tenants attended group meetings to discuss support. Exeter Community Energy and Healthy Homes provided information on reducing bills, support with insulation, heating homes, and large arrears/bills with energy companies.

Hot meals continue to be prepared, and activities occur in our community rooms. These have continued as the Spring Kitchen and Summer Sizzlers, bringing scheme communities together and aiming to build relationships, combat loneliness, and improve wellbeing. They have been very well received. The feedback has been positive about the new service and how this has made a difference for them. Having someone knock at their door regularly is appreciated. In 2024-25, the total number of activities is 194 with 990 attendees. These events include drop-in sessions for tenants to discuss housing and support-related issues, celebrations such as the King's Coronation, monthly meals prepared by Hub Coordinators and wellness events.

We have continued to set goal plans to capture the needs of our most vulnerable customers. During the year, 38% of our customers living in our sheltered accommodation received a plan.

ALRT (Assisted Lifting Response Team)

The company has continued partnering with Torbay, South Devon NHS, and Appello to offer this service. Customers who benefit from this service will get the Torbay ALRT team to assist a non-injured faller with lifting. The team has specialist lifting equipment and training, meaning it can get customers up quickly and help prevent further accidents. It also means a shorter wait time than if they were waiting for an ambulance, as paramedics can prioritise emergency cases over someone unable to get up but unhurt.

Tenant Involvement

We remain committed to actively engaging with our residents and the broader community. Our Resident Involvement Manager oversees these efforts, assisting us in understanding the values and expectations of our tenants. We host a Residents' Forum that convenes every six weeks in a hybrid format. Our consultations extend to service modifications, processes, and tenant-related policies, procedures, and

strategies. Additionally, our Scrutiny Panel conducts regular assessments of our services from the residents' perspective, offering valuable feedback and suggestions for enhancement. Furthermore, our recently introduced Customer Experience committee reinforces our dedication to ensuring any resident involvement group's actions are monitored and implemented, while providing a direct link between residents and our Board members. Collectively, these initiatives ensure that Teign Housing maintains a strong connection with its residents.

In 2025-26, as well as the projects above, which will continue, our focus will also be on:

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

The additional stock condition data from the stock surveys will provide better and more accurate data to inform our investment plans for carbon reduction. Using this data along with EPC information, we can cost effectively target properties for planned maintenance to both maintain decent home standards and focus on the least energy efficient properties to maximise the return on investment.

We are planning to deliver two phases across the year targeting approximately 140 homes as we work towards our target of achieving a minimum EPC band C across all of our stock by 2030.

Damp and Mould

We continue to take a proactive approach, adopting smart technology to monitor and track trends in “at-risk” homes. Remote sensors installed in properties with a greater probability of damp and mould alert us to issues and enable us to remedy problems early. Our Damp and Mould Action Group continues to focus on key issues, ensuring our processes are continuously reviewed and consistent with current legislative requirements.

DMC has also factored into our internal audit plan to provide further assurance of our policies, procedures, and controls. An audit took place in our 2024-25 programme, and we will undertake a deep-dive audit as part of the 2025-26 deep-dive audit plan.

Procurement Initiatives

In 2025-26, we will fully review our supply chain arrangements. The overarching objective is to establish a greater number of direct, local arrangements that deliver better value, make a measurable contribution to the local economy, and positively affect the communities in which we work. Procurement initiatives will leverage collaboration with other Housing Associations and consortia, such as Advantage South West, to establish new frameworks and supply partners.

Further improve our complaints process

Templer HomeBuild introduced a Customer Experience Lead role to help manage complaints about repairs and maintenance and deliver better service to our customers. We will continue enhancing our approach to complaints with increased employee training opportunities and co-developing processes with our customers. Full results are published quarterly on the Board and Residents Forum and our website. We continue to fully roll out “Lessons Learned,” and in 2025-26, we aim to stop making the same mistakes again and prevent them.

Develop more affordable homes

We will continue developing affordable homes while ensuring that homes remain affordable for people in our local communities. This may be through the purchase of section 106 developments or smaller land-led schemes. In the business plan, we target to deliver 53 new homes in 2025-26. We continue to review our land and properties for redevelopment opportunities. Ultimately, this will lead to an increase in rental income, which can be reinvested in our existing stock or used to build more new homes.

Improve cash flow by increasing the collection of non-rent debt

Our housing management system will continue to monitor rechargeable repair debts. The balances show against repair records. In addition, we have introduced monthly reporting on recharge debt to monitor the success rate of collection, which we have never had previously. We are in the process of creating an arrears procedure within Cx to help further improve the efficiency of recharge debt.

Customer Service

The Customer First Team will relaunch Call Quality and Monitoring Coaching to improve customer interactions. Team leaders will be included in the relaunched program, and subject matter experts will be invited to provide coaching and feedback on specific call types. This will improve the quality of the advisor's detailed knowledge of the call subject matter, improving the quality of the advisor's response to callers.

We have delivered the Omnichannel project, which integrates all communications channels into one area to enable us to better manage demand for our service.

The team will continue to have refresher huddles for the Making Every Contact Count initiative. This training is focused on customer service but also has a broader remit of matching personal skills to technical skills to equip employees to achieve their full potential and improve service levels across the directorate.

Independence and Wellbeing

The digital switchover, in which we replaced all the hard-wired alarm equipment, was completed ahead of our target date. We completed this over two phases, and phase two was completed at the end of December 24. This results in a far quicker response to emergency calls.

Tenancy sustainment plans continue to be created with all new tenants as part of the sign-up process. This allows goals to be set for the outcomes of moving into the sheltered schemes and also to identify any needs for support and assistance before moving in. This could be assistance with registering for a doctor's surgery or other medical and social requirements. This helps the team best plan for the support needed and have it in place on the day the tenancy begins.

This promotes engagement with the residents, especially when introducing a new technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

The community events with Winter Warmers, Spring Kitchen, and Summer Sizzlers will continue, and the craft sessions will promote relationships and contact and reduce feelings of loneliness. At these sessions, we invite partner agencies to demonstrate the support offered.

Aids and Adaptations

The Aids and Adaptations (A&A) policy and procedure have been reviewed. The review reflects the co-development work done with beneficiaries of the A&A service and the associated service improvements. We have introduced a quarterly performance report that will reflect the service's value to our customers and stakeholders.

Tenant Involvement

Looking forward, we are excited to share details of our customer voice strategy, detailing additional methods to ensure our residents have various opportunities to help shape our services and improve our methods of communication with our residents, outlining outcomes from their input. This will include introducing estate inspectors, one-day scrutiny reviews, improved communication with younger residents and informal methods for residents to get involved and provide us with valuable suggestions and feedback. Communication with residents will be expanded by introducing a monthly one-minute update video to ensure our residents have additional means of hearing news from Teign Housing. We will continue to work closely with our customers and the communities' team to deliver roadshows within our estates, allowing residents to talk to various members of staff regarding issues they may have and potential suggestions for Teign Housing to improve.

Digital and Technology

We will introduce self-service appointment bookings for repairs, where our customers can book a repair slot that suits them, and our contact centre staff can book it on their behalf, freeing up resources within the Customer First Team. To improve our work efficiency, we will review the next Civica Cx housing management system upgrade in November.

Following the tender process, we will appoint a supplier of our Microsoft licensing for the next 3 years, providing the best value and quality provider through testing the market thoroughly. We will procure and implement a new cloud-based asset management and compliance system to centralise data and provide real-time asset tracking and monitoring. Furthermore, we will implement an Artificial Intelligence (AI) strategy as part of our wider Digital Strategy to enhance the resident and staff experience across the organisation and alleviate staff time and resources.

Health and Safety

Over the past year, we have continued to embed our three-year Health and safety Strategy and align our approach with HSG65, the Health and Safety Executive's framework for managing health and safety through a 'Plan, Do, Check, Act' model. This ensures that health and safety are integrated into how we manage our services rather than treated as a stand-alone system.

This year, a key area of focus has been supporting our colleagues in confidently carrying out risk assessments relevant to their work activities. By providing practical tools, training, and tailored support, we enable staff to take ownership of health and safety within their roles, helping create safer working environments.

We have also strengthened our programme of building health and safety inspections, using findings to drive improvements and maintain safe, compliant environments for our colleagues and customers.

In addition, we have prioritised fire safety for our residents by providing clear advice and guidance to both customers and staff. This has included raising awareness, promoting best practice, and responding to specific concerns to ensure everyone understands their role in keeping homes safe.

Looking ahead to 2025-26, we will continue to strengthen our health and safety management system to provide assurance to the Board and confidence to our residents. This includes an internal audit programme that will assess key elements of our approach, providing insight into areas of good practice and identifying where further improvements are needed. Refresher training will be rolled out for all staff and Board members, including IOSH-accredited courses and conflict resolution for lone workers.

To support a more proactive and consistent safety culture, we will use the Health and Safety Executive's climate survey tool and introduce multi-disciplinary safety tours. These initiatives will help us better understand our current culture and track progress over time.

Last year, we completed health and safety inspections across all our residential buildings with communal areas, enabling timely action on issues, improving compliance, and reinforcing our commitment to resident safety. Building on this strong foundation, we will continue to drive improvements that deliver safe homes, empowered staff, and long-term value for money.

Maintain financial capacity

The current RCF of £20m remains available until 2028. The refinancing project was finalised in June 2024, and we have secured a new RCF of £30m until 2034. This will enable the continued expansion of our development capacity and capital investment in improvements for our existing stock.

Ensure our residents are happy with their repairs

Next year, we aim to continue to exceed 97% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

Next year, we aim to exceed 99% of repairs requiring only one visit.

Work efficiently and respectfully in customers' homes

Next year, we plan to complete 97% of all planned works on time.

Remain Financially Strong

In 2025-26, our operating margin is budgeted to be 15.5%, which has been impacted by effect of the inflation rate on repairs and maintenance costs having increased more than the rate of rent increase. In the business plan our forecasted operating margin rises to 16.5% in 2026/27 and 17.7% in 2027/28.

Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that the risks that threaten the achievement of

the company's objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness and takes any necessary steps to maintain or improve its effectiveness.

Teign Housing's system of internal controls includes the measures set out below:

Policy and strategy – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

Internal Deep Dives and Reviews – regular reviews of the risks and assurance frameworks are supported by a robust internal audit programme. We also undertake internal deep dives across the business. The Audit & Assurance committee monitors the progress of any internal audit actions through to completion.

Prevention and detection of fraud – The system of internal control includes measures designed to prevent or detect fraud.

The Board has established a policy on the prevention, detection and investigation of fraud, which includes a whistle-blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud, which include but are not limited to:

- A Risk Management Framework
- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Authorisation controls
- Access controls
- Exception reports
- Financial Regulations

Board's assessment of assurance and internal control

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 13 May 2025. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.

The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2025 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 24 July 2025 and signed on its behalf by

Richard Gammage
Chair of the Board



Directors Report

The Directors present their report for the year ending 31 March 2025.

Directors

The directors who served the company during the year are shown on page 1.

Information for auditors

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

Statement of Compliance

The company has chosen, in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period.

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial

position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Directors on 24 July 2025 and signed on its behalf by:



Richard Gammage
Chair of the Board

Independent Auditor's Report

Opinion

We have audited the financial statements of Teign Housing (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2025 which comprise the Consolidated and parent Company Statement of Comprehensive Income, the Consolidated and parent Company Statement of Financial Position, the Consolidated and parent Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2025 and of the Group's income and expenditure and the parent Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 28, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Company, 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 Companies Act 2006, 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, NHF Code of Governance 2020, tax legislation, health and safety legislation, and employment legislation.

- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

George Shillam ACA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Chartered Accountants and Statutory Auditors

150 Minories

London

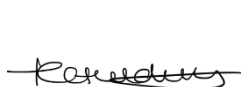
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Date: 4 September 2025

Statement of Comprehensive Income

	Note	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Turnover	2	25,838	24,843	25,983	24,949
Cost of sales	2	(1,063)	(2,536)	(1,063)	(2,536)
Operating expenditure	2	(22,712)	(17,754)	(22,887)	(17,889)
Gain on disposal of property, plant and equipment	2	268	83	268	83
Movement of investments property value	2	-	(45)	-	(45)
Operating surplus	2	2,331	4,591	2,301	4,562
Interest receivable	4	52	95	82	124
Interest and financing costs	5	(2,812)	(2,021)	(2,812)	(2,021)
Surplus/(Deficit) before tax		(429)	2,665	(429)	2,665
Taxation	7	-	-	-	-
Surplus/(Deficit) after tax		(429)	2,665	(429)	2,665
		(429)	2,665	(429)	2,665
Other Comprehensive Income					
SHPS - Actuarial gain/(loss) in respect of pension schemes	20	121	(225)	121	(225)
Total		121	(225)	121	(225)
Total comprehensive income for the year		(308)	2,440	(308)	2,440

The financial statements on pages 35 to 73 were approved and authorised for issue by the Board on 24 July 2025, and were signed on its behalf by:



Helen Hilditch
Company Secretary



Richard Gammage
Chair of the Board



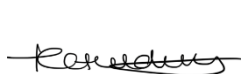
Steve Higginson
Chair of Audit Committee

The results relate wholly to continuing activities, and the notes on pages 39 to 73 form an integral part of these accounts.

Statement of Financial Position

	Note	Group At 31-Mar-25 £'000	Group At 31-Mar-24 £'000	Association At 31-Mar-25 £'000	Association At 31-Mar-24 £'000
Fixed Assets					
Intangible Assets	8	91	73	91	73
Tangible Assets	9	180,815	174,537	180,815	174,537
Investment Properties	10	525	525	525	525
		<u>181,431</u>	<u>175,135</u>	<u>181,431</u>	<u>175,135</u>
Current Assets					
Stock	11	949	923	949	923
Debtors due in less than one year	12	1,093	981	1,585	1,438
Debtors due in greater than one year		964	964	964	964
Cash and cash equivalents	13	2,829	2,662	2,517	2,363
		<u>5,835</u>	<u>5,530</u>	<u>6,015</u>	<u>5,688</u>
Less creditors: amounts falling due within one year	14	(14,531)	(10,399)	(14,711)	(10,557)
Net Current Liabilities		<u>(8,696)</u>	<u>(4,869)</u>	<u>(8,696)</u>	<u>(4,869)</u>
Total assets less current liabilities		<u>172,735</u>	<u>170,266</u>	<u>172,735</u>	<u>170,266</u>
Creditors: amounts falling due after more than one year	15	(68,742)	(68,415)	(68,742)	(68,415)
Provisions for Liabilities					
Pension Liability	20	(414)	(669)	(414)	(669)
Other provisions	17	(2,705)	-	(2,705)	-
Total Net Assets		<u>100,874</u>	<u>101,182</u>	<u>100,874</u>	<u>101,182</u>
Reserves					
Income and Expenditure reserve		69,152	69,401	69,152	69,401
Revaluation reserve		31,722	31,781	31,722	31,781
Total Reserves		<u>100,874</u>	<u>101,182</u>	<u>100,874</u>	<u>101,182</u>

These financial statements on pages 35 to 73 were approved and authorised for issue by the Board on 24 July 2025 and were signed on its behalf by:



Helen Hilditch
Company Secretary



Richard Gammage
Chair of the Board



Steve Higginson
Chair of Audit Committee

The notes on pages 39 to 73 form an integral part of these accounts

Statement of Changes in Reserves

Group:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 31st March 2023	66,895	31,847	98,742
Surplus from Statement of Comprehensive Income	2,665	-	2,665
Actuarial loss relating to the year	(225)	-	(225)
Transfer to/(from) revaluation reserve to income and expenditure reserve restated	66	(66)	-
Balance at 31st March 2024	69,401	31,781	101,182
Deficit from Statement of Comprehensive Income	(429)	-	(429)
Actuarial gain relating to the year	121	-	121
Transfer to/(from) income and expenditure reserve to revaluation reserve	59	(59)	-
Balance at 31st March 2025	69,152	31,722	100,874

Association:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 31st March 2023	66,895	31,847	98,742
Surplus from Statement of Comprehensive Income	2,665	-	2,665
Actuarial loss relating to the year	(225)	-	(225)
Transfer to/(from) revaluation reserve to income and expenditure reserve restated	66	(66)	-
Balance at 31st March 2024	69,401	31,781	101,182
Deficit from Statement of Comprehensive Income	(429)	-	(429)
Actuarial gain relating to the year	121	-	121
Transfer to/(from) income and expenditure reserve to revaluation reserve	59	(59)	-
Balance at 31st March 2025	69,152	31,722	100,874

The notes on pages 39 to 73 form an integral part of these accounts

Consolidated Statement of Cash Flows

	Group 2025 £'000	Group 2024 £'000
Cash flows from operating activities		
(Deficit)/Surplus for the year after tax	(429)	2,665
Adjustments for investing or financing activities		
(Gain) on sale of fixed assets	(268)	(83)
Interest receivable	(52)	(95)
Interest and financing costs	2,812	2,021
	2,492	1,843
Adjustments for non-cash items:		
Depreciation	3,099	2,808
Impairment of Fixed assets	-	-
Government grant utilised in the year	(85)	(82)
(Increase)/Decrease in stock	(26)	657
(Increase)/Decrease in Investment properties	-	45
(Increase)/Decrease in trade and other debtors	(112)	551
Increase/(Decrease) in trade and other creditors	1,377	(301)
Pension costs less contributions payable	(163)	(154)
Increase/(Decrease) in other provision	2,705	-
	6,795	3,524
Net cash generated from operating activities	8,858	8,032
Cash flow from investing activities		
Capital expenditure on housing properties	(9,161)	(16,225)
Net proceeds on sale of housing properties	700	219
Purchase of other fixed assets and intangible assets	(442)	(277)
Government grant received	515	214
Interest received	52	95
Net cash used in investing activities	(8,336)	(15,974)
Cashflow from financing activities		
Interest paid	(3,105)	(2,715)
Loan Break Fees	-	-
Interest element of finance lease rental payment	-	-
Loans received	2,750	8,000
Loans repaid	-	-
Net cash used in financing activities	(355)	5,285
Net change in cash and cash equivalents	167	(2,657)
Cash and cash equivalents at beginning of year	2,662	5,319
Cash and cash equivalents at year end	2,829	2,662

The notes on pages 39 to 73 form an integral part of these accounts.

Notes to the Financial Statements

Legal Status

Teign Housing is a company limited by guarantee incorporated in England and Wales under the Companies Act 2006, it is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Millwood House, Collett Way, Newton Abbot, Devon TQ12 4PH.

1 Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers (2018). The Group is required under the Companies Act (Group Accounts) Regulations 2006 to prepare consolidated Group accounts.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements have been prepared in compliance with FRS102. The financial statements are prepared on the historical cost basis of accounting as modified by the valuation of the transferred rented housing stock to deemed cost on the transition to FRS 102 and are presented in £000's. Investment properties are included in the financial statements at valuation.

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Group financial statements consolidate the financial statements of Teign Housing (the parent) and its subsidiary undertaking Templer HomeBuild for the year ended 31 March 2025.

Parent company disclosure exemptions

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

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Teign Housing and entities controlled by the Group (its subsidiary). Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

Intercompany transactions and balances between group entities are eliminated in full upon consolidation.

Going Concern

The company's financial statements have been prepared on a going concern basis, which assumes the ability to continue operating in the foreseeable future. The impact of the ongoing regional and global conflicts continue to be monitored, and the company has adapted to various new ways of working. The future budget and business plans have been constructed with this in mind, and no significant concerns have been noted.

The business plan was stress tested and assessed for any imminent or likely future breach in borrowing covenants. No significant concerns have been noted, and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

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

- a. Development expenditure.** The company capitalises development expenditure when the Board approve the agreement for contract. 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. Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the company has considered if the asset is held for social benefit or to earn commercial rentals.
- c. Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d. Pension and other post-employment benefits. The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

e. Impairment of non-financial 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.

A review of void losses in the year has been carried out and no properties have been identified as impaired.

A review of the schemes in development has been carried out and no properties have been identified as impaired.

Following the assessment of impairment, no impairment losses were identified in the reporting period.

f. Provision for bad debts. A provision is made for bad debts based on the age of the debt. The rates of the provision increase from 10% for debts over 13 weeks to 50% for debts over 52 weeks. Former tenant arrears are provided for at 100%.

g. Valuation of investment properties. Investment properties are held at fair value at each year-end. The last external valuation was undertaken by Jones Lang Lasalle, an independent valuer, on 31 March 2024. For the year ending 31 March 2025, fair value was arrived at following an internal assessment derived from the current market leases, demand and investment property indices for comparable real estate and the nature and location of the specific asset. The valuation represents fair value and remains unchanged at the year-end.

Turnover and revenue recognition

Turnover represents rental income receivable from tenants and leaseholders, amortised capital grants, revenue grants from Local Authorities and Homes England, income from the sale of shared ownership properties and income from other service suppliers, excluding VAT.

Income is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accrual basis. The company operates variable service charges on a scheme by scheme basis in full consultation with residents.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and the amount of maturity of the related loan.

Capitalised Interest

Interest on our development schemes is capitalised from the point the Board approves the project and the company begins to incur development costs.

Categorisation of Debt

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102.

Corporation Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Value Added Tax

The company charges VAT on some of its income and can 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 company and not recoverable.

Intangible Assets

Intangible assets are for IT software. They are stated at cost less accumulated depreciation.

The useful economic life is 3 to 5 years.

Tangible Assets

Properties for social rent transferred from the Local Authority are stated at deemed cost less accumulated depreciation, all other properties and tangible fixed assets are stated at historic cost less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e., local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties, on practical completion of construction. Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period. Staff costs and overheads directly attributable to bringing housing properties into working condition for their intended use are capitalised. Freehold land is not depreciated.

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

The company depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Structure	100 Years
Cornish Units	50 Years
Kitchens	20 Years
Bathrooms	30 Years
Wiring	30 Years
Heating/boilers	15 Years
Windows and Doors	30 Years
Pitched Roof	70 Years
Flat Roof	20 Years
Disabled adaptations	10 Years

Low Cost Home Ownership

The costs of low-cost home ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets. Interest on loans used to finance the development of new housing properties is capitalised during the construction period.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Leased assets are depreciated over the life of the lease if this is shorter than their useful economic life. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their useful economic lives as follows:

IT equipment	3 to 5 years
Leasehold Improvements	5 to 10 years
Office premises	90 years
Office fixtures and fittings	3 to 5 years
Teigncare Alarm Equipment	3 to 10 years
Motor Vehicles	4 years
Electrical works	40 years
New technology	15 years
Gas installations	25 years

Investment Property

Investment property includes commercial properties not held for the social benefit of the company. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted, if necessary, for any difference in the nature, location, or condition of the specific asset. An independent valuer evaluates the investment properties at least every three years, and an internal assessment is carried out each year. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Social Housing Grant (SHG)

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 (excluding land), under the accruals model.

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

SHG must be recycled by the company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of transfer rented social housing properties and their historical cost carrying value, where deemed cost transitional relief was taken.

2 Turnover, cost of sales, operating expenditure, and operating surplus

Group	Turnover	Cost of sales	Operating expenditure	2025 Operating surplus	Turnover	Cost of sales	Operating expenditure	2024 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	22,987	-	(19,448)	3,539	20,843	-	(17,303)	3,540
Other social housing activities								
Other Services	151	-	(59)	92	146	-	(200)	(54)
Expensed Development Costs	-	-	(90)	(90)	-	-	-	-
First tranche low cost home ownership sales	1,536	(1,063)	-	473	3,437	(2,536)	-	901
Fire Safety Remediation Costs	-	-	(1,924)	(1,924)	-	-	-	-
Activities other than social housing								
Other activities (note 2b)	868	-	(895)	(27)	417	-	(251)	166
Fire Safety Remediation Grant	296	-	(296)	-	-	-	-	-
Total	25,838	(1,063)	(22,712)	2,063	24,843	(2,536)	(17,754)	4,553
Gain on disposal of property, plant and equipment (note 2c)				268				83
(Decrease)/Increase in value of investment properties				-				(45)
Operating surplus				2,331				4,591

2 Turnover, cost of sales, operating expenditure, and operating surplus cont'd.

Association	Turnover	Cost of sales	Operating expenditure	2025 Operating surplus	Turnover	Cost of sales	Operating expenditure	2024 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	22,987	-	(19,635)	3,352	20,843	-	(17,461)	3,382
Other social housing activities								
First tranche low cost home ownership sales	1,536	(1,063)	-	473	3,437	(2,536)	-	901
Other Services	213	-	(47)	166	200	-	(177)	23
Expensed Development Costs	-	-	(90)	(90)	-	-	-	-
Fire Safety Remediation Costs	-	-	(1,924)	(1,924)	-	-	-	-
Activities other than social housing								
Other activities (note 2b)	951	-	(895)	56	469	-	(251)	218
Fire Safety Remediation Grant	296	-	(296)	-	-	-	-	-
Total	25,983	(1,063)	(22,887)	2,033	24,949	(2,536)	(17,889)	4,524
Gain on disposal of property, plant and equipment (note 2c)				268				83
(Decrease)/Increase in value of investment properties				-				(45)
Operating surplus				2,301				4,562

2a Income and expenditure from social housing lettings

Group	General needs £'000	Housing for older people £'000	Low cost home ownership £'000	Other £'000	Total 2025 £'000	Total 2024 £'000
Income						
Rent receivable, net of identifiable service charge and voids	16,323	4,423	775	-	21,521	19,488
Service charge income	456	753	40	-	1,249	1,101
Amortised government grants	63	22	-	-	85	82
Other income from social housing lettings	95	31	6	-	132	172
Turnover from social housing lettings	16,937	5,229	821	-	22,987	20,843
Operating expenditure						
Management	(5,014)	(1,672)	(296)	-	(6,982)	(6,955)
Service charge costs	(836)	(703)	(156)	-	(1,695)	(432)
Routine maintenance	(627)	(222)	-	-	(849)	(3,404)
Planned maintenance	(2,359)	(836)	-	-	(3,195)	(1,062)
Major repairs expenditure	(2,804)	(994)	-	-	(3,798)	(2,637)
Bad debts	(99)	(6)	(1)	-	(106)	(125)
Depreciation of housing properties	(1,917)	(753)	(108)	-	(2,778)	(2,533)
Amortisation	(32)	(11)	(2)	-	(45)	(155)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(13,688)	(5,197)	(563)	-	(19,448)	(17,303)
Operating surplus on social housing lettings	3,249	32	258	-	3,539	3,540
Void losses	(116)	(36)	-	-	(152)	(286)

2a Income and expenditure from social housing lettings cont'd.

Association	General needs	Housing for older people	Low cost home ownership	Other	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	16,323	4,423	775	-	21,521	19,488
Service charge income	456	753	40	-	1,249	1,101
Amortised government grants	63	22	-	-	85	82
Other income from social housing lettings	95	31	6	-	132	172
Turnover from social housing lettings	16,937	5,229	821	-	22,987	20,843
Operating expenditure						
Management	(5,069)	(1,691)	(299)	-	(7,059)	(7,032)
Service charge costs	(846)	(711)	(158)	-	(1,715)	(437)
Routine maintenance	(634)	(225)	-	-	(859)	(3,415)
Planned maintenance	(2,386)	(846)	-	-	(3,232)	(1,090)
Major repairs expenditure	(2,836)	(1,005)	-	-	(3,841)	(2,674)
Bad debts	(99)	(6)	(1)	-	(106)	(125)
Depreciation of housing properties	(1,917)	(753)	(108)	-	(2,778)	(2,533)
Amortisation	(32)	(11)	(2)	-	(45)	(155)
Impairment of housing properties	-	-	-	-	-	-
Other costs	-	-	-	-	-	-
Operating expenditure on social housing lettings	(13,819)	(5,248)	(568)	-	(19,635)	(17,461)
Operating surplus on social housing lettings	3,118	(19)	253	-	3,352	3,382
Void losses	(116)	(36)	-	-	(152)	(286)

2b Turnover from activities other than social housing

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Garage Lettings	381	353	381	353
Commercial Lettings	40	36	40	36
Market Rent	35	28	35	28
Other Non-Social Housing Activities	412	-	412	-
Gift Aid Donation	-	-	83	52
	868	417	951	469

2c Gain on disposal of assets

Group and Association	Right to Buy/Acquire Sales £'000	Low Cost Home Ownership £'000	Open Market Sales £'000	Other Disposals £'000	Total 2025 £'000	Total 2024 £'000
Proceeds of sales	284	468	-	-	752	357
Less: Costs of sales	(79)	(341)	-	(64)	(484)	(112)
Amount payable to Teignbridge District Council	-	-	-	-	-	(162)
Gain/(Loss)	205	127	-	(64)	268	83

3 Directors' emoluments, key management personnel & employee information

	2025 £'000	2024 £'000
The aggregate emoluments paid to or receivable by non executive Directors and former Directors	43	39
The aggregate emoluments paid to or receivable by executive Directors and former Directors	152	172
	<u>195</u>	<u>211</u>
The emoluments paid to the highest paid Director excluding pension contributions	138	152
The aggregate amount of Directors or past Directors' pensions, excluding amounts payable under a property funded pension scheme	-	-

The number of full time equivalent staff whose remuneration payable fell within bands of:	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
£80,000 to £89,999	-	-	-	-
£90,000 to £99,999	-	-	-	-
£100,000 to £109,999	2	3	1	2
£110,000 to £119,999	1	-	1	-
£120,000 to £129,999	1	-	1	-
£130,000 to £139,999	-	-	-	-
£140,000 to £149,999	-	-	-	-
£150,000 to £159,000	1	-	1	-
£160,000 to £169,000	-	-	-	-
£170,000 to £179,000	-	1	-	1

The Chief Executive is an ordinary member of the pension scheme; no enhanced or special terms apply. There are no additional pension arrangements. Nil (2023-24: £20,093) contribution was made by the company in addition to the personal contributions of the Chief Executive. Directors (key management personnel) are defined as the members of Board and the Chief Executive.

	Group	Group	Association	Association
	2025	2024	2025	2024
The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:				
Office staff	111	105	86	82
Wardens, caretakers and cleaners	21	19	21	19
Maintenance staff	55	53	-	-
	<u>187</u>	<u>177</u>	<u>107</u>	<u>101</u>
	Group	Group	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Staff costs (for the above employees)				
Wages and salaries	6,869	6,086	3,945	3,527
Social Security costs	689	585	388	342
Other Pension costs	634	557	526	476
Non Executive Director Wages and salaries	43	39	43	39
Holiday Pay Accrual	60	55	32	16
	<u>8,295</u>	<u>7,322</u>	<u>4,934</u>	<u>4,400</u>

4 Finance income and other income

	Group	Group	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Bank finance income	52	95	52	95
Interest received from Group entities	-	-	30	29
	<u>52</u>	<u>95</u>	<u>82</u>	<u>124</u>

5 Finance costs and similar charges

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
On loans repayable within 5 years	546	269	546	269
On loans wholly or partly repayable in more than five years	2,325	2,325	2,325	2,325
Costs associated with financing	133	20	133	20
Net interest on the defined liability	29	24	29	24
Less finance costs capitalised on housing properties under construction	(225)	(620)	(225)	(620)
Other interest charges	4	3	4	3
Charged to income and expenditure account	<u>2,812</u>	<u>2,021</u>	<u>2,812</u>	<u>2,021</u>

6 Surplus on ordinary activities before taxation

Is stated after charging/(crediting)	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Depreciation of housing properties	2,870	2,526	2,870	2,526
Depreciation of other fixed assets	182	127	182	127
Amortisation of intangible fixed assets	48	155	48	155
Operating lease rentals (land and buildings)	-	-	-	-
Operating lease rentals (other)	-	-	-	-
Auditors remuneration (excluding VAT)				
- Audit of the Group financial statements	28	28	28	28
- Audit of subsidiaries	-	-	-	-
- Other service	2	2	2	2
Amortisation of government grant	(85)	(82)	(85)	(82)

7 Taxation on surplus on ordinary activities

Teign Housing is a registered charity. Charitable activities of the Company are exempt from United Kingdom Corporation Tax.

Analysis of charge/(credit) for the year	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Current tax				
UK corporation tax at 25% (2023/24: 25%)	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Total current tax charge/(credit)	-	-	-	-
Deferred tax				
Total deferred tax charge/(credit)	-	-	-	-
Tax on surplus on ordinary activities	-	-	-	-
Reconciliation of tax charge				
Surplus/(deficit) on ordinary activities before taxation	(429)	2,665	(429)	2,665
Tax on surplus/(deficit) at corporation tax rate of 25% with profits over £250,000 (2023/24: 25%)	(107)	666	(107)	666
Effects of:				
Non-taxable surplus on charitable activities	107	(666)	107	(666)
Expenses not deductible for tax purposes	-	-	-	-
Non trade charges utilised in period	-	-	-	-
Tax charge/(credit) for the year	-	-	-	-

8 Intangible assets – IT software

	2025
	£'000
Cost	
At 31st March 2024	1,039
Additions	66
Disposals	(1)
At 31st March 2025	1,104
Amortisation	
At 31st March 2024	(966)
Charge for year	(48)
Disposals	1
At 31st March 2025	(1,013)
Net book value	
At 31st March 2025	91
At 31st March 2024	73

9 Tangible fixed assets

	Social Housing Properties for Letting Completed	Social Housing Properties for Letting Under Construction	Low Cost Home Ownership Properties Completed	Low Cost Home Ownership Properties Under Construction	Total Housing Properties	Land	IT Equipment	Office	Supported Housing Equipment	Fixtures & Fittings	Motor Vehicles	Total Fixed Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost												
At 1st April 2024	169,487	6,948	15,004	(144)	191,295	65	283	1,178	186	323	148	193,478
Non-Property Additions	-	-	-	-	-	-	62	-	261	33	25	381
Newly Built Properties	-	2,790	-	2,365	5,155	-	-	-	-	-	-	5,155
Works to Existing Properties	4,582	677	-	-	5,259	-	-	-	-	-	-	5,259
Capitalised Interest	-	157	-	68	225	-	-	-	-	-	-	225
AUC Transfers	2,201	(2,201)	1,536	(1,536)	-	-	-	-	-	-	-	-
Trans. to Current Assets	-	-	-	(1,253)	(1,253)	-	-	-	-	-	-	(1,253)
Disposals	(387)	(134)	(312)	-	(833)	-	1	(2)	-	2	(17)	(849)
At 31st March 2025	175,883	8,237	16,228	(500)	199,848	65	346	1,176	447	358	156	202,396
Depreciation & Impairment												
At 1st April 2024	(17,558)	(139)	(499)	-	(18,196)	-	(207)	(152)	(50)	(247)	(89)	(18,941)
Depreciation	(2,728)	-	(142)	-	(2,870)	-	(45)	(14)	(74)	(24)	(25)	(3,052)
Disposals	254	139	8	-	401	-	-	1	-	(2)	12	412
At 31st March 2025	(20,032)	-	(633)	-	(20,665)	-	(252)	(165)	(124)	(273)	(102)	(21,581)
Net book Value												
At 31st March 2025	155,851	8,237	15,595	(500)	179,183	65	94	1,011	323	85	54	180,815
At 31st March 2024	151,929	6,809	14,505	(144)	173,099	65	76	1,026	136	76	59	174,537

9 Tangible fixed assets cont'd

Number of units owned and managed

Group and Association

Social Housing Accommodation	Opening Balance	Started in Year	Aborted in Year	Completed in Year	Closing Balance
Under development					
General needs housing	81	22	38	31	34
<i>Social rent</i>	16	11	-	16	11
<i>Affordable rent</i>	65	11	38	15	23
Supported housing and housing for older people	-	-	-	-	-
Low cost home ownership	31	5	12	14	10
	112	27	50	45	44

	Opening Balance	Completed in Year	Disposed in Year	Closing Balance
Owned at end of year				
Social Housing				
General needs housing	2,720	31	2	2,749
<i>Social rent</i>	2,386	16	2	2,400
<i>Affordable rent</i>	334	15	-	349
Supported housing and housing for older people	997	-	-	997
Low cost home ownership	165	14	2	177
Non-Social Housing				
Private sector leasing	23	-	-	23
Market rent	3	-	-	3
	3,908	45	4	3,949

	Opening Balance	Taken on in Year	Removed in Year	Closing Balance
Accommodation Managed for Others				
Social Housing	13	-	-	13
Non-Social Housing	44	2	-	46
	57			59
Owned and Managed Properties	3,965			4,008

The value of property additions includes £225,000 of capitalised finance costs (2023-24: £621,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £2,544,000 (2023-24: £2,264,000). The average rate of finance costs is 4.87% (2023-24: 4.59%).

Housing properties were valued by Jones Lang LaSalle in accordance with Royal Institute of Chartered Surveyors procedures. Based on the commitments to the funders, some properties are valued at EUV-SH (existing use value), and some are at MV-ST (market value subject to tenancy). Properties valued annually for funding commitments at 31 March 2025 equated to £128.5m (1,438 properties); Properties valued triennially for funding commitments at 31 March 2023 equated to

£30.7m (413 properties), and unencumbered properties valued at 31 March 2024 equated to £101.2m (1,493 properties), in total 3,344 properties. There are 605 properties that have not been valued for funding commitments.

The total capital and revenue expenditure on repairs and maintenance to existing social housing properties in the year was £13,101,000 (2023-24: £11,032,000). Of this £5,259,000 (2023-2024 £3,818,000) was capitalised.

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2025 was £35,851,400 (2023-24: £35,501,400).

10 Investment properties held for letting

Group and Association	2025 £'000
Cost	
At 31st March 2024	525
Additions	-
Loss from adjustment in value	-
At 31st March 2025	525

Investment properties were re-valued as at 31 March 2024 by Jones Lang Lasalle, professionally qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors' Valuation Global Standards. These properties were part of the original stock transfer from Teignbridge District Council and transferred with a nil value. The shops have been valued on the basis of Market Value. The total valuation remains at £525,000 (£525,000, 31 March 2024). The fair value was arrived at following an internal assessment derived from the current market leases, demand and investment property indices for comparable real estate and the nature and location of the specific asset. The valuation represents fair value and remains unchanged at the year-end.

11 Stock

	2025	2024
Group and Association	£'000	£'000
Properties held for sale		
Low cost home ownership properties		
Completed	825	530
Under construction	124	393
	<u>949</u>	<u>923</u>

Ten low-cost home ownership properties were under construction, and six were completed and available for sale as of 31 March 2025.

12 Trade and other debtors

Amounts falling due in less than one year

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Arrears of rent and service charges	621	611	621	611
Provision for bad and doubtful debts	(244)	(353)	(244)	(353)
	<u>377</u>	<u>258</u>	<u>377</u>	<u>258</u>
Prepayments and accrued income	281	514	363	577
Other trade receivables	435	209	445	203
Amounts owed by subsidiary undertakings	-	-	400	400
Amounts due in less than one year	<u>1,093</u>	<u>981</u>	<u>1,585</u>	<u>1,438</u>

Amounts falling due in greater than one year

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
THFC loan interest paid in advance	964	964	964	964
Amounts due in greater than one year	<u>964</u>	<u>964</u>	<u>964</u>	<u>964</u>

13 Cash and cash equivalents

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Short term deposits	-	-	-	-
Cash at bank	2,829	2,662	2,517	2,363
	<u>2,829</u>	<u>2,662</u>	<u>2,517</u>	<u>2,363</u>

14 Creditors: amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Trade payables	451	484	450	483
Accruals and deferred income	1,887	242	1,887	242
Rent and service charges paid in advance	878	884	878	884
Right to Buy sharing agreement	-	162	-	162
Amounts owed to subsidiary	-	-	288	259
Other creditors	287	375	259	348
Bank loans (note 15a)	10,750	8,000	10,750	8,000
Deferred capital grant (note 15b)	90	84	90	84
VAT creditor	17	7	17	7
Income Tax (PAYE) and National Insurance	171	161	92	88
Lease obligations	-	-	-	-
Amounts owed to subsidiary undertakings	-	-	-	-
	<u>14,531</u>	<u>10,399</u>	<u>14,711</u>	<u>10,557</u>

15 Creditors: amounts falling due after more than one year

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Bank loans (note 15a)	57,530	57,511	57,530	57,511
Loan Premium	3,363	3,479	3,363	3,479
Deferred capital grant (note 15b)	7,768	7,303	7,768	7,303
Recycled Capital Grant Fund (note 15c)	58	99	58	99
Sinking Fund (Haldon)	23	23	23	23
	68,742	68,415	68,742	68,415

15a Bank loans

The Group and Association loans are repayable in the following periods:

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Fixed rate loans				
Within one year	-	-	-	-
2 to 5 years	-	-	-	-
In 5 years or more	57,530	57,511	57,530	57,511
Variable rate loans				
Within one year	10,750	8,000	10,750	8,000
2 to 5 years	-	-	-	-
In 5 years or more	-	-	-	-
	68,280	65,511	68,280	65,511

The £25m loan from GBSH and £33m loan from bLEND PLC are fixed long-term loans, which remain in place, resulting in a total drawn debt of £58m.

The £20m revolving credit facility remains in place with Nationwide, and £10,750,000 was withdrawn at the end of March 2025 (2023-24: £8,000,000). We have a new tranche of £30m with Nationwide from June 2024, which remains undrawn.

All loans are secured by specific charges on the Company's housing properties and are repayable at varying finance costs, from 2.92% to SONIA plus 1.18%.

The average rates of finance costs on the long-term loans outstanding at 31 March 2025 were:

Fixed rate loans 3.98% (2023-24: 3.98%)

At 31 March 2025, the Group and Association also had the following undrawn loan facilities:

	2025 £'000	2024 £'000
Undrawn facilities (Nationwide)	39,250	12,000
	39,250	12,000

15b Deferred capital grant

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
At start of the year	7,387	7,311	7,387	7,311
Received during the year	515	214	515	214
Grants recycled on disposals to RCGF	41	(56)	41	(56)
Released to income during the year	(85)	(82)	(85)	(82)
	7,858	7,387	7,858	7,387
Amount due to be released < 1 year	(90)	(84)	(90)	(84)
	7,768	7,303	7,768	7,303

The total accumulated government grant and financial assistance received or receivable at 31 March 2025 is £8,827,000 (2023-24: £8,272,000), of which, £7,858,000k (2023-24: £7,387,000) is included as deferred capital grant and £969,000 (2023-24: £884,000) has been recognised as income through the Statement of Comprehensive Income to date.

15c Recycled capital grant fund

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
At start of the year	99	43	99	43
Inputs to RCGF:				
Grants recycle received		56		56
Grants recycle disposed	(41)		(41)	
At 31 March 2025	58	99	58	99
Due in more than one year	58	99	58	99
	58	99	58	99

All balances relate to Homes England.

16 Operating leases

The Group and Association no longer have any operating leases.

17 Provisions for liabilities and charges

	Group At 31-Mar-25 £'000	Group At 31-Mar-24 £'000	Association At 31-Mar-25 £'000	Association At 31-Mar-24 £'000
At the start of the year	-	-	-	-
Increase in the provision of costs	3,001	-	3,001	-
Increase in the provision of income	(296)	-	(296)	-
Released in the year	-	-	-	-
Unused amounts reversed in the year	-	-	-	-
Unused amounts reversed in the year	2,705	-	2,705	-

The Building Safety Act 2022 sets out how landlords of higher-risk buildings should maintain and make safe those properties. We have one property, which falls into the higher risk definition of properties 18m in height or above and requires remediation. It is estimated that £2,200,000 will be needed for this project, which will all be revenue costs. We will receive a grant from Homes England to cover the remedial works for leaseholders, and Teign Housing will bear the rest of the costs. The estimated grant will be around £296,000. At the same time as carrying out the remediation work, the windows will also be replaced at a cost of £780,780, which will all be capital spend, giving a total provision of £2,704,780. We will start the remedial work in 2025-26 and anticipate to complete it in the year.

18 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2025, the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

19 Capital commitments

	2025 £'000	2024 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	10,308	14,972
Capital expenditure that has been authorised by the Board but has not yet been contracted for	1,695	3,158
	<u>12,003</u>	<u>18,130</u>

The company expects these commitments to be financed over the life of the committed development program over a period of 3 years with:

	2025 £'000	2024 £'000
Proceeds from sale of shared ownership properties	2,436	2,484
Uncommitted loan facilities	9,567	15,646
	<u>12,003</u>	<u>18,130</u>

The revolving credit facility provided by Nationwide (£50,000,000) will fund £9,567,000 of committed expenditure.

20 Pensions Liability

Total Pension Liability	2025 £'000	2024 £'000
SHPS	(414)	(669)
Total	(414)	(669)

(a) Social Housing Pension Scheme

During the year, the company participated in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK and is accounted for as such.

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

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

The scheme was closed to new members and on 31st March 2022 the company closed the scheme to the remaining two members.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to accurately calculate the impact of this issue, but we have had an indication that our maximum liability would be £68,000. No adjustment has been made in these financial statements in respect of this potential issue.

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	2025 £'000	2024 £'000
Fair value of plan assets	2,702	2,840
Present value of defined benefit obligation	<u>(3,116)</u>	<u>(3,509)</u>
(Deficit) in plan	(414)	(669)
Unrecognised surplus	<u>-</u>	<u>-</u>
Defined benefit (liability)	<u><u>(414)</u></u>	<u><u>(669)</u></u>

Reconciliation of opening and closing balances of the defined benefit obligation

	2025 £'000	2024 £'000
Defined benefit obligation at start of period	3,509	3,382
Current service cost	-	-
Expenses	5	5
Interest expense	167	162
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	159	124
Actuarial losses (gains) due to changes in demographic assumptions	-	(34)
Actuarial losses (gains) due to changes in financial assumptions	(503)	(52)
Benefits paid and expenses	<u>(221)</u>	<u>(78)</u>
Defined benefit obligation at end of period	<u><u>3,116</u></u>	<u><u>3,509</u></u>

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

	2025 £'000	2024 £'000
Fair value of plan assets at start of period	2,840	2,808
Interest income	138	138
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(223)	(187)
Employer contributions	168	159
Member contributions	-	-
Benefits paid and expenses	(221)	(78)
Fair value of plan assets at end of period	2,702	2,840

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was (£85,000) (2024: £49,000).

Defined benefit costs recognised in statement of comprehensive income (SOCl)

	2025 £'000	2024 £'000
Current service cost	-	-
Expenses	5	5
Net interest expense	29	24
Defined benefit costs recognised in Statement of Comprehensive Income (SoCl)	34	29

Defined benefit costs recognised in other comprehensive income (OCI)

	2025 £'000	2024 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(223)	(187)
Experience gains and losses arising on the plan liabilities - gain (loss)	(159)	(124)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-	34
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	503	52
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	121	(225)
Total amount recognised in Other Comprehensive Income - gain (loss)	121	(225)

Assets

	2025	2024
	£'000	£'000
Global Equity	303	283
Absolute Return	-	111
Distressed Opportunities	-	100
Credit Relative Value	-	93
Alternative Risk Premia	-	90
Liquid Alternative	501	-
Emerging Markets Debt	-	37
Risk Sharing	-	166
Insurance-Linked Securities	8	15
Property	135	114
Infrastructure	-	287
Private Equity	2	2
Real Assets	324	-
Private Debt	-	112
Opportunistic Liquid Credit	-	111
Private Credit	331	-
Credit	103	-
Investment Grade Credit	83	-
High Yield	-	-
Cash	37	56
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	1	18
Secured Income	45	85
Liability Driven Investment	819	1,156
Currency Hedging	4	(1)
Net Current Assets	6	5
Total assets	2,702	2,840

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

Key assumptions

	2025	2024
	£'000	£'000
Discount Rate	5.90%	4.92%
Inflation (RPI)	3.06%	3.11%
Inflation (CPI)	2.80%	2.79%
	3.80%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	2025	2024
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring in 2025 (2024)	20.5	20.5
Female retiring in 2025 (2024)	23.0	23
Male retiring in 2045 (2044)	21.7	21.8
Female retiring in 2045 (2044)	24.5	24.4

21 Related parties

Transactions with regulated and non-regulated elements of the business

The company provides management services, other services, and loans to its subsidiary.

The company also receives charges from its subsidiary for labour services provided for property maintenance and compliance.

Gift aid from the subsidiary is recognised at year end on a receivable basis and is calculated based on the profit for the year end.

Payable to the company from non-regulated subsidiaries

	2025 £'000	2024 £'000
Transactions with Templer HomeBuild Limited		
Gift aid	83	52
Management & administration	68	58
Loan interest	30	29
Loan repayments received	400	400
	<u>581</u>	<u>539</u>

Payable to non-regulated subsidiaries from the company

	2025 £'000	2024 £'000
Transactions with Templer HomeBuild Limited		
Property services provided	3,582	3,073
Loans to subsidiary	400	400
	<u>3,982</u>	<u>3,473</u>

Statement of Financial Position balances between Parent and Subsidiary

	Creditors £'000	Debtors £'000
Teign Housing	288	500
Templer HomeBuild	500	288
	<u>788</u>	<u>788</u>

Balances held in respect of the Parent/Subsidiary relationship are eliminated on consolidation.

22 Consolidated structure and investment

On 17 October 2005, Teign Development Limited was formed as a wholly owned subsidiary of Teign Housing. Teign Development Limited changed its name to Templer HomeBuild Limited on 11 April 2017 and commenced trading on 1 July 2017. The principal activity of Templer HomeBuild is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale. Templer HomeBuild profit for the year was £82,000 (2023-24: £52,000) and had net assets of nil (2023-24: nil).

23 Low-cost home ownership – buyback liability

Teign Housing has two low-cost home ownership properties that have mandatory buy back clauses, this means that in the event of the owner being unable to sell their property we are obliged to purchase their share. These will be noted as contingent liabilities in the accounts. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event.

10 Lonsee Gardens

Sale date – 24th November 2010

Share percentage bought – 35%

Price of percentage bought - £53,245

Original 100% market value as stated in the Lease - £152,100

The property/shares were transferred to a new shared owner on 21st November 2013.

The 100% market value on 21st November 2013 was £145,000

12 Lonsee Gardens

Sale date – 1st October 2010

Share percentage bought – 25%

Price of percentage bought - £37,537.50

Original 100% market value as stated in the Lease – £150,150

24 Change in Net Debt

Group

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	2,662	167	-	2,829
Housing Loans Due in One Year	(8,000)	(2,750)	-	(10,750)
Housing Loans Due After One Year	(57,511)	-	(19)	(57,530)
	(62,849)	(2,583)	(19)	(65,451)

Association

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	2,363	154	-	2,517
Housing Loans Due in One Year	(8,000)	(2,750)	-	(10,750)
Housing Loans Due After One Year	(57,511)	-	(19)	(57,530)
	(63,148)	(2,596)	(19)	(65,763)

TEIGN HOUSING

England & Wales - Charity number 1112196

Accounts



Teign Housing

Report and financial statements

Reporting date 31 March 2024

Registered company number 04619035

Registered charity number 1112196

Regulator of Social Housing
registration number LH4403

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Teign Housing – Company information

Board of Management

Non-Executive Directors

Maureen Robinson	(Chair of Board)
Rebecca Harwood-Lincoln	(Resident Voice Champion)
Sean Palka	(Board Member)
Stephen Cook	(Chair of Audit Committee)
Stuart Davies	(Chair of Templer HomeBuild)
Stephen Higginson	(Chair of Remuneration)
Joanna Davoile	(Board Member)

Co-opted Advisor to the Board

Richard Gammage	(Chair-elect, co-opted 1 November 2023)

Executive Directors

Jo Reece	(Chief Executive, retired on 31 March 2024)
Helen Hilditch	(Acting Chief Executive 01 April 2024 – 11 April 2024)
Tom Woodman	(Chief Executive, appointed on 12 April 2024)

Independent Audit Committee

Colin McDonald	(Independent Audit Committee Member)

For the year ending 31 March 2024, the Board met on 8 occasions. There was 88% attendance at Board meetings.

Executive Management Team

Jo Reece	(Chief Executive, retired on 31 March 2024)
Helen Hilditch	(Director of Finance and Investment & Deputy Chief Executive)
Amanda Nicholls	(Director of Customer and Communities)
Justin Glue	(Director of Operations Templer HomeBuild)
Karen Johnson	(Director of People & Technology & Deputy of Chief Executive resigned on 31 October 2023)
Marcus Taylor	(Director of People & Technology appointed on 1 November 2023 resigned on 31 January 2024)

Auditors	External Auditor Beever and Struthers 150 Minories London EC3N 1LS	Internal Auditor Bishop Fleming LLP Emperor Way Exeter EX1 3QS
Solicitors	Housing Management Capsticks Solicitors LLP 1 George Street London SW19 4DR Governance and Development Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ	Human Resources Tozers Southernhay West Exeter EX1 1UA
Bankers and Funders	The Housing Finance Corporation 3 rd Floor 17 St Swithin's Lane London EC4N 8AL Nationwide Building Society Public Sector Team Kings Park Road Moulton Park Northampton NN3 6NW	GB Social Housing 5 Great St Helen's London EC3A 6AP
Company Secretary	Helen Hilditch (non-Board member)	
Registered Office	Millwood House Collett Way Newton Abbot Devon TQ12 4PH	

Strategic Report

The Directors present their Strategic Report incorporating the Value for Money Statement for the year ending 31 March 2024.

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers and Housing SORP guidance note 2022.

Overview of the Business

Teign Housing is a registered charity, a company limited by guarantee, and is registered with the Regulator of Social Housing. Our focus is on the core activity of the company, which is the provision of low cost rented accommodation. The organisation has a wholly owned subsidiary, Templer HomeBuild Limited. Its purpose is to provide property maintenance and construction services to the social housing sector. Consolidated accounts for the Group are also reported along with those of Teign Housing, the parent organisation.

Vision

We dedicate ourselves to providing good quality homes and tailored housing support. Working with our diverse customers and trusted partners we provide effective services that bring long term benefits to all. We are sustainable in a fast-changing environment and reinvest our surpluses to grow our communities.

Values

Respectful

We treat people with empathy, respect diversity and provide quality customer service. We appreciate the relationships we build with our customers, contractors and partners; we are proud to be *Team Teign*.

Resourceful

We maximise our resources through innovation and by using our money in efficient ways. We look for opportunities to expand our business by building new homes and creating and growing valuable services. We recognise our role in supporting the local economy.

Ethical

We value our responsibility as a charity providing homes and services for those who need them and as an employer. We are an organisation with heart and strive to offer an empowering workplace and the personal service our communities want.

Governance

The Articles stipulate that there can be up to 10 Board Members, including up to 3 executive members. The Board currently consists of 7 non-executive members and 1 executive member. The members of the Board are legally the directors of the company, and the Board is Teign Housing's governing body.

The Board adopted the National Housing Federation (NHF) 2020 Code of Governance on 1 April 2021. The Board is committed to and complies with the standards in the Code; however, there has been one exception this year. The Chair of the Board has served just over 9 years, which is over the prescribed 9 year maximum. However, she stands down in July 2024, and the new Chair-elect is to take up their position. The Code states that the maximum tenure will normally be up to six consecutive years and may be extended to a maximum of nine years, where the Board agrees it is in the organisation's best interest.

The Chief Executive retired on 31 March 2024, and a new Chief Executive started on 12 April 2024. The Chair of the Board is due to retire in July 2024, and the Board agreed to a retirement date of 24 July 2024.

We aim to recruit Board members 6 months ahead of any vacancy. They join the Board as unpaid co-optees and are trained and inducted during this period before being formally appointed to the Board. Further training is carried out throughout their term of office. We conduct two-yearly pay benchmarking for all staff and Board posts and benchmark any vacancies for advertising. We have a schedule of standing orders and financial regulations which set out delegated authorities from the Board to its committees and the executive management team. Our three-yearly external governance review is taking place in early 2024-25.

The Board is supported in its governance by two committees:

- Audit Committee
- Remuneration Committee

The key governing documents are the Articles, the Standing Orders, and the Financial Regulations, with a range of policies that guide the operational activities of the company.

All non-executive Board members are paid a fee for their services. Payments during the year (including expenses) were:

Maureen Robinson	Chair of Board	£9,854
Stephen Cook	Chair of Audit	£5,595
Steve Higginson	Chair of Remuneration	£4,317
Stuart Davies	Chair of Templer HomeBuild	£6,422
Joanna Davoile	Board Member	£2,333
Colin McDonald	Independent Audit Committee Member	£1,812
Rebecca Harwood-Lincoln	Resident Voice Champion	£4,510
Sean Palka	Board Member	£3,901

Public Benefit Entity

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. Teign Housing also pays due regard to the guidance published by the Charity Commission on public benefit.

We provide homes for rent at lower than market prices; homes designated for older people with additional needs, and shared ownership properties.

Financial Performance

Teign Housing Group has made a surplus after tax for the year of £2,665,000 (2022-23: £2,549,000). Full details of our financial results can be found on pages 37 - 75.

Financial performance is monitored through the annual budget, which is set by the Board. The budget is based on the business plan, and the Board receives a report at each meeting assessing the company's performance against the budget.

Operational Performance

The current 3-year corporate plan was agreed by the Board in March 2024. The Board have established a range of key performance indicators to assess the company's performance in relation to the corporate plan objectives. The Board monitors this quarterly through the Balanced Scorecard, Management Accounts and Financial Report.

Further details of our operational performance, including value for money, can be found on pages 13 – 29.

Business Plan

The 30-year Business Plan reflects the strategic direction of the company and its future aspirations. The focus for the coming years will be to continue to maintain the housing stock to an appropriate level, deliver further new homes and manage services. The business plan has been thoroughly stress tested, and the key risks to the organisation have been identified, and appropriate mitigation arrangements are in place.

Treasury Management

At 31 March 2024, Teign Housing was funded by a £33m bond from The Housing Finance Corporation (THFC), a £25m bond from GB Social Housing (GBSH) and a £20m revolving credit facility (RCF) from Nationwide. We have fully drawn the £33m from THFC and £25m from GBSH. We have also drawn £8m of the RCF from Nationwide and have an undrawn RCF of £12m (2022-23: £20m). During the year, a new financing project was started with Nationwide, and a new tranche credit facility of £30m was signed in April 2024 with a 10-year term. The funding agreements all contain three financial covenants. Finance costs on loans were £2.614m (2022-23: £2.354m), which equates to an average rate of 4.59% (2022-23: 4.06%). Finance costs of £620,000 were capitalised during the year (2022-23: £391,000). At 31 March 2024, Templer HomeBuild had a loan balance with Teign Housing of £400,000 (2022-23: £400,000). This

loan is drawn for a period of 6 months, being repaid to the parent and redrawn by the subsidiary in June and December each year. There was £14.972m of capital committed to the development programme, which was in contract at 31 March 2024 (2022-23: £15.431m), and there was a cash and cash equivalents balance of £2.662m (2022-23: £5.319m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

Reserves Policy

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives and provide the new homes and services that the reserves are intended to support, whilst managing the risks associated with long term expenditure plans.

A budget is set each year along with a 30-year business plan including a forecast for reserves, allowing the company to achieve these objectives. This is monitored throughout the year and is reported quarterly through the management accounts to the Board.

The level held in the income and expenditure reserve at 31 March 2024 was £69,401,000 (2022-23 £66,895,000), and in the revaluation reserves £31,781,000 (2022-23 £31,847,000).

Unrestricted reserves, excluding tangible fixed assets net of grant, were £98,347,000 at 31 March 2024 (2022-23 £86,797,000) and can only be released by disposing of tangible fixed assets.

Property Sales

During the year, three properties were sold (2022-23: 6 properties), of which no property was under the Right to Acquire scheme (2022-23: 1 property), three properties were under the Right to Buy Scheme (2022-23: 5 properties), no properties were fully stair cased (2022-23: Nil properties) or sold on the open market (2022-23: Nil property). Teign Housing received proceeds of £339,000, all from right to buy sales (2022-23: £700,300). Under the terms of the transfer agreement, £161,964 (2022-23: £157,956) of the right to buy sale proceeds were paid to Teignbridge District Council, and the remainder was retained by Teign Housing in recognition of future income foregone, and this will be invested in future development.

Staff

The average number of employees for the year ending 31 March 2024 was 178 (2022-23: 160 employees). The Board recognises the contribution made by all staff and is committed to the continued development of its staff. During the year, the company spent £90,100 on staff training and development (2022-23: £106,000).

Fire Safety Remedial Work

The Building Safety Act 2022 and the new Fire Safety (England) Regulations 2022, which came into force in January 2023, set out how landlords of high-rise buildings (those with seven stories or more, or over 18m high) should work with fire services to ensure a planned and effective response to fire alarms at

these buildings. We have just one property, Douglas House in Teignmouth, which falls into this high-rise definition.

To fully comply with this new legal requirement, Teign Housing commissioned an independent review of Douglas House. This Fire Risk Appraisal of External Walls (FRAEW) report based on PAS 9980 (Fire Risk Appraisal of external wall construction and cladding of existing blocks of flats – code of practice), resulted in a number of recommendations which we will be actioning including the planned removal of the external wall insulation. The residents have been informed of the decision, and we are in constant communication with them about the progress of the project. We started consultation on the project in 2023-24, and £165,567 has been incurred in legal and professional advice in 2023-24. It is estimated that £2m will be needed for this project.

Damp and Mould

In 2023 Teign Housing and Templer HomeBuild collaborated to create a new Damp and Mould Policy and Procedure to set out and improve on the approach to dealing with these issues. We aim to proactively reduce issues relating to damp and mould by maintaining the housing stock to decent homes standard or better through the asset management information system, investment programmes, Housing Health and Safety Rating System assessment outcomes, initiatives to maximise customer contact points to identify issues, and the use of environmental monitoring systems. Reactively, a Damp Mould and Condensation working group monitors the situation and actions informed via a case tracker and monthly update, a specific role to investigate and monitor DMC issues has been created within THB, a triage process has been adopted to categorise reports of damp and mould at the outset to prioritise our resources, and mandatory training has been delivered with a view to continue this annually and to new starters. In 2023-24, we paid £38,700 to tenants in compensation relating to damp and mould. We dedicated five of our homes as decant properties to provide temporary accommodations to the tenants whilst their homes were being rectified. In spring 2024 our resident scrutiny panel conducted a review of our approach to damp and mould, making recommendations to the Board that will subsequently have their implementation monitored by the Audit Committee.

Development

During 2023-24, we entered into 4 new contracts with a total value of £12,323,554 to purchase 4 section 106 schemes, which will deliver 51 rented and 19 shared ownership homes over the coming years.

We were successful in bidding on 3 section 106 schemes, Challabrook in Bovey Tracey, Collaton St Mary in Paignton and Gatehouse Farm in Dawlish. These schemes will deliver 7 social rent, 62 affordable rent, and 30 shared ownership properties. However, due to the current refinancing process, they are not guaranteed to proceed to contract at this stage.

	Social Rental Units	Low Cost Home Ownership	Total Units
Under construction 31/03/2023	120	44	164
	<i>*Restated</i>	<i>*Restated</i>	<i>*Restated</i>
Under construction 31/03/2023	97	34	131
Started in the year	72	31	103
Completed in the year	88	34	122
 Under construction 31/03/2024	 81	 31	 112

**The opening balances for Under Construction have been restated in the 2022-23 report due to a double counting error, and the restatement has no impact on the Financial Statements.*

122 new affordable homes were completed in 2023-24. This was less than anticipated because of delays associated with labour and material shortages.

In 2024-25, we plan to develop 43 homes over the next 12 months and 74 homes in 2025-26.

Shared Ownership

During 2023-24, we brought the Shared Ownership sales process in house. Within the year, we sold 32 homes with a combined share value of £3,435,675, nine of which were sold via our previous sales agent.

Future Direction

To achieve the corporate vision and values, we focus on the core of our business, and the Board has committed to the following strategic aims:

- **Excellent Services** – We will deliver high quality services to all our customers and partners. We will provide considerate customer services, empowering housing services and effective repairs.
- **Quality Homes** – We will invest in new and existing homes by maintaining high standards of repairs and improvements to our current homes and develop new homes to meet the needs of the local people.
- **Sustainable Business** – We will strengthen our business by continually improving our governance, increasing the value of our work, seeking ways of working jointly with our partners, and investing in our staff.

Performance against these aims was monitored as part of a three-year Corporate Plan for 2021 to 2024. This has now been updated to be our Corporate Plan for 2024-27.

We are committed to maintaining our financial performance and our delivery of good homes and customer services. We achieve this by focusing on maintaining our operational performance, maximising our income and effectively driving down costs.

To support our strategic aims, we have several strategies in place. The neighbourhood services strategy gives the direction to provide excellent services, and the ageing well strategy to focus on our older customers.

The asset management strategy focuses on the quality of our homes and ensures that they are of a good standard and maintained appropriately. The development strategy sets out the aspirations for future development, along with the business plan, which currently has a capacity for 297 homes over the next 5 years. The regeneration strategy sets out plans for longer term regeneration, and £649,000 has been included in the business plan for 2024-25, and it has been reduced to £305,000 in 2025-26, £530,000 for 2026-24, and £305,000 in 2027-28.

The carbon reduction strategy sets out plans for the business to reduce its carbon footprint, and the first stage is to invest in homes with lower energy performance ratings. In order to meet the government's target of all homes having a minimum EPC (energy performance certificate) rating of C by 2035, in 2024-25, the business plan makes provision for £524,000 of investment in our homes to improve their energy performance rating, and it has been increased to £750,000 in 2025-26, £700,000 in 2026-27 for two years and then £750,000, thereafter, until 2030. There is new funding for carbon zero investment schemes available, and these are currently being pursued.

To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. In October 2023, Teign Housing proudly retained Investors in People Platinum accreditation in recognition of our continued investment in employee engagement, learning and development, leadership, management, and wellbeing. We continue the agile working policy, empowering our staff to work flexibly from the office and home to support the wellbeing of our people and to promote a healthy work-life balance. The value for money strategy sets out how we continually seek to improve quality and performance and, where possible, reduce costs and create efficiencies.

Risk Management

We recognise that risks are inevitable, and in order to thrive and achieve our objectives, we need to take a managed degree of risk.

We have a risk framework in place which manages our risks, closely monitors them, and ensures that the way we manage them is appropriate to the reward and opportunities they will deliver. We operate in a constant changing environment and our risk owners review their risk each month to ensure that they are still appropriate.

Any changes to our strategic risks are reported to our Audit Committee, Board and THB on a quarterly basis. We support this with an assurance programme monitoring our performance via our scorecard, a robust internal audit programme and by undertaking internal assurance reviews into business processes. Our resident led scrutiny panel undertakes reviews of our service areas from a resident perspective and any identified areas for improvement are fed directly back to our Board.

Our Board considers emerging risks at each Board meeting, During the year, we added emerging risks around AI and digital technology, changes in shared ownership rent basis and changes in government to our emerging risk register. In May 2024, the Board completed a full review of our risk appetite.

Our top risks during the year were:

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Service unable to deal with the increasing complexity of vulnerable people		This risk reflects the impact of dealing with third parties (statutory & voluntary sector) who are finding resources stretched and finding cases more challenging. This has the potential to affect the delivery of our Housing services. With more pressure on support agencies, we find ourselves supporting residents and households with more complex needs.	Our Housing strategy sets out the delivery of the Housing management service equipped to manage more complex cases. We have an established Head Start service, which is structured to assist people through the start of their tenancy, and then a Tenancy Sustainment service is in place to support them throughout the life of the tenancy. The Board has reviewed the Independent Housing Ombudsman report on vulnerability and considered actions arising from it.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to meet consumer regulatory standards		This is linked to our overall governance and our aim of putting our customers first.	We have a Customer Insight & Resolutions Manager dedicated to helping residents resolve complaints and dissatisfaction. We have a group of involved residents who help shape our services. We complete journey mapping exercises with our residents to help us understand how our services work for them.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Rental income is less than forecast		Rental income provides us with the resources to deliver our services and to provide new homes. The current risk is the cost-of-living crisis which sees many of our residents struggling financially which may impact on their choices / ability to pay their rent, service charges or alarm charges	We closely monitor our rent collection performance. We have a well-established rents team, and a team of Head Start advisors who have a good relationship with our residents and are able to provide support at all stages of a tenancy.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Douglas House remedial works		Remedial works identified to meet standards identified in Building Safety Act.	Enhanced fire detection systems are in place within property. We held a resident consultation event to inform residents and continue to update them on the progress of the works. We are working with Devon & Somerset Fire and Rescue service to ensure highest levels of safety for residents.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to manage property assets appropriately		This risk encompasses both our aims to meet environmental targets and also maintain high levels of service throughout the pandemic	We are currently undertaking a stock condition survey to help us get to know our property stock better, and we have surveyed almost half of our stock in 2023-24. The remainder is due to be surveyed in 2024/25. We maintain high levels of Health & Safety compliance. We have a multi discipline group monitoring cases of Damp, Mould and Condensation.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Loss of key staff, high turnover and / or inability to recruit to key roles.		Recruitment has been challenging this year, and there has been a high staff turnover	We are committed to investing in continued staff development and providing career growth. We have been promoting mental health awareness to safeguard staff well-being, and we will carry out more surveys to measure employee satisfaction and motivation. We have regular staff forum meetings to encourage employees to voice their concerns and to create a more inclusive workplace.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to demonstrate effective governance in setting and operating an appropriate strategic direction		Last year, we had a number of Board members reaching the end of their term and wanted to ensure that we maintain a high level of skill, experience and expertise at the Board level whilst being representative of our residents	We have recruited a new Chair of the Board who will take over in the summer of 2024 and has already begun working with us to ensure we have a smooth transition. One of the Board members holds the role of Resident Voice Champion, providing insight to the Board on complaint handling and feedback from the residents. In 2024-25, we are creating a new Customer Experience Committee to lead in this area. We agreed on a new three-year Corporate plan this year.

Value for Money Statement

The Value for Money (VFM) strategy was approved by the Board in July 2021 and reflects both the changes to the value for money standard issued by the regulator in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation, and these are presented below.

		Group		Association		Budget FY25	Target FY24	Sector Metrics
		2023/24	2022/23	2023/24	2022/23	2024/25	2023/24	2022/23
Metric 1	Reinvestment %	10.8%	9.7%	10.8%	9.7%	8.1%	13.3%	6.7%
Metric 2	A New supply delivered SH %	3.1%	1.3%	3.1%	1.3%	1.1%	3.7%	1.3%
	B New supply delivered NSH %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Metric 3	Gearing %	32.9%	32.9%	33.1%	32.9%	40.9%	34.0%	45.3%
Metric 4	EBITDA MRI Interest Cover %	134.4%	135.9%	134.4%	143.8%	110.3%	127.3%	128.4%
Metric 5	Social housing cost per unit £	£ 4,809	£ 4,418	£ 4,809	£ 4,418	£ 5,156	£ 4,770	£ 4,586
Metric 6	A Operating margin SH %	22.0%	19.3%	21.8%	21.8%	18.6%	21.2%	19.8%
	B Operating margin overall %	20.4%	20.2%	20.2%	21.3%	17.5%	20.3%	18.2%
Metric 7	ROCE %	2.7%	2.7%	2.7%	2.6%	2.4%	2.6%	2.8%

The group's metrics presented above compare favourably against the sector average in some areas but less favourably in others.

The group's re-investment of 10.8% is below our target but increased compared to last year and significantly above the sector metrics of 6.7%, despite developments being delayed at the start of the year due to materials and labour shortages. Nevertheless, it does reflect our continued investment in our properties. The latest sector metrics relate to 2022-23, and as such, it is difficult to compare with this benchmark as this is nearly one year behind. Despite initial delays and shortages, the development and capital improvement programmes have performed well with significant investment. In 2023-24, we bid on 3 section 106 schemes and successfully secured 3 schemes with a total of 99 homes.

We have a strong development pipeline through both the purchase of section 106 schemes and smaller land led developments, both within the Teignbridge District and further afield in neighbouring authority areas. This has been further facilitated through the additional funding secured next year from financing an additional £30m of Revolving Credit Facility. However, due to the increased inflation above the Consumer Price Index on materials and labour, which has increased the cost of building new homes and other costs, the re-investment forecast will be decreased to 8.1% from the 10.8% achieved this year.

The new supply delivered is calculated based on units completed in 2023-24. We have achieved 3.1% new supply by delivering 122 units, compared to a target of 3.7%. This difference is due to the delivery of 14 homes slipping into next year. We are still well above the sector average of 1.3% on this metric; however, as the benchmark relates to 2022-23 data, it does not show the delays that have been felt across the building sector.

New supply is forecasted to be 43 units in 2024-25, including 15 affordable rent, 18 social rent and 10 shared ownership properties, 33 of which have been committed. We will continue to seek new

opportunities to achieve our development aspirations, and we now have the capacity to deliver 297 homes over the next 5 years.

Gearing remains the same at 32.9% compared to 2022-23. We are now utilising the Revolving Credit Facility and cash reserves to fund our increased investment into new homes and regeneration. At 32.9%, this remains well below the sector average, giving us scope to increase this. We started our refinancing project in 2023-24 to increase the funding by £30m through the Revolving Credit Facility, which will be available from 2024-25 for ten years. This will allow us to further invest in new homes and regeneration, give us the financial capacity to meet any requirements from the Decent Homes 2 Standard and stock condition surveys. All of this aims to improve the quality of our homes and the effectiveness of our service to tenants, improve efficiencies and achieve savings for both tenants and Teign Housing. This can be achieved whilst keeping our interest cover well within sustainable levels.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) is 134.4%, which is above the target and the sector metrics. Although our funders do not use EBITDA MRI as one of their covenants, we remain within the historical targets. As a result of continued investment next year, the interest cover ratio is expected to fall further next year as we continue our programme in new and existing properties; however, the new covenant terms mean that this reduction is sustainable and well above thresholds.

The social housing cost per unit has increased from £4,418 last year to £4,809 this year. This has been due to an increase in planned maintenance compliance spending, continued regeneration works during 2023-24, and the effect of high inflation across all materials and labour. Overall, we have seen an increase in the cost per property compared to the prior year, and it is an overall increase within the sector.

The operating margin overall is 20.4%, which is just above the sector's average and our targeted margin, and a slight increase from last year. In 2024-25, a reduction in operating surplus is anticipated with the drive to improve the service we deliver to tenants and to increase the investment in decarbonisation.

The return on capital employed remains static at 2.7% due to a marginal increase in operating surplus compared to last year and asset base. This metric is slightly over the target but in line with the sector. It is forecasted to reduce to 2.4% in 2024-25, as the operating surplus is forecasted to reduce due to increases in operating expenses.

We continue to be committed to providing good levels of customer service in what continues to be a challenging environment. Economic and political uncertainty is set to continue for the coming year, and Teign Housing has modelled and planned for further potential issues through the business planning process.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it to make informed choices about how resources are effectively channelled towards delivering services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality as well as stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan, including the financial position after refinancing, includes the delivery of 297 homes over the next 5 years.

The Board scrutinises financial and service delivery performance at each meeting through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps being taken to deliver improvements.

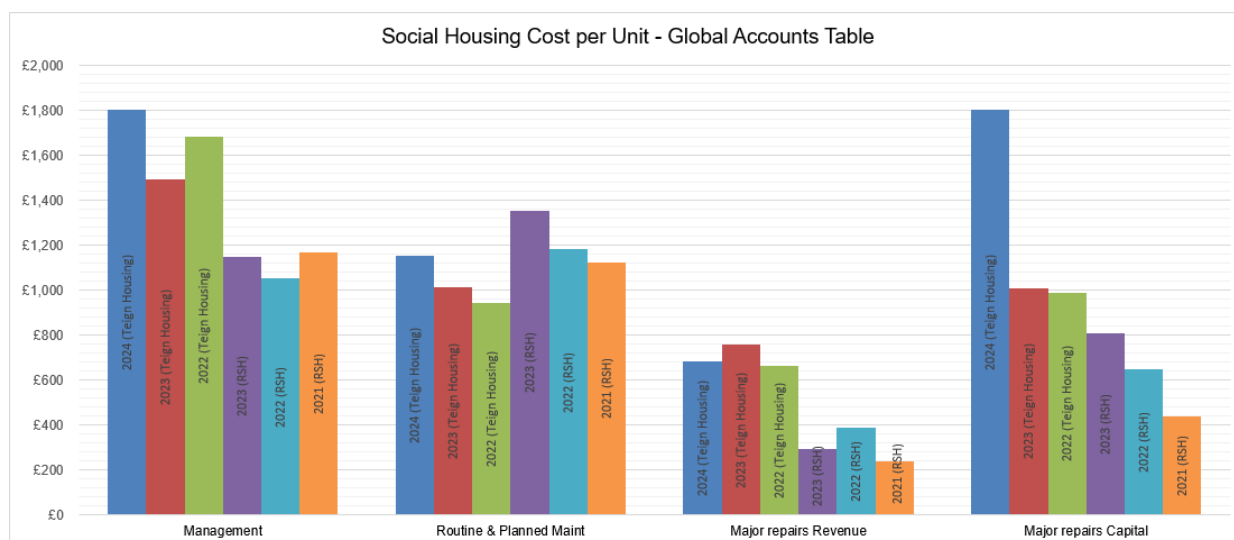
These include:

- Value for Money Metrics – full details of value for money achievements
- The balanced scorecard, including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly Financial Report
- Annual report – report sent annually to our tenants
- Interim annual review of the business plan against actual progress
- Regular reforecasting as part of the management accounts review

An evaluation of our costs in comparison to the global accounts is presented below, and the figures for Teign Housing have been re-stated in line with the current global accounts format (based on SW & SE Peer Group). The latest figures available as a sector comparative are for the year ending March 2023, which is one year behind our year end.

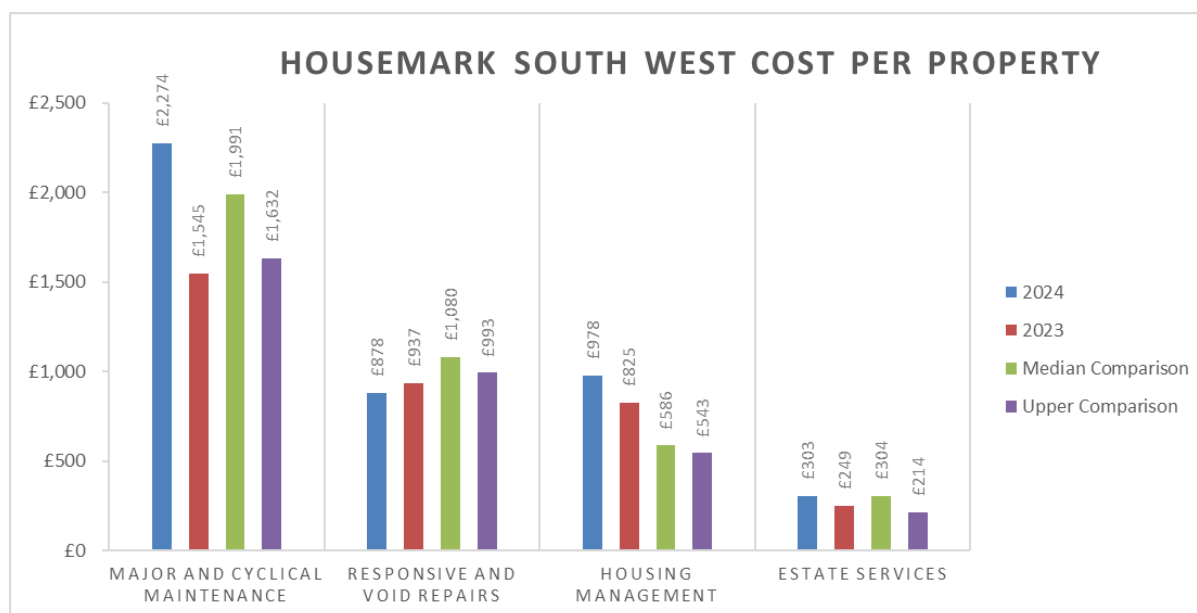
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2023-24 £	2022-23 £	2021-22 £	2023 £	2022 £	2021 £
<i>Expenditure – per Social Housing Property</i>						
Management	1,802	1,495	1,684	1,151	1,053	1,169
Routine & Planned Maintenance	1,154	1,013	942	1,354	1,182	1,125
Major repairs – Total	2,487	1,770	1,656	1,104	1,038	677
Major repairs – Revenue	685	759	666	295	390	240
Major repairs – Capital	1,802	1,011	990	810	648	438



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing	Teign Housing	Comparison Group Median	Comparison Group Upper
	2023-24	2022-23	2022-23	2022-23
Department	£	£	£	£
Major and Cyclical Maintenance	2,274	1,545	1,991	1,632
Responsive and Void Repairs	878	937	1,080	993
Housing Management	978	825	586	543
Estate Services	303	249	304	214
No of Properties	3,904	3,787	4,767	2,277



As expected, these two comparisons against RSH (SW & SE) global accounts and the Housemark South West Housing peer group show similar findings. The global accounts figures show costs per unit in 2023-24 were above that for 2022-23 by an average of 10.3% and the Housemark cost per property shows a 6.5% increase, with there being slight differences in how these are calculated.

Management cost per unit has been increased from last year, and over the sector average due factors outside of our control, in particular, the increase in insurance premiums, Douglas House legal and professional costs, and the earlier than anticipated commencement of the financing project. Continued scrutiny of management costs and tight budgetary control will ensure the overall efficiency of the organisation.

Routine and Cyclical Maintenance has increased slightly from last year and is lower than the sector average. However, it is slightly over the Housemark data, again due to the different calculation methods. We are continually working to ensure we receive the best quality for the best price for our purchases to mitigate the increases as much as possible. We are also driving efficiencies where possible by planning similar works in areas and by type.

Major repairs, both capital and revenue, remain above the RSH sector average. The revenue expenditure has decreased, but the capital has increased over the last year. Both RSH and Housemark have shown similar trends. The major revenue cost per unit includes regeneration spend at the Magnolia block, which has started ahead of the planned timetable. Although this element of the spend is treated as a revenue cost, it relates to the project as a whole and, therefore, contributes to the longer-term improved stock quality. In addition to this, there has been continued expenditure on compliance, including asbestos and health and safety works. It is important to spend in these areas to avoid longer term, more expensive non-conformance related costs and to keep our residents safe.

This year, we have seen an increase in capital and major repair costs per unit. Capital expenditures fluctuate year on year due to the planning of the maintenance programme to make the most efficient use of resources.

We will ensure that we maintain tight budgetary control going forward to provide optimum value to our tenants. We have a strong commitment to invest in our housing stock for the future, and we have embarked on a stock condition survey to be completed by the end of 2024-25 to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes including a focus on damp and mould. We continue to look for opportunities to invest in renewable and efficient energy solutions for both our new build and existing homes.

With the acknowledgement that the stock condition survey results will impact the future strategy, the Asset Management Strategy was reviewed, updated and approved by the Board in April 2023. A further updated Asset Management and Carbon Reduction Strategy will be developed, along with a review of our Acquisitions and Disposals Policy, when the survey is largely completed and will provide us with a clear focus and direction about the future use and energy efficiency of our assets such as continued use, redesignation, redevelopment or disposal. It defines the Teign Standard, which continues to be above the current Decent Homes Standard whilst we await the publication of Decent Homes 2 and Awaab's Law. It allows us to proactively manage our planned maintenance programme to drive maximum cost efficiency and value for money. When we dispose of properties that have been assessed as not suitable or unsustainable as affordable housing, the proceeds are used to support the development of new homes.

We continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable, these are now included within the future development programme.
- Review key assets for potential opportunities.
- Assess the requirements and resources needed for progress towards EPC Band C by 2030 and Net Zero Carbon by 2050.
- The asset management viability tool continues to assist us with knowledge of our housing stock. This includes neighbourhood mapping and allows us to consider various options to determine the future of the asset. We are looking at alternative options to improve on this.

Below is an extract from the scorecard, which presents the company's performance against targets set internally and against targets taken from Housemark data for the year ended 31 March 2024. We have selected areas that we believe represent current VFM significance.

Area	2023-24	2022-23	2021-22	2020-21	Housemark 2022-23 Benchmark	Target 2023-24
Customer satisfaction						
Repairs	98.2%	97.9%	97.6%	96.1%	77.9%	96.0%
Standard of property at re-let	96.6%	99.0%	94.0%	91.0%	-	100.0%
Satisfaction with complaints process	50.0%	95.0%	95.0%	50.0%	76.2%	85.0%
Rent collection & arrears						
Rent collection	100.4%	99.3%	100.1%	100.9%	101.6%	100.0%
Rent arrears (% of annual debit)	2.7%	2.7%	2.3%	2.5%	3.2%	3.2%
Void loss & turnaround						
Void losses	1.10%	0.56%	0.50%	0.38%	1.40%	0.50%
Void turnaround time (days)	33.9	25.1	22.6	25.5 days	42	25
Digital agenda						
Total number of tenant portal registrations	901	650	603	487	-	1250
Inbound communication by Webchat	1.3%	1.1%	1.6%	7.7%	-	-

Customer satisfaction with repairs has increased slightly against last year, and we continue to exceed our target for the year and against the Housemark average. Satisfaction with the standard of property at relet has decreased slightly from last year, and we have narrowly missed the 100% target. Satisfaction with the complaints process has fallen to 50%. However, this is based on a sample of just 2 respondents; therefore, it is an unreliable indicator. We continue to receive an increased number of complaints and respondents to this metric, in common with trends across the sector. We have strengthened our staffing by overseeing the complaints process and learning for the future, and improving our performance on this area is a key priority for us.

Rent collection increased and reached our target of 100%, and it is in line with the Housemark Benchmark. The rent arrears remain the same at 2.7% compared to the prior year and performed better than the benchmark. In light of the economic climate and cost of living crisis this is not unexpected as households feel their budgets further tightened each month. We have continued to support tenants over the last year through the process of applying for universal credit and working with them where possible to manage their rent payments. This has helped us to improve our performance from last year and exceed our internal targets. Through our Head Start team, we have signposted and assisted tenants in securing the additional financial support they need. We have also distributed over £37,500 (2022-23: £29,000) of financial support in the form of a hardship fund to tenants in greater need.

Void losses have increased compared to last year and are below the benchmark due to the delays in letting new properties. We temporarily increased resources to address this pinch-point, and this resulted in improved performance towards the year end.

Across the organisation, we have a strong focus on VFM, and many departments have specific VFM targets. An updated VFM report was presented to the Board for approval in July 2023. In 2023-24 our VFM focus was on:

Digital

We have been implementing GIS (Geographic Information System) to benefit from the full utilisation of its capabilities. This software will allow us to overlay details such as tree data and grounds maintenance areas to a map of our housing stock, and from this, we can better plan resources and schedule services.

We have enhanced the offering of our tenant portal and app by adding push notifications to alert our residents of important updates such as arrears and to update their contact details. We are also working through a process for applicants to streamline the process of onboarding residents into our systems digitally.

Void inspections have been digitised by our staff using tablets to carry out our voids checklists, moving away from paper-based forms, and reducing administrative resources to upload these into our systems.

Estate Inspections can now be carried out using our housing management system (Cx) whilst onsite, using a tablet rather than paper forms, reducing the administrative overhead of inputting these after the inspections have been completed.

Our alarm service is being migrated away from analogue telephony and devices to digital with a phased approach, in line with the government and British Telecoms (BT) plans for the Digital Switchover by 2025.

The contact centre system (NICE Cx One) has been upgraded, and we have migrated our webchat and email solutions in, for call handlers to better support our residents all in one place. It also provides the ability to report on the communication channels to monitor our performance. This has resulted in the previous solutions for email and webchat to be decommissioned.

Improve skills and behaviours of staff

We recognise that motivated staff create satisfied customers. We continue to develop our managers through our Teign Academy programmes so that they can support their teams to better performance. We will maintain Investors in People (IIP) Platinum status, and our staff will expect and embrace change as we seek to improve as an organisation continually.

Welfare reform and cost of living impact

We continue to work with our customers to support them with issues surrounding Universal Credit and the Cost of Living crisis. Our Head Start Team is made of 3 Coordinators and 1 Team Leader with a clear focus on tenancy sustainment. Whilst not limited to, their work and support will consider trial calculations for our customers to ensure they are claiming everything they are entitled to, carrying out affordability assessments during the pre-tenancy allocation process to ensure their new property will be affordable, and delivering our Assisted Lettings Scheme where customers who qualify can benefit from white goods or carpets to reduce the costs associated with moving to a new property.

With the pressures of the Cost of Living, our team often finds themselves working with customers to increase their financial resilience and support them to manage the impact this may have on the individual

and/or household. Our support does extend further to help improve Health and Wellbeing, Digital Inclusion, and Positive Participation.

In 2022-23, we launched a Hardship Grant with a core purpose to support customers impacted by the Cost of Living and rent increases. The support offered via the Hardship Grant has continued in 2023-24, supporting over 459 households to date, with a total grant spending of £66,500. We are pleased that for 2024-25, a further amount of funding has been made available of over £50,200. The level of support provided not only provides customers benefiting from the grant immediate financial respite but can be beneficial in reducing other pressures such as stress and anxiety, and as a result, this has led to better engagement in managing tenancies.

Asset Management

We have commissioned our full housing stock survey since last financial year and surveyed 44% of the stock at the end of this financial year (with a near 100% survey expected by March 2025 subject to access issues). This will give us valuable insight into the condition of our housing stock to undertake any necessary remedial action but also better plan our cyclical and planned maintenance cycle, and carbon reduction work and highlight any issues before they become too serious. Whilst a financial outlay in the short term, this will provide efficiency savings over the long term and also allow us to identify any problem stock where it may be beneficial to dispose of and replace with newly developed housing.

Procurement

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and to improve value for money for its members. In 2023-24, the savings delivered through the membership of this consortium total £198,116, bringing the total savings since we joined in 2010 to £2,217,124.

Templer HomeBuild

The wholly owned subsidiary, Templer HomeBuild continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on 'right first time' generating progressive efficiencies and cost savings. The VAT savings to be realised from Templer HomeBuild in 2023-24 were £614,617. The 2024-25 budget includes a further VAT saving of £591,085.

Voids

In 2023-24, we have seen a fall in void property repair costs due to the number of void properties falling from 175 to 158, and most of these relate to the decrease in major voids. The void cost per property remains the same as last year.

Tenants

Our outsourced repairs reporting service has been brought in-house into our Customer First team. As part of our journey mapping process with tenants, it was suggested that we do this to improve the service level. We have seen improvements in the scheduling and planning of operatives' days, creating efficiencies, and it now means that with one call into Teign Housing, tenants can resolve a number of different queries across departments.

During the year:

- there was 98.2% satisfaction with repairs carried out
- 97.0% of all planned work was completed on time

The Customer First Team continued to be engaged in Call Quality and Monitoring Coaching to improve the way we interact with our customers.

Our Customer First Team Advisors are scored on set criteria centered around tone of voice and active listening. This process has increased baseline scores, which significantly improves our customers' experience and, hopefully, improves their expectations of our service.

A journey mapping session involving tenants, the Neighbourhood Policing Team and Teignbridge District Council was held in March to co-design improvements to managing ASB (Anti-Social Behaviours) within our communities. There will be a follow up session in early 2024-25. This direct involvement helps shape effective processes and forge links between the partner agencies to achieve better outcomes with best use of our resources for our residents.

The Anti-Social Behaviour (ASB) Respect Line was launched during Q4 of 2022-23. This gives residents access to Out of Hours services to report Anti-Social Behaviour and access to welfare calls and services. This increased focus and investment in improving the service and satisfaction for resolving ASB issues will address and reduce the number of complaints received regarding this area.

Tenants can now pay by recurring card payment. Most of our tenants now pay by direct debit, but we are keen to support other means of payment that may be better suited to individuals. The service has been live since this financial year, and this assists the Income Team in collecting rent and other payments.

Homemaker South West supports people with debt problems across the region. We have been working alongside them since 2019. In 2023-24, at a cost of £7,250, they supported our tenants to maximise their income with total gains, with our tenants receiving a total of £73,000 of support they were entitled to. Some of this income helps tenants ensure they are paying their rent, which in turn benefits the company. We see this as an efficient service, directly benefiting our tenants.

We have worked tenaciously, in partnership with THB, to continue to achieve 100% compliance on gas and electrical safety testing this year, employing various strategies, resulting in us not incurring legal costs.

Rents and Tenancy Sustainment teams have completed more Discretionary Housing Payment applications on behalf of tenants, which whilst initially it takes more time, this does prove VFM when the applications are awarded as the debt is cleared quicker than us chasing a tenant for payment and the cost of the tenant making payments to us.

Independence and Wellbeing

The Winter Warmer events continue to provide information on how to reduce fuel consumption, understand benefit entitlements, and avoid fuel poverty. Hot meals continue to be prepared and the activities take place in our community rooms. These have continued as the Spring Kitchen and Summer Sizzlers and bringing scheme communities together, aiming to build relationships, combat loneliness and improve wellbeing and have been very well received. The feedback has been positive about the new service, as to how this has made a difference to them, to have someone knock at their door on a regular basis is appreciated. In 2023-24, the total number of activities taking place is 112 with 751 attendees. These events include a mixture of drop-in sessions for tenants to discuss housing and support related issues, celebrations events such as the King's Coronation, monthly meals prepared by Hub Coordinators and wellness events.

We have continued to capture the needs of our most vulnerable customers by setting goal plans. During the year, 55% of our customers living in our sheltered accommodation have received a plan.

ALRT (Assisted Lifting Response Team)

The company has continued to work in partnership with Torbay and South Devon NHS and Appello to offer this service. Customers who benefit from this service will get the Torbay ALRT team to attend to assist a non-injured faller with lifting. The team has specialist lifting equipment and training, meaning they can get customers up quickly and help advise on preventing further accidents.

It also means a shorter wait time than if they were waiting for an ambulance, as paramedics have to prioritise emergency cases over someone unable to get up but unhurt.

This service has benefited 55 customers this year, preventing them from waiting for the ambulance and then being admitted to the hospital unnecessarily. Thus, it helps to reduce the time waiting for emergency services.

Teigncare

With the digitalisation of telephone systems, significant investment was needed to upgrade the alarm system. After financially modelling this, it was found that the service would no longer be financially viable to provide going forward, so the decision was made by the Board to cease the service by seeking a buyer to continue the provision. Appello Careline Ltd bought the service, and the sale was in April 2023. This has ensured continuity of service for the existing customers.

The Board has approved the investment in the Dispersed Alarms to be installed by 2024-25, and this project is to move from analogue technology to digitalise alarms at an estimated cost of £320,000. We have consulted with a group of residents on the type of alarm that would best suit them. This promotes engagement with the residents, especially when introducing a new piece of technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

Tenant Involvement

We continue to engage with our tenants and the wider community actively. We have a Resident Involvement Manager who coordinates this and helps us gauge what it is that tenants value and what

they expect from us. We have a Tenants' Forum, which holds a hybrid meeting every six weeks. We continue to consult on changes to services and processes as well as tenant related policies, procedures, and strategies. We also have a Scrutiny Panel who undertakes regular reviews of our services from a tenant point of view and provides critical feedback and recommendations for service improvement. Thirdly, a tenant Service Board supports our strong ethos towards co-regulation and at their quarterly meetings, they focus on areas in relation to the Regulator of Social Housing's Consumer Standards. These all help to keep Teign Housing stay connected with its tenants.

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

We completed work on a block containing 16 properties that were in band D and are now at Band C with the addition of external wall insulation amongst other works. We instructed new assessments on 200 properties where the EPC had expired and were anticipated to be below EPC band C to inform our future work and investment.

We are currently formulating the best ways to retrofit our homes, have run a pilot scheme on a row of homes, and will learn from the project. We are also exploring grant funding, which will enable us to accelerate the programme in the next 12 -24 months.

In 2024-25, as well as the projects above, which will continue, our focus will also be on:

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

The additional stock condition data from the stock surveys will provide better and more accurate data to inform our investment plans for carbon reduction. Using this data along with EPC information, we can cost effectively target properties due for planned maintenance to both maintain decent home standards and focus on the least energy efficient properties first to maximise the return on investment.

Working towards our target of achieving a minimum EPC C across all stock by 2030, careful planning and coordination of the work will allow Social Housing Decarbonisation Funding to be utilised efficiently and effectively.

Damp and Mould

We are taking a proactive approach to this, including looking at property trends. In 2023-24, monitors were installed in homes where there is a greater probability of damp and mould occurring to allow us to monitor the situation. We have established a damp and mould group to focus on this issue, as well as regular mould washing when applicable, and advise tenants as to how to prevent it from occurring.

Further Improve our complaints process

The aim of the investment in a dedicated new Customer Insight & Resolutions Manager is for the organisation to be able to deliver a better service to our customers. We will continue to enhance our

approach to complaints with increased training opportunities for all employees and co-develop processes with our customers. Full results are published quarterly to the Board and Tenants' Forum.

Develop more affordable homes

We will continue to develop affordable homes while ensuring that homes remain affordable for people living in our local communities. This may be through the purchase of section 106 developments or through smaller land led schemes. In the business plan, we have a target of delivering 43 new homes in 2024-25. We continue to review our land and properties for redevelopment opportunities. Ultimately, this will lead to an increase in rental income, which in turn can be re-invested in our existing stock or used to build more new homes.

Improve cash flow by increasing the collection of non-rent debt

Our housing management system will continue to monitor the rechargeable repairs, and the balance will show on Tenant records. The Income team will continue to manage the debts, as the team will have sight of both rent and non-rent charges. This holistic view will increase the success rate of the debt chasing process.

Tenants

The Customer First Team will relaunch the Call Quality and Monitoring Coaching to improve the way we interact with our customers. Team leaders will be included in the relaunched programme and subject matter experts will be invited to provide coaching and feedback on specific call types. This will improve the quality of response to callers by enhancing the advisor's detailed knowledge of the call subject matter.

We will continue to deliver the Omnichannel project, which brings together all the communications channels into one area to enable us to manage demand for our service better.

Mary Gober Training was delivered in June 2023 for the Customer and Communities Team Leaders and Managers as well as the full Customer First Team. This training is focused on Customer Service but also a wider remit of matching personal skills to technical skills to best equip employees to achieve their full potential and improve service levels across the directorate.

The Contact Centre Management Association highly commended the team in June 2023. To improve our service delivery, we will build upon the recommendations in the Contract Centre Accreditation report.

Independence and Wellbeing

Preparation for the digital switchover will continue with the hard-wired replacement programme. It will be completed by December 2025 and result in a far quicker response to emergency calls.

Tenancy sustainment plans continue being created with all new tenants as part of the sign-up process. This allows goals to be set for their outcomes of moving into the sheltered schemes and also to identify any needs for support and assistance prior to moving in. This could be assistance with registering for a doctor's surgery or other medical and social requirements. This helps the team best plan for the support needed and have it in place on the day the tenancy begins.

This promotes engagement with the residents, especially when introducing a new piece of technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

The community events with Winter Warmers, Spring Kitchen and Summer Sizzlers will continue, as well as the craft sessions to promote relationships and contact and reduce any feelings of loneliness. At these sessions, we invite partner agencies to demonstrate the support offered.

All Independence and Wellbeing team members will enrol on training in health coaching to enable them to carry out their roles effectively and allow tenants to get the most out of the independence and wellbeing services. Health coaching involves a holistic, person-centred approach, where our advisors have the knowledge to empower tenants to build realistic and achievable goals, where we can continue to increase our number of goal plans with the aim of having 60-65% of tenants with goal plans by 2025.

Aids and Adaptations

We will complete the journey mapping process that commenced in Q4 of 2023-24, and the aids and adaptations (A & A) policy and procedure will be reviewed – the review will reflect the co-development work that was done with beneficiaries of the A & A service and the associated service improvements. We will introduce a quarterly performance report which will reflect the value that the service offers to our customers as well as our stakeholders.

Engaging with our community

Over the next year, the neighbourhood team will continue to focus on engaging with our communities through the digital platforms that we have available to us. During 2023-24, we trained frontline staff in mediation and developed a specialist in-house mediator to save the cost of outsourcing this service. We will continue to use these skills and training to improve conflict mediation across our communities.

A consultation was held with the tenants at one of our Shelter Schemes to install Wi-Fi in the community room to increase digital use and reduce isolation. This installation will be available from July 2024 for 33 households to use and will benefit over 40 tenants at Bradley Court. This will allow us to offer further courses in digital skills, decrease social isolation and make the internet inclusive and available to all, where some may be unable to access it due to financial difficulties. This project is being installed by Social Telecoms at a cost of £2,397.

Digital

In July, we will upgrade our housing management system to the latest version, providing enhanced functionality and security for staff and benefiting the customer experience.

A new Teign Housing and Templer HomeBuild website will be introduced, providing a better resident and key stakeholder experience. We will be moving to Windows 11 for all of our staff laptops, introducing the latest operating system from Microsoft and enhancing the user experience for staff to support our residents effectively.

We have introduced a new card payment system which complies with the Payment Card Industry Standards (PCI DSS) for taking card payments over the telephone and online. This new system allows the residents to make payments using their telephone handset rather than our staff members taking their

details and making the payment on their behalf. It also introduces extra security measures to keep card payment details safe and secure.

Our Electronic Document Management System (EDMS) is being migrated into our SharePoint environment, allowing staff to view documents all in one place and reducing the costs of having documents in a separate system.

We are reviewing the repairs diagnostic reporting solution to enhance the functionality and streamline the process of reporting repairs for our customers and staff. We are working in partnership with Ian Williams to enhance the repair interface with our repair subsidiary company, Templer HomeBuild. This will improve the performance of the interface, allowing our staff to book repairs for our residents quickly.

We will introduce self-service appointment bookings for repairs where our customers can book a repair slot that suits them, as can our contact centre staff on their behalf, freeing up resources within the Customer First Team.

We will issue tablets for front-line staff to input data at source whilst out in the field directly into our Housing Management System, Civica Cx, further reducing administrative time and resources. Review how resident consultation online can be used more widely, giving residents the opportunity to be more involved in decision-making.

We will expand our use of the Geographical Information System (GIS) solution to have real-time data pulled from our housing management system and open-source data repositories so that we can better plan resources and scheduling services. We will also enhance our CCTV digital capabilities, providing remote access to camera footage with electronic audit trails.

We will increase our use of Power BI by training our Business Intelligence Leads and staff so they can create an interactive, personalised dashboard and reports to empower decision-making.

We will procure and implement a new cloud-based asset management system, which will centralise data and provide real-time tracking and monitoring of assets.

Health and Safety

During the year, our Board approved our Health & Safety Strategy for the next three years, and we continue to work towards aligning our practices with HSG65, which is the Health and Safety Executive's Guide to managing health and safety. The guide follows the Plan, Do, Act approach which has H&S an integral part of good management rather than a stand-alone system. We are currently following HSG65 system rather ISO 45001 (International Organisation for Standardisation) as it provides a suitable management framework for our area of operation. The team is part of our overall Assurance team, working collectively towards promoting a positive and impartial culture in which we can continually improve our performance. The Health & Safety Team ensure, where possible and applicable, that the physical environments and assets that protect our employees and customers are safe, secure and fit for purpose.

Increase financial capacity

The current RCF of £20m remains available until 2028. In the autumn of 2023-24, we started a new re-financing project to best use our unencumbered stock by securing further funding against it. This would

enable the continued expansion of our development capacity and capital investment in improvements for our existing stock. The refinancing project was finalised in June 2024, and we have secured a new RCF of £30m until 2034.

Improve our complaints process

We continue to fully roll-out “Lessons Learned,” and in 2024-25, we aim to stop making the same mistakes again and prevent mistakes.

Ensure our residents are happy with their repairs

Next year, we aim to continue to exceed 96% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

Next year, we aim to exceed 99% of repairs requiring only one visit.

Work efficiently and respectfully in customers’ homes

Next year, we plan to complete 96% of all planned works on time.

Remain Financially Strong

In 2024-25, our operating margin is budgeted to be 18.0%, which is declining yearly due to the inflation rate on repairs and maintenance costs having increased more than the rate of rent increase.

The Consumer Standards and the Social Housing White Paper

We have delivered training for the whole company on these subjects in 2023-24 and will continue with refreshers during 2024-25 to provide updates and reinforce the importance of these crucial topics. The consumer standards working group meets regularly to discuss new initiatives to improve the service standard for our tenants, monitor current performance and review any new regulatory developments. This is important information given the heightened importance now placed on the customer and the new standards which are being put in place.

All of this continues to allow us to have a strong business plan that can manage the impact of cost increases, which have resulted from the strategic decisions made to improve the quality of our homes and services and to keep our customers safe. We also continue to deliver new homes and improve the overall capacity of the plan whilst still delivering the aims and aspirations of the company.

Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that the risks which threaten the achievement of the company’s objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness and takes any steps it considers necessary to maintain or improve its effectiveness.

Teign Housing's system of internal controls includes the measures set out below

Policy and strategy – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

Prevention and detection of fraud

The system of internal control includes measures designed to prevent or detect fraud.

The Board has established a policy on the prevention, detection and investigation of fraud which includes a whistle blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud which include but are not limited to:

- A Risk Management Framework
- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Authorisation controls
- Access controls
- Exception reports
- Financial Regulations

Board's assessment of assurance and internal control

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 27 June 2024. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.

The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2024 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 27 June 2024 and signed on its behalf by

Maureen Robinson
Chair of the Board



Directors Report

The Directors present their report for the year ending 31 March 2024.

Directors

The directors who served the company during the year are shown on page 1.

Information for auditors

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

Statement of Compliance

The company has chosen, in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period.

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial

position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Directors on 27 June 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Maureen Robinson', with a long horizontal line underneath it.

Maureen Robinson
Chair of the Board

Independent Auditor's Report to the Members of Teign Housing

Opinion

We have audited the financial statements of Teign Housing (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2024 which comprise the Consolidated and parent Company Statement of Comprehensive Income, the Consolidated and parent Company Statement of Financial Position, the Consolidated and parent Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2024 and of the Group's income and expenditure and the parent Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent

Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Company, 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 Companies Act 2006, 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, NHF Code of Governance 2020, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Lee Cartwright (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

150 Minories

London

EC3N 1LS

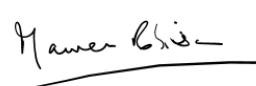
Date: 8 August 2024

Statement of Comprehensive Income

	Note	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Turnover	2	24,843	21,390	24,949	21,505
Cost of sales	2	(2,536)	(1,137)	(2,536)	(1,137)
Operating expenditure	2	(17,754)	(15,942)	(17,889)	(16,073)
Gain on disposal of property, plant and equipment	2	83	142	83	142
Movement of investments property value	2	(45)	-	(45)	-
Operating surplus	2	4,591	4,453	4,562	4,437
Interest receivable	4	95	73	124	89
Interest and financing costs	5	(2,021)	(1,977)	(2,021)	(1,977)
Surplus/(Deficit) before tax		2,665	2,549	2,665	2,549
Taxation	7	-	-	-	-
Surplus/(Deficit) before tax		2,665	2,549	2,665	2,549
		2,665	2,549	2,665	2,549
Other Comprehensive Income					
SHPS - Actuarial gain/(loss) in respect of pension schemes	19	(225)	(133)	(225)	(133)
LGPS - Actuarial gain in respect of pension schemes	19	-	-	-	-
Total		(225)	(133)	(225)	(133)
Total comprehensive income for the year		2,440	2,416	2,440	2,416

The financial statements on pages 37 to 75 were approved and authorised for issue by the Board on 27 June 2024 and were signed on its behalf by:







Helen Hilditch
Company Secretary

Maureen Robinson
Chair of the Board

Stephen Cook
Chair of Audit Committee

The results relate wholly to continuing activities and the notes on pages 41 to 75 form an integral part of these accounts.

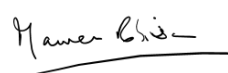
Statement of Financial Position

		Group	Group	Association	Association
		At	At	At	At
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible Assets	8	73	201	73	201
Tangible Assets	9	174,537	160,232	174,537	160,232
Investment Properties	10	525	570	525	570
		<u>175,135</u>	<u>161,003</u>	<u>175,135</u>	<u>161,003</u>
Current Assets					
Stock	11	923	1,580	923	1,580
Debtors due in less than one year	12	981	1,532	1,438	2,055
Debtors due in greater than one year		964	965	964	965
Cash and cash equivalents	13	2,662	5,319	2,363	4,992
		<u>5,530</u>	<u>9,396</u>	<u>5,688</u>	<u>9,592</u>
Less creditors: amounts falling due within one year	14	(10,399)	(2,699)	(10,557)	(2,895)
Net Current Assets		<u>(4,869)</u>	<u>6,697</u>	<u>(4,869)</u>	<u>6,697</u>
Total assets less current liabilities		<u>170,266</u>	<u>167,700</u>	<u>170,266</u>	<u>167,700</u>
Creditors: amounts falling due after more than one year	15	(68,415)	(68,384)	(68,415)	(68,384)
Provisions for Liabilities					
Pension Liability	19	(669)	(574)	(669)	(574)
Total Net Assets		<u>101,182</u>	<u>98,742</u>	<u>101,182</u>	<u>98,742</u>
Reserves					
Income and Expenditure reserve		69,401	66,895	69,401	66,895
Revaluation reserve		31,781	31,847	31,781	31,847
Total Reserves		<u>101,182</u>	<u>98,742</u>	<u>101,182</u>	<u>98,742</u>

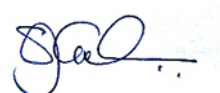
These financial statements on pages 37 to 75 were approved and authorised for issue by the Board 27 June 2024 and were signed on its behalf by:



Helen Hilditch
Company Secretary



Maureen Robinson
Chair of the Board



Stephen Cook
Chair of Audit Committee

The notes on pages 41 to 75 form an integral part of these accounts

Statement of Changes in Reserves

Group:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2022 Restated	64,397	31,929	96,326
Surplus from Statement of Comprehensive Income	2,549	-	2,549
Actuarial (loss) relating to the year	(133)	-	(133)
Transfer from revaluation reserve to income and expenditure reserve restated	82	(82)	-
Balance at 31st March 2023	66,895	31,847	98,742
Deficit from Statement of Comprehensive Income	2,665	-	2,665
Actuarial gain relating to the year	(225)	-	(225)
Transfer from income and expenditure reserve to revaluation reserve	66	(66)	-
Balance at 31st March 2024	69,401	31,781	101,182

Association:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2022 restated	64,397	31,929	96,326
Deficit from Statement of Comprehensive Income	2,549	-	2,549
Actuarial gain relating to the year	(133)	-	(133)
Transfer from revaluation reserve to income and expenditure reserve restated	82	(82)	-
Balance at 31st March 2023	66,895	31,847	98,742
Surplus/(Deficit) from Statement of Comprehensive Income	2,665	-	2,665
Actuarial gain/(loss) relating to the year	(225)	-	(225)
Transfer from income and expenditure reserve to revaluation reserve	66	(66)	-
Balance at 31st March 2024	69,401	31,781	101,182

The notes on pages 41 to 75 form an integral part of these accounts

Consolidated Statement of Cash Flows

	Group 2024 £'000	Group 2023 £'000
Cash flows from operating activities		
(Deficit)/Surplus for the year after tax	2,665	2,549
Adjustments for investing or financing activities		
(Gain) on sale of fixed assets	(83)	(142)
Interest receivable	(95)	(73)
Interest and financing costs	2,021	1,977
	1,843	1,762
Adjustments for non-cash items:		
Depreciation	2,808	2,565
Impairment of Fixed assets	-	-
Government grant utilised in the year	(82)	(83)
(Decrease)/Increase in stock	657	(792)
Decrease/(Increase) in Investment properties	45	-
(Increase)/Decrease in trade and other debtors	551	(730)
(Increase)/Decrease in trade and other creditors	(301)	(1,289)
Pension costs less contributions payable	(154)	(145)
	3,524	(474)
Net cash generated from operating activities	8,032	3,837
Cash flow from investing activities		
Capital expenditure on housing properties	(16,225)	(13,393)
Net proceeds on sale of housing properties	219	486
Purchase of other fixed assets and intangible assets	(277)	(109)
Government grant received	214	500
Interest received	95	73
Net cash used in investing activities	(15,974)	(12,443)
Cashflow from financing activities		
Interest paid	(2,715)	(2,448)
Loan Break Fees	-	-
Interest element of finance lease rental payment	-	-
Loans received	8,000	-
Loans repaid	-	-
Net cash used in financing activities	5,285	(2,448)
Net change in cash and cash equivalents	(2,657)	(11,054)
Cash and cash equivalents at beginning of year	5,319	16,373
Cash and cash equivalents at year end	2,662	5,319

The notes on pages 41 to 75 form an integral part of these accounts.

Notes to the financial statements

Legal Status

Teign Housing is a company limited by guarantee incorporated in England and Wales under the Companies Act 2006, it is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Millwood House, Collett Way, Newton Abbot, Devon TQ12 4PH.

1 Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers (2018). The Group is required under the Companies Act (Group Accounts) Regulations 2006 to prepare consolidated Group accounts.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements have been prepared in compliance with FRS102. The financial statements are prepared on the historical cost basis of accounting as modified by the valuation of the transferred rented housing stock to deemed cost on the transition to FRS 102 and are presented in £000's. Investment properties are included in the financial statements at valuation.

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Group financial statements consolidate the financial statements of Teign Housing (the parent) and its subsidiary undertaking Templer HomeBuild for the year ended 31 March 2024.

Parent company disclosure exemptions

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

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Teign Housing and entities controlled by the Group (its subsidiary). Control is achieved where the Group has the power

to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany transactions and balances between group entities are eliminated in full upon consolidation.

Going Concern

The company's financial statements have been prepared on a going concern basis, which assumes the ability to continue operating in the foreseeable future. The impact of the war in Ukraine and the ongoing situation in Gaza continue to be monitored, and the company has adapted to various new ways of working. The future budget and business plans have been constructed with this in mind, and no significant concerns have been noted.

The business plan was stress tested and assessed for any imminent or likely future breach in borrowing covenants. No significant concerns have been noted, and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

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

- a. Development expenditure.** The company capitalises development expenditure when the Board approve the agreement for contract. 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. Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the company has considered if the asset is held for social benefit or to earn commercial rentals.
- c. Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d. Pension and other post-employment benefits. The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

e. Impairment of non-financial 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.

A review of void losses in the year has been carried out and no properties have been identified as impaired.

A review of the schemes in development has been carried out and no properties have been identified as impaired.

Following the assessment of impairment, no impairment losses were identified in the reporting period.

f. Provision for bad debts. A provision is made for bad debts based on the age of the debt. The rates of the provision increase from 10% for debts over 13 weeks to 50% for debts over 52 weeks. Former tenant arrears are provided for at 100%.

g. Valuation of investment properties. Investment properties are included at the fair value each year, and a professional revaluation has been undertaken. The revaluation has shown a decrease of £45k in the market value. This decrease has been reflected in the value of the fixed assets and the reserves balance.

Turnover and revenue recognition

Turnover represents rental income receivable from tenants and leaseholders, amortised capital grants, revenue grants from Local Authorities and Homes England, income from the sale of shared ownership properties and income from other services suppliers excluding VAT.

Income is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accrual basis. The company operates variable service charges on a scheme by scheme basis in full consultation with residents.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and the amount of maturity of the related loan.

Capitalised Interest

Interest on our development schemes is capitalised from the point the Board approves the project and the company begins to incur development costs.

Categorisation of Debt

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102.

Corporation Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Value Added Tax

The company charges VAT on some of its income and can 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 company and not recoverable.

Intangible Assets

Intangible assets are for IT software. They are stated at cost less accumulated depreciation.

The useful economic life is 3 to 5 years.

Tangible Assets

Properties for social rent transferred from the Local Authority are stated at deemed cost less accumulated depreciation, all other properties and tangible fixed assets are stated at historic cost less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e., local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties, on practical completion of construction. Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period. Staff costs and overheads directly attributable to bringing housing properties into working condition for their intended use are capitalised. Freehold land is not depreciated.

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

The company depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELS for identified components are as follows:

Structure	100 Years
Cornish Units	50 Years
Kitchens	20 Years
Bathrooms	30 Years
Wiring	30 Years
Heating/boilers	15 Years
Windows and Doors	30 Years
Pitched Roof	70 Years
Flat Roof	20 Years
Disabled adaptations	10 Years

Low Cost Home Ownership

The costs of low-cost home ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets. Interest on loans used to finance the development of new housing properties is capitalised during the construction period.

Finance Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term, this is generally equivalent to the original cost of the assets. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and finance cost elements and the finance costs are charged to the Statement of Comprehensive Income.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Leased assets are depreciated over the life of the lease if this is shorter than their useful economic life. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their useful economic lives as follows:

IT equipment	3 to 5 years
Leasehold Improvements	5 to 10 years
Office premises	90 years
Office fixtures and fittings	3 to 5 years
Teigncare Alarm Equipment	3 to 10 years
Motor Vehicles	4 years
Electrical works	40 years
New technology	15 years
Gas installations	25 years

Investment Property

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

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Social Housing Grant (SHG)

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 (excluding land), under the accruals model.

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

SHG must be recycled by the company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of transfer rented social housing properties and their historical cost carrying value, where deemed cost transitional relief was taken.

2 Turnover, cost of sales, operating expenditure, and operating surplus

Group	Turnover	Cost of sales	Operating expenditure	2024 Operating surplus	Turnover	Cost of sales	Operating expenditure	2023 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	20,843	-	(17,303)	3,540	19,338	-	(15,431)	3,907
Other social housing activities								
Teigncare alarm services	-	-	-	-	187	-	(145)	42
Other services	146	-	(200)	(54)	103	-	(122)	(19)
First tranche low cost home ownership sales	3,437	(2,536)	-	901	1,408	(1,137)	-	271
Activities other than social housing								
Other activities (note 2b)	417	-	(251)	166	354	-	(244)	110
Total	24,843	(2,536)	(17,754)	4,553	21,390	(1,137)	(15,942)	4,311
Gain on disposal of property, plant and equipment (note 2c)				83				142
(Decrease)/Increase in value of investment properties				(45)				-
Operating surplus				4,591				4,453

2 Turnover, cost of sales, operating expenditure, and operating surplus cont'd.

Association	Turnover	Cost of sales	Operating expenditure	2024 Operating surplus	Turnover	Cost of sales	Operating expenditure	2023 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	20,843	-	(17,461)	3,382	19,338	-	(15,565)	3,773
Other social housing activities								
Teigncare alarm services	-	-	-	-	187	-	(145)	42
Other services	200	-	(177)	23	150	-	(121)	29
First tranche low cost home ownership sales	3,437	(2,536)	-	901	1,408	(1,137)	-	271
Activities other than social housing								
Other activities (note 2b)	469	-	(251)	218	422	-	(242)	180
Total	24,949	(2,536)	(17,889)	4,524	21,505	(1,137)	(16,073)	4,295
Gain on disposal of property, plant and equipment (note 2c)				83				142
(Decrease)/Increase in value of investment properties				(45)				-
Operating surplus				4,562				4,437

2a Income and expenditure from social housing lettings

Group	General needs £'000	Housing for older people £'000	Low cost home ownership £'000	Other £'000	Total 2024 £'000	Total 2023 £'000
Income						
Rent receivable, net of identifiable service charge and voids	14,206	4,691	589	2	19,488	17,945
Service charge income	413	609	26	53	1,101	1,105
Amortised government grants	82	-	-	-	82	83
Other income from social housing lettings	36	136	-	-	172	205
Turnover from social housing lettings	14,737	5,436	615	55	20,843	19,338
Operating expenditure						
Management	(4,783)	(2,109)	(17)	(46)	(6,955)	(5,662)
Service charge costs	(247)	(155)	(16)	(14)	(432)	(630)
Routine maintenance	(2,451)	(928)	(9)	(16)	(3,404)	(3,120)
Planned maintenance	(725)	(311)	(3)	(23)	(1,062)	(651)
Major repairs expenditure	(1,862)	(745)	(6)	(24)	(2,637)	(2,838)
Bad debts	(92)	(33)	-	-	(125)	(92)
Depreciation of housing properties	(1,676)	(658)	(67)	(132)	(2,533)	(2,264)
Amortisation	(103)	(40)	(4)	(8)	(155)	(174)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(11,939)	(4,979)	(122)	(263)	(17,303)	(15,431)
Operating surplus on social housing lettings	2,798	457	493	(208)	3,540	3,907
Void losses	(234)	(52)	-	-	(286)	(105)

2a Income and expenditure from social housing lettings cont'd.

Association	General needs	Housing for older people	Low cost home ownership	Other	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	14,206	4,691	589	2	19,488	17,945
Service charge income	413	609	26	53	1,101	1,105
Amortised government grants	82	-	-	-	82	83
Other income from social housing lettings	36	136	-	-	172	205
Turnover from social housing lettings	14,737	5,436	615	55	20,843	19,338
Operating expenditure						
Management	(4,836)	(2,132)	(17)	(47)	(7,032)	(5,662)
Service charge costs	(250)	(157)	(16)	(14)	(437)	(631)
Routine maintenance	(2,459)	(931)	(9)	(16)	(3,415)	(3,204)
Planned maintenance	(745)	(319)	(3)	(23)	(1,090)	(663)
Major repairs expenditure	(1,889)	(755)	(6)	(24)	(2,674)	(2,873)
Bad debts	(92)	(33)	-	-	(125)	(93)
Depreciation of housing properties	(1,676)	(658)	(67)	(132)	(2,533)	(2,264)
Amortisation	(103)	(40)	(4)	(8)	(155)	(174)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(12,050)	(5,025)	(122)	(264)	(17,461)	(15,564)
Operating surplus on social housing lettings	2,687	411	493	(209)	3,382	3,774
Void losses	(234)	(52)	-	-	(286)	(105)

2b Turnover from activities other than social housing

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Garage lettings	353	314	353	314
Non-social housing lettings	28	-	28	-
Commercial property lettings	36	39	36	39
Gift Aid Donation	-	-	52	69
	417	353	469	422

2c Gain on disposal of assets

Group and Association	Right to Buy/Acquire Sales	Low Cost Home Ownership	Open Market Sales	Other Disposals	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Proceeds of sales	339	-	-	18	357	700
Less: Costs of sales	(112)	-	-	-	(112)	(400)
Amount payable to Teignbridge District Council	(162)	-	-	-	(162)	(158)
Gain/(Loss)	65	-	-	18	83	142

3 Directors' emoluments, key management personnel & employee information

	2024	2023
	£'000	£'000
The aggregate emoluments paid to or receivable by non executive Directors and former Directors	39	38
The aggregate emoluments paid to or receivable by executive Directors and former Directors	172	156
	211	194
The emoluments paid to the highest paid Director excluding pension contributions	152	137
The aggregate amount of Directors or past Directors' pensions, excluding amounts payable under a property funded pension scheme	-	-

The number of full time equivalent staff whose remuneration payable fell within bands of:	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
£70,000 to £79,999	-	-	-	-
£80,000 to £89,999	-	2	-	2
£90,000 to £99,999	-	2	-	1
£100,000 to £109,999	3	-	2	-
£110,000 to £119,999	-	-	-	-
£120,000 to £129,999	-	-	-	-
£130,000 to £139,999	-	-	-	-
£140,000 to £149,999	-	-	-	-
£150,000 to £159,000	-	1	-	1
£160,000 to £169,000	-	-	-	-
£170,000 to £179,000	1	-	1	-

The Chief Executive is an ordinary member of the pension scheme. In April 2022, the Chief Executive moved from a final salary scheme to a defined benefit scheme funded by annual contributions by the employee, and the employer. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £20,093 (2022-23: £18,489) was paid in addition to the personal contributions of the Chief Executive. Directors (key management personnel) are defined as the members of the Board and the Chief Executive.

Employee information

	Group	Group	Association	Association
	2024	2023	2024	2023
The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:				
Office staff	105	92	82	77
Wardens, caretakers and cleaners	19	17	19	17
Maintenance staff	53	51	-	-
	<u>177</u>	<u>160</u>	<u>101</u>	<u>94</u>

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Staff costs (for the above employees)				
Wages and salaries	6,086	5,205	3,527	3,065
Social Security costs	585	535	342	304
Other Pension costs	557	423	476	362
LGPS Cessation Event	-	-	-	-
Non Executive Director Wages and salaries	39	38	39	38
Holiday Pay Accrual	55	55	16	18
	<u>7,322</u>	<u>6,256</u>	<u>4,400</u>	<u>3,787</u>

4 Finance income and other income

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank finance income	95	73	95	73
Interest received from Group entities	-	-	29	16
	<u>95</u>	<u>73</u>	<u>124</u>	<u>89</u>

5 Finance costs and similar charges

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
On loans repayable within 5 years	269	-	269	-
On loans wholly or partly repayable in more than five years	2,325	2,327	2,325	2,327
Costs associated with financing	20	27	20	27
Net interest on the defined liability	24	14	24	14
Less finance costs capitalised on housing properties under construction	(620)	(391)	(620)	(391)
Other interest charges	3	-	3	-
	2,021	1,977	2,021	1,977
Charged to income and expenditure account				

6 Surplus on ordinary activities before taxation

	Group	Group	Association	Association
Is stated after charging/(crediting)	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Depreciation of housing properties	2,526	2,211	2,526	2,211
Depreciation of other fixed assets	127	128	127	128
Amortisation of intangible fixed assets	155	174	155	174
Operating lease rentals (land and buildings)	-	-	-	-
Operating lease rentals (other)	-	-	-	-
Auditors remuneration (excluding VAT)				
- Audit of the Group financial statements	28	26	28	26
- Audit of subsidiaries	-	-	-	-
- Other service	2	2	2	2
Amortisation of government grant	(82)	(83)	(82)	(83)

7 Taxation on surplus on ordinary activities

Teign Housing is a registered charity. Charitable activities of the Company are exempt from United Kingdom Corporation Tax.

	Group	Group	Association	Association
Analysis of charge/(credit) for the year	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Current tax				
UK corporation tax at 25% (2022/23: 19%)	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Total current tax charge/(credit)	-	-	-	-
Deferred tax				
Total deferred tax charge/(credit)	-	-	-	-
Tax on surplus on ordinary activities	-	-	-	-
Reconciliation of tax charge				
Surplus on ordinary activities before taxation	2,665	2,549	2,665	2,549
Tax on surplus/(deficit) at corporation tax rate of 25% with profits over £250,000 (2022/23: 19%)	666	484	666	484
Effects of:				
Non-taxable surplus on charitable activities	(666)	(484)	(666)	(484)
Expenses not deductible for tax purposes	-	-	-	-
Non trade charges utilised in period	-	-	-	-
Tax charge/(credit) for the year	-	-	-	-

8 Intangible assets – IT software

	2024
	£'000
Cost	
At 1st April 2023	1,067
Additions	39
Disposals	(67)
At 31st March 2024	1,039
Amortisation	
At 1st April 2023	(866)
Charge for year	(155)
Disposals	55
At 31st March 2024	(966)
Net book value	
At 31st March 2024	73
At 1st April 2023	201

Of the £73,000 NBV, £28,000 relates to the Housing Management Software.

9 Tangible fixed assets

	Social Housing Properties for Letting Completed	Social Housing Properties for Letting Under Construction	Low Cost Home Ownership Properties Completed	Low Cost Home Ownership Properties Under Construction	Total Housing Properties	Land	IT Equipment	Office	Supported Housing Equipment	Fixtures & Fittings	Motor Vehicles	Total Fixed Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost												
At 1st April 2023	153,142	8,765	10,778	1,956	174,641	65	219	1,178	238	289	123	176,753
Additions	7,035	7,684	-	4,481	19,200	-	64	-	139	50	25	19,478
AUC Transfers	9,501	(9,501)	4,226	(4,226)	-	-	-	-	-	-	-	-
Transfer to Current Assets	-	-	-	(2,355)	(2,355)	-	-	-	-	-	-	(2,355)
Disposals	(191)	-	-	-	(191)	-	-	-	(191)	(16)	-	(398)
At 31st March 2024	169,487	6,948	15,004	(144)	191,295	65	283	1,178	186	323	148	193,478
Depreciation & Impairment												
At 1st April 2023	(15,200)	(139)	(386)	-	(15,725)	-	(144)	(137)	(218)	(228)	(69)	(16,521)
Charge for the year	(2,413)	-	(113)	-	(2,526)	-	(63)	(15)	(9)	(20)	(20)	(2,653)
Disposals	55	-	-	-	55	-	-	-	177	1	-	233
At 31st March 2024	(17,558)	(139)	(499)	-	(18,196)	-	(207)	(152)	(50)	(247)	(89)	(18,941)
Net book Value												
At 31st March 2024	151,929	6,809	14,505	(144)	173,099	65	76	1,026	136	76	59	174,538
At 1st April 2023	137,942	8,626	10,392	1,956	158,916	65	75	1,041	20	61	54	160,232

9 Tangible fixed assets cont'd

Number of units owned and managed

Group and Association

Social Housing Accommodation

Under development

	Opening Balance	Started in Year	Completed in Year	Closing Balance
General needs housing	97	72	88	81
<i>Social rent</i>	41	12	37	16
<i>Affordable rent</i>	56	60	51	65
Supported housing and housing for older people	-	-	-	-
Low cost home ownership	34	31	34	31
	131	103	122	112

Under management at end of year

	Opening Balance	Completed in Year	Disposed in Year	Closing Balance
	<i>*Restated</i>			
General needs housing	2,658	88	3	2,743
<i>Social rent</i>	2,376	36	3	2,409
<i>Affordable rent</i>	282	52	-	334
Supported housing and housing for older people	997	-	-	997
Low cost home ownership *	131	34	-	165
Market rent *	3	-	-	3
	3,789	122	3	3,908
	3,920			4,020

Social Housing Accommodation

	Opening Balance	Taken on in Year	Removed in Year	Closing Balance
	<i>*Restated</i>			
Managed for others at end of year *	40	17	-	57
	40			57

**The Opening Balance of Low cost home ownership has been restated from 127 to 131 to include 4 restricted equity properties being misreported in 2022-23. This restatement will have no impact beyond note 9.*

**There are 3 Market rent properties have been included. This restatement will have no impact beyond note 9.*

**The Opening Balance of Managed for others has been restated from 29 to 40 to include 11 units managed for Teign District Council since 2021-22. This restatement will have no impact beyond note 9.*

The value of property additions includes £621,000 of capitalised finance costs (2022-23: £391,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £2,264,000 (2022-23: £1,643,000). The average rate of finance costs is 4.59% (2022-23: 4.06%).

Housing properties were valued by Jones Lang LaSalle in accordance with Royal Institute of Chartered Surveyors procedures. Based on the commitments to the funders, some properties are valued at EUV-SH (existing use value), and some are at MV-ST (market value subject to tenancy). Properties valued annually for funding commitments at 31 March 2024 equated to £126.5m (1,434 properties); Properties valued triennially for funding commitments at 31 March 2024 equated to £30.7m (413 properties), and unencumbered properties valued at 31 March 2023 equated to £101.2m (1,493 properties), in total 3,340 properties. There are 564 properties that have not been valued for funding commitments.

The total expenditure on repairs and maintenance to existing properties in the year was £11,032,000 (2022-23: £9,278,000). Of this £3,818,000 was capitalised under the SORP 2018 (2022-23 £3,203,000).

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2024 was £35,501,400 (2022-23: £34,861,400).

10 Investment properties held for letting

Group and Association	2024 £'000
Cost	
At 1st April 2023	570
Additions	-
Loss from adjustment in value	(45)
At 31st March 2024	525

Investment properties were re-valued at 31 March 2024 by Jones Lang Lasalle, professionally qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Global Standards. These properties were part of the original stock transfer from Teignbridge District Council and transferred with a nil value. The shops have been valued on the basis of Market Value. The total valuation has been decreased to £525,000 (£570,000, 31 March 2023).

11 Stock

	2024	2023
Group and Association	£'000	£'000
Properties held for sale		
Low cost home ownership properties		
Completed	530	181
Under construction	393	1,399
	923	1,580

There are 34 low-cost home ownership properties under construction and 4 properties completed and available for sale at 31 March 2024.

12 Trade and other debtors

Amounts falling due in less than one year

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Arrears of rent and service charges	611	593	611	593
Provision for bad and doubtful debts	(353)	(341)	(353)	(341)
	258	252	258	252
Prepayments and accrued income	514	374	577	491
Other trade receivables	209	905	203	911
VAT receivables	-	1	-	1
Amounts owed by subsidiary undertakings	-	-	400	400
Amounts due in less than one year	981	1,532	1,438	2,055

Amounts falling due in greater than one year

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
THFC loan interest paid in advance	964	965	964	965
Amounts due in greater than one year	964	965	964	965

13 Cash and cash equivalents

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Short term deposits	-	1,013	-	1,013
Cash at bank	2,662	4,306	2,363	3,979
	2,662	5,319	2,363	4,992

The Cash at bank figure includes £355k restricted funds that are held as a pension bond. These funds are held in a separate bank account and are not available as company working capital.

14 Creditors: amounts falling due within one year

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade payables	484	376	483	423
Accruals and deferred income	242	645	242	645
Rent and service charges paid in advance	884	848	884	848
Right to Buy sharing agreement (see below)	162	157	162	156
Amounts owed to subsidiary	-	-	259	237
Other creditors	375	449	348	428
Bank loans (note 15a)	8,000	-	8,000	-
Deferred capital grant (note 15b)	84	81	84	81
VAT creditor	7	-	7	-
Income Tax (PAYE) and National Insurance	161	143	88	77
Lease obligations	-	-	-	-
Amounts owed to subsidiary undertakings	-	-	-	-
	10,399	2,699	10,557	2,895

The Right to Buy sharing agreement is part of the inventory transfer agreement and requires Teign Housing to pay a share of the proceeds from property sales to Teignbridge District Council. This agreement ceased in February 2024.

15 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Bank loans (note 15a)	57,511	57,491	57,511	57,491
Loan Premium	3,479	3,597	3,479	3,597
Lease obligations	-	-	-	-
Deferred capital grant (note 15b)	7,303	7,230	7,303	7,230
Recycled Capital Grant Fund (note 15c)	99	43	99	43
Sinking Fund (Haldon)	23	23	23	23
	68,415	68,384	68,415	68,384

15a Bank loans

The Group and Association loans are repayable in the following periods:

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Fixed rate loans				
Within one year	-	-	-	-
2 to 5 years	-	-	-	-
In 5 years or more	57,511	57,491	57,511	57,491
Variable rate loans				
Within one year	8,000	-	8,000	-
2 to 5 years	-	-	-	-
In 5 years or more	-	-	-	-
	65,511	57,491	65,511	57,491

The £25m loan from GBSH and £33m loan from bLEND PLC are fixed long-term loans, which remain in place, resulting in a total drawn debt of £58m.

The £20m revolving credit facility remains in place with Nationwide, and £8m was withdrawn at the end of March 2024 (2023-24: nil).

All loans are secured by specific charges on the Company's housing properties and are repayable at varying rates of finance costs from 2.92% to SONIA plus 1.18%.

The average rates of finance costs on the long-term loans outstanding at 31 March 2024 were:

Fixed rate loans 3.98% (2022-23: 3.98%)

At 31 March 2024, the Group and Association also had the following undrawn loan facilities:

	2024	2023
	£'000	£'000
Undrawn facilities (Nationwide)	12,000	20,000
	12,000	20,000

15b Deferred capital grant

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At start of the year	7,311	6,894	7,311	6,894
Received during the year	214	500	214	500
Grants recycled on disposals to RCGF	(56)	-	(56)	-
Released to income during the year	(82)	(83)	(82)	(83)
	7,387	7,311	7,387	7,311
Amount due to be released < 1 year	(84)	(81)	(84)	(81)
	7,303	7,230	7,303	7,230

The total accumulated government grant and financial assistance received or receivable at 31 March 2024 is £8,272k (2022-23: £8,112k), of which, £7,387k (2022-23: £7,311k) is included as deferred capital grant and £884k (2022-23: £802k) has been recognised as income through the Statement of Comprehensive Income to date.

15c Recycled capital grant fund

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At 1 April 2023	43	43	43	43
Inputs to RCGF:				
Grants recycled	56	-	56	-
At 31 March 2024	99	43	99	43
	99	43	99	43
Due in more than one year	99	43	99	43
	99	43	99	43

All balances relate to Homes England.

16 Operating leases

The Group and Association no longer have any operating leases.

17 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2024, the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

18 Capital commitments

	2024 £'000	2023 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	14,972	15,431
Capital expenditure that has been authorised by the Board but has not yet been contracted for	3,158	4,270
	<u>18,130</u>	<u>19,701</u>

The company expects these commitments to be financed over the life of the committed development program over a period of 3 years with:

	2024 £'000	2023 £'000
Proceeds from sale of shared ownership properties	2,484	1,746
Uncommitted loan facilities	15,646	17,955
	<u>18,130</u>	<u>19,701</u>

The revolving credit facility provided by Nationwide (£20,000,000) will fund £15,646,000 of committed expenditure.

19 Pensions Liability

Total Pensions Liability	2024	2023
	£'000	£'000
SHPS	669	574
Total	669	574

(a) Social Housing Pension Scheme

During the year, the company participated in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK and is accounted for as such.

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

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

The scheme was closed to new members and on 31st March 2022 the company closed the scheme to the remaining two members.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to accurately calculate the impact of this issue, but we have had an indication that our maximum liability would be £68,000. No adjustment has been made in these financial statements in respect of this potential issue.

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	2024 £'000	2023 £'000
Fair value of plan assets	2,840	2,808
Present value of defined benefit obligation	<u>(3,509)</u>	<u>(3,382)</u>
(Deficit) in plan	(669)	(574)
Unrecognised surplus	<u>-</u>	<u>-</u>
Defined benefit (liability)	<u><u>(669)</u></u>	<u><u>(574)</u></u>

Reconciliation of opening and closing balances of the defined benefit obligation

	2024 £'000	2023 £'000
Defined benefit obligation at start of period	3,382	5,234
Current service cost	-	-
Expenses	5	5
Interest expense	162	145
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	124	(207)
Actuarial losses (gains) due to changes in demographic assumptions	(34)	(7)
Actuarial losses (gains) due to changes in financial assumptions	(52)	(1,723)
Benefits paid and expenses	<u>(78)</u>	<u>(65)</u>
Defined benefit obligation at end of period	<u><u>3,509</u></u>	<u><u>3,382</u></u>

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

	2024 £'000	2023 £'000
Fair value of plan assets at start of period	2,808	4,662
Interest income	138	131
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(187)	(2,070)
Employer contributions	159	150
Member contributions	-	-
Benefits paid and expenses	(78)	(65)
Fair value of plan assets at end of period	<u>2,840</u>	<u>2,808</u>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£49,000) (2023: £1,939,000).

Defined benefit costs recognised in statement of comprehensive income (SOCl)

	2024 £'000	2023 £'000
Current service cost	-	-
Expenses	5	5
Net interest expense	24	14
Defined benefit costs recognised in Statement of Comprehensive Income (SoCl)	<u>29</u>	<u>19</u>

Defined benefit costs recognised in other comprehensive income (OCI)

	2024 £'000	2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(187)	(2,070)
Experience gains and losses arising on the plan liabilities - gain (loss)	(124)	207
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	34	7
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	52	1,723
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	<u>(225)</u>	<u>(133)</u>
Total amount recognised in Other Comprehensive Income - gain (loss)	<u>(225)</u>	<u>(133)</u>

Assets

	2024 £'000	2023 £'000
Global Equity	283	52
Absolute Return	111	30
Distressed Opportunities	100	85
Credit Relative Value	93	106
Alternative Risk Premia	90	5
Fund of Hedge Funds	-	-
Emerging Markets Debt	37	15
Risk Sharing	166	207
Insurance-Linked Securities	15	71
Property	114	121
Infrastructure	287	321
Private Equity	2	-
Private Debt	112	125
Opportunistic Liquid Credit	111	120
High Yield	-	10
Opportunistic Credit	-	-
Cash	56	20
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	18	85
Secured Income	85	129
Liability Driven Investment	1,156	1,294
Currency Hedging	(1)	5
Net Current Assets	<u>5</u>	<u>7</u>
Total assets	<u><u>2,840</u></u>	<u><u>2,808</u></u>

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

Key assumptions

	2024	2023
	£'000	£'000
Discount Rate	4.92%	4.84%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.79%	2.79%
Salary Growth	3.79%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	2024	2023
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring in 2024 (2023)	20.5	21
Female retiring in 2024 (2023)	23.0	23.4
Male retiring in 2044 (2043)	21.8	22.2
Female retiring in 2044 (2043)	24.4	24.9

20 Related parties

Transactions with regulated and non-regulated elements of the business

The company provides management services, other services, and loans to its subsidiary.

The company also receives charges from its subsidiary for labour services provided for property maintenance and compliance.

Gift aid from the subsidiary is recognised at year end on a receivable basis and is calculated based on the profit for the year end.

Payable to the company from non-regulated subsidiaries

	2024	2023
	£'000	£'000
Transactions with Templer HomeBuild Limited		
Gift aid distribution	52	69
Management & administration	58	49
Loan interest	29	16
Loan repayments received	400	800
	539	934

Payable to non-regulated subsidiaries from the company

	2024	2023
	£'000	£'000
Transactions with Templer HomeBuild Limited		
Property services provided	3,073	2,575
Loans to Subsidiary	400	800
	3,473	3,375

Statement of Financial Position balances between Parent and Subsidiary

	Creditors	Debtors
	£'000	£'000
Teign Housing	259	964
Templer HomeBuild	456	259
	715	1,223

Balances held in respect of the Parent/Subsidiary relationship are eliminated on consolidation.

21 Consolidated structure and investment

On 17 October 2005, Teign Development Limited was formed as a wholly owned subsidiary of Teign Housing. Teign Development Limited changed its name to Templer HomeBuild Limited on 11 April 2017 and commenced trading on 1 July 2017. The principal activity of Templer HomeBuild is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale. Templer HomeBuild profit for the year was £52,000 (2022-23: £69,000) and had net assets of nil (2022-23: nil).

22 Low-cost home ownership – buyback liability

Teign Housing has two low-cost home ownership properties that have mandatory buy back clauses, this means that in the event of the owner being unable to sell their property we are obliged to purchase their share. These will be noted as contingent liabilities in the accounts. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event.

10 Lonsee Gardens

Sale date – 23rd November 2010

Share percentage bought – 35%

Price of percentage bought - £53,235

Original 100% market value as stated in the Lease - £152,100

The property/shares were transferred to a new shared owner on 21st November 2013.

The 100% market value on 21st November 2013 was £145,000

12 Lonsee Gardens

Sale date – 1st October 2010

Share percentage bought – 25%

Price of percentage bought - £37,537.50

Original 100% market value as stated in the Lease – £150,150

23 Change in Net Debt

Group

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	5,319	(2,657)	-	2,662
Housing Loans Due in One Year	-	(8,000)	-	(8,000)
Housing Loans Due After One Year	(57,491)	-	(20)	(57,511)
	(52,172)	(10,657)	(20)	(62,849)

Association

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	4,992	(2,629)	-	2,363
Housing Loans Due in One Year	-	(8,000)	-	(8,000)
Housing Loans Due After One Year	(57,491)	-	(20)	(57,511)
	(52,499)	(10,629)	(20)	(63,148)

24 Discontinuation of Teigncare Service

The Teigncare alarm service to private individuals was acquired and has been operated by Appello Careline Ltd since 3rd April 2023.



Teign Housing

Report and financial statements

Reporting date 31 March 2024

Registered company number 04619035

Registered charity number 1112196

Regulator of Social Housing
registration number LH4403

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Teign Housing – Company information

Board of Management

Non-Executive Directors

Maureen Robinson	(Chair of Board)
Rebecca Harwood-Lincoln	(Resident Voice Champion)
Sean Palka	(Board Member)
Stephen Cook	(Chair of Audit Committee)
Stuart Davies	(Chair of Templer HomeBuild)
Stephen Higginson	(Chair of Remuneration)
Joanna Davoile	(Board Member)

Co-opted Advisor to the Board

Richard Gammage	(Chair-elect, co-opted 1 November 2023)

Executive Directors

Jo Reece	(Chief Executive, retired on 31 March 2024)
Helen Hilditch	(Acting Chief Executive 01 April 2024 – 11 April 2024)
Tom Woodman	(Chief Executive, appointed on 12 April 2024)

Independent Audit Committee

Colin McDonald	(Independent Audit Committee Member)

For the year ending 31 March 2024, the Board met on 8 occasions. There was 88% attendance at Board meetings.

Executive Management Team

Jo Reece	(Chief Executive, retired on 31 March 2024)
Helen Hilditch	(Director of Finance and Investment & Deputy Chief Executive)
Amanda Nicholls	(Director of Customer and Communities)
Justin Glue	(Director of Operations Templer HomeBuild)
Karen Johnson	(Director of People & Technology & Deputy of Chief Executive resigned on 31 October 2023)
Marcus Taylor	(Director of People & Technology appointed on 1 November 2023 resigned on 31 January 2024)

Auditors	External Auditor Beever and Struthers 150 Minories London EC3N 1LS	Internal Auditor Bishop Fleming LLP Emperor Way Exeter EX1 3QS
Solicitors	Housing Management Capsticks Solicitors LLP 1 George Street London SW19 4DR Governance and Development Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ	Human Resources Tozers Southernhay West Exeter EX1 1UA
Bankers and Funders	The Housing Finance Corporation 3 rd Floor 17 St Swithin's Lane London EC4N 8AL Nationwide Building Society Public Sector Team Kings Park Road Moulton Park Northampton NN3 6NW	GB Social Housing 5 Great St Helen's London EC3A 6AP
Company Secretary	Helen Hilditch (non-Board member)	
Registered Office	Millwood House Collett Way Newton Abbot Devon TQ12 4PH	

Strategic Report

The Directors present their Strategic Report incorporating the Value for Money Statement for the year ending 31 March 2024.

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers and Housing SORP guidance note 2022.

Overview of the Business

Teign Housing is a registered charity, a company limited by guarantee, and is registered with the Regulator of Social Housing. Our focus is on the core activity of the company, which is the provision of low cost rented accommodation. The organisation has a wholly owned subsidiary, Templer HomeBuild Limited. Its purpose is to provide property maintenance and construction services to the social housing sector. Consolidated accounts for the Group are also reported along with those of Teign Housing, the parent organisation.

Vision

We dedicate ourselves to providing good quality homes and tailored housing support. Working with our diverse customers and trusted partners we provide effective services that bring long term benefits to all. We are sustainable in a fast-changing environment and reinvest our surpluses to grow our communities.

Values

Respectful

We treat people with empathy, respect diversity and provide quality customer service. We appreciate the relationships we build with our customers, contractors and partners; we are proud to be *Team Teign*.

Resourceful

We maximise our resources through innovation and by using our money in efficient ways. We look for opportunities to expand our business by building new homes and creating and growing valuable services. We recognise our role in supporting the local economy.

Ethical

We value our responsibility as a charity providing homes and services for those who need them and as an employer. We are an organisation with heart and strive to offer an empowering workplace and the personal service our communities want.

Governance

The Articles stipulate that there can be up to 10 Board Members, including up to 3 executive members. The Board currently consists of 7 non-executive members and 1 executive member. The members of the Board are legally the directors of the company, and the Board is Teign Housing's governing body.

The Board adopted the National Housing Federation (NHF) 2020 Code of Governance on 1 April 2021. The Board is committed to and complies with the standards in the Code; however, there has been one exception this year. The Chair of the Board has served just over 9 years, which is over the prescribed 9 year maximum. However, she stands down in July 2024, and the new Chair-elect is to take up their position. The Code states that the maximum tenure will normally be up to six consecutive years and may be extended to a maximum of nine years, where the Board agrees it is in the organisation's best interest.

The Chief Executive retired on 31 March 2024, and a new Chief Executive started on 12 April 2024. The Chair of the Board is due to retire in July 2024, and the Board agreed to a retirement date of 24 July 2024.

We aim to recruit Board members 6 months ahead of any vacancy. They join the Board as unpaid co-optees and are trained and inducted during this period before being formally appointed to the Board. Further training is carried out throughout their term of office. We conduct two-yearly pay benchmarking for all staff and Board posts and benchmark any vacancies for advertising. We have a schedule of standing orders and financial regulations which set out delegated authorities from the Board to its committees and the executive management team. Our three-yearly external governance review is taking place in early 2024-25.

The Board is supported in its governance by two committees:

- Audit Committee
- Remuneration Committee

The key governing documents are the Articles, the Standing Orders, and the Financial Regulations, with a range of policies that guide the operational activities of the company.

All non-executive Board members are paid a fee for their services. Payments during the year (including expenses) were:

Maureen Robinson	Chair of Board	£9,854
Stephen Cook	Chair of Audit	£5,595
Steve Higginson	Chair of Remuneration	£4,317
Stuart Davies	Chair of Templer HomeBuild	£6,422
Joanna Davoile	Board Member	£2,333
Colin McDonald	Independent Audit Committee Member	£1,812
Rebecca Harwood-Lincoln	Resident Voice Champion	£4,510
Sean Palka	Board Member	£3,901

Public Benefit Entity

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. Teign Housing also pays due regard to the guidance published by the Charity Commission on public benefit.

We provide homes for rent at lower than market prices; homes designated for older people with additional needs, and shared ownership properties.

Financial Performance

Teign Housing Group has made a surplus after tax for the year of £2,665,000 (2022-23: £2,549,000). Full details of our financial results can be found on pages 37 - 75.

Financial performance is monitored through the annual budget, which is set by the Board. The budget is based on the business plan, and the Board receives a report at each meeting assessing the company's performance against the budget.

Operational Performance

The current 3-year corporate plan was agreed by the Board in March 2024. The Board have established a range of key performance indicators to assess the company's performance in relation to the corporate plan objectives. The Board monitors this quarterly through the Balanced Scorecard, Management Accounts and Financial Report.

Further details of our operational performance, including value for money, can be found on pages 13 – 29.

Business Plan

The 30-year Business Plan reflects the strategic direction of the company and its future aspirations. The focus for the coming years will be to continue to maintain the housing stock to an appropriate level, deliver further new homes and manage services. The business plan has been thoroughly stress tested, and the key risks to the organisation have been identified, and appropriate mitigation arrangements are in place.

Treasury Management

At 31 March 2024, Teign Housing was funded by a £33m bond from The Housing Finance Corporation (THFC), a £25m bond from GB Social Housing (GBSH) and a £20m revolving credit facility (RCF) from Nationwide. We have fully drawn the £33m from THFC and £25m from GBSH. We have also drawn £8m of the RCF from Nationwide and have an undrawn RCF of £12m (2022-23: £20m). During the year, a new financing project was started with Nationwide, and a new tranche credit facility of £30m was signed in April 2024 with a 10-year term. The funding agreements all contain three financial covenants. Finance costs on loans were £2.614m (2022-23: £2.354m), which equates to an average rate of 4.59% (2022-23: 4.06%). Finance costs of £620,000 were capitalised during the year (2022-23: £391,000). At 31 March 2024, Templer HomeBuild had a loan balance with Teign Housing of £400,000 (2022-23: £400,000). This

loan is drawn for a period of 6 months, being repaid to the parent and redrawn by the subsidiary in June and December each year. There was £14.972m of capital committed to the development programme, which was in contract at 31 March 2024 (2022-23: £15.431m), and there was a cash and cash equivalents balance of £2.662m (2022-23: £5.319m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

Reserves Policy

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives and provide the new homes and services that the reserves are intended to support, whilst managing the risks associated with long term expenditure plans.

A budget is set each year along with a 30-year business plan including a forecast for reserves, allowing the company to achieve these objectives. This is monitored throughout the year and is reported quarterly through the management accounts to the Board.

The level held in the income and expenditure reserve at 31 March 2024 was £69,401,000 (2022-23 £66,895,000), and in the revaluation reserves £31,781,000 (2022-23 £31,847,000).

Unrestricted reserves, excluding tangible fixed assets net of grant, were £-98,347,000 at 31 March 2024 (2022-23 £-86,797,000) and can only be released by disposing of tangible fixed assets.

Property Sales

During the year, three properties were sold (2022-23: 6 properties), of which no property was under the Right to Acquire scheme (2022-23: 1 property), three properties were under the Right to Buy Scheme (2022-23: 5 properties), no properties were fully stair cased (2022-23: Nil properties) or sold on the open market (2022-23: Nil property). Teign Housing received proceeds of £339,000, all from right to buy sales (2022-23: £700,300). Under the terms of the transfer agreement, £161,964 (2022-23: £157,956) of the right to buy sale proceeds were paid to Teignbridge District Council, and the remainder was retained by Teign Housing in recognition of future income foregone, and this will be invested in future development.

Staff

The average number of employees for the year ending 31 March 2024 was 178 (2022-23: 160 employees). The Board recognises the contribution made by all staff and is committed to the continued development of its staff. During the year, the company spent £90,100 on staff training and development (2022-23: £106,000).

Fire Safety Remedial Work

The Building Safety Act 2022 and the new Fire Safety (England) Regulations 2022, which came into force in January 2023, set out how landlords of high-rise buildings (those with seven stories or more, or over 18m high) should work with fire services to ensure a planned and effective response to fire alarms at

these buildings. We have just one property, Douglas House in Teignmouth, which falls into this high-rise definition.

To fully comply with this new legal requirement, Teign Housing commissioned an independent review of Douglas House. This Fire Risk Appraisal of External Walls (FRAEW) report based on PAS 9980 (Fire Risk Appraisal of external wall construction and cladding of existing blocks of flats – code of practice), resulted in a number of recommendations which we will be actioning including the planned removal of the external wall insulation. The residents have been informed of the decision, and we are in constant communication with them about the progress of the project. We started consultation on the project in 2023-24, and £165,567 has been incurred in legal and professional advice in 2023-24. It is estimated that £2m will be needed for this project.

Damp and Mould

In 2023 Teign Housing and Templer HomeBuild collaborated to create a new Damp and Mould Policy and Procedure to set out and improve on the approach to dealing with these issues. We aim to proactively reduce issues relating to damp and mould by maintaining the housing stock to decent homes standard or better through the asset management information system, investment programmes, Housing Health and Safety Rating System assessment outcomes, initiatives to maximise customer contact points to identify issues, and the use of environmental monitoring systems. Reactively, a Damp Mould and Condensation working group monitors the situation and actions informed via a case tracker and monthly update, a specific role to investigate and monitor DMC issues has been created within THB, a triage process has been adopted to categorise reports of damp and mould at the outset to prioritise our resources, and mandatory training has been delivered with a view to continue this annually and to new starters. In 2023-24, we paid £38,700 to tenants in compensation relating to damp and mould. We dedicated five of our homes as decant properties to provide temporary accommodations to the tenants whilst their homes were being rectified. In spring 2024 our resident scrutiny panel conducted a review of our approach to damp and mould, making recommendations to the Board that will subsequently have their implementation monitored by the Audit Committee.

Development

During 2023-24, we entered into 4 new contracts with a total value of £12,323,554 to purchase 4 section 106 schemes, which will deliver 51 rented and 19 shared ownership homes over the coming years.

We were successful in bidding on 3 section 106 schemes, Challabrook in Bovey Tracey, Collaton St Mary in Paignton and Gatehouse Farm in Dawlish. These schemes will deliver 7 social rent, 62 affordable rent, and 30 shared ownership properties. However, due to the current refinancing process, they are not guaranteed to proceed to contract at this stage.

	Social Rental Units	Low Cost Home Ownership	Total Units
Under construction 31/03/2023	120	44	164
	<i>*Restated</i>	<i>*Restated</i>	<i>*Restated</i>
Under construction 31/03/2023	97	34	131
Started in the year	72	31	103
Completed in the year	88	34	122
 Under construction 31/03/2024	 81	 31	 112

**The opening balances for Under Construction have been restated in the 2022-23 report due to a double counting error, and the restatement has no impact on the Financial Statements.*

122 new affordable homes were completed in 2023-24. This was less than anticipated because of delays associated with labour and material shortages.

In 2024-25, we plan to develop 43 homes over the next 12 months and 74 homes in 2025-26.

Shared Ownership

During 2023-24, we brought the Shared Ownership sales process in house. Within the year, we sold 32 homes with a combined share value of £3,435,675, nine of which were sold via our previous sales agent.

Future Direction

To achieve the corporate vision and values, we focus on the core of our business, and the Board has committed to the following strategic aims:

- **Excellent Services** – We will deliver high quality services to all our customers and partners. We will provide considerate customer services, empowering housing services and effective repairs.
- **Quality Homes** – We will invest in new and existing homes by maintaining high standards of repairs and improvements to our current homes and develop new homes to meet the needs of the local people.
- **Sustainable Business** – We will strengthen our business by continually improving our governance, increasing the value of our work, seeking ways of working jointly with our partners, and investing in our staff.

Performance against these aims was monitored as part of a three-year Corporate Plan for 2021 to 2024. This has now been updated to be our Corporate Plan for 2024-27.

We are committed to maintaining our financial performance and our delivery of good homes and customer services. We achieve this by focusing on maintaining our operational performance, maximising our income and effectively driving down costs.

To support our strategic aims, we have several strategies in place. The neighbourhood services strategy gives the direction to provide excellent services, and the ageing well strategy to focus on our older customers.

The asset management strategy focuses on the quality of our homes and ensures that they are of a good standard and maintained appropriately. The development strategy sets out the aspirations for future development, along with the business plan, which currently has a capacity for 297 homes over the next 5 years. The regeneration strategy sets out plans for longer term regeneration, and £649,000 has been included in the business plan for 2024-25, and it has been reduced to £305,000 in 2025-26, £530,000 for 2026-24, and £305,000 in 2027-28.

The carbon reduction strategy sets out plans for the business to reduce its carbon footprint, and the first stage is to invest in homes with lower energy performance ratings. In order to meet the government's target of all homes having a minimum EPC (energy performance certificate) rating of C by 2035, in 2024-25, the business plan makes provision for £524,000 of investment in our homes to improve their energy performance rating, and it has been increased to £750,000 in 2025-26, £700,000 in 2026-27 for two years and then £750,000, thereafter, until 2030. There is new funding for carbon zero investment schemes available, and these are currently being pursued.

To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. In October 2023, Teign Housing proudly retained Investors in People Platinum accreditation in recognition of our continued investment in employee engagement, learning and development, leadership, management, and wellbeing. We continue the agile working policy, empowering our staff to work flexibly from the office and home to support the wellbeing of our people and to promote a healthy work-life balance. The value for money strategy sets out how we continually seek to improve quality and performance and, where possible, reduce costs and create efficiencies.

Risk Management

We recognise that risks are inevitable, and in order to thrive and achieve our objectives, we need to take a managed degree of risk.

We have a risk framework in place which manages our risks, closely monitors them, and ensures that the way we manage them is appropriate to the reward and opportunities they will deliver. We operate in a constant changing environment and our risk owners review their risk each month to ensure that they are still appropriate.

Any changes to our strategic risks are reported to our Audit Committee, Board and THB on a quarterly basis. We support this with an assurance programme monitoring our performance via our scorecard, a robust internal audit programme and by undertaking internal assurance reviews into business processes. Our resident led scrutiny panel undertakes reviews of our service areas from a resident perspective and any identified areas for improvement are fed directly back to our Board.

Our Board considers emerging risks at each Board meeting, During the year, we added emerging risks around AI and digital technology, changes in shared ownership rent basis and changes in government to our emerging risk register. In May 2024, the Board completed a full review of our risk appetite.

Our top risks during the year were:

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Service unable to deal with the increasing complexity of vulnerable people		This risk reflects the impact of dealing with third parties (statutory & voluntary sector) who are finding resources stretched and finding cases more challenging. This has the potential to affect the delivery of our Housing services. With more pressure on support agencies, we find ourselves supporting residents and households with more complex needs.	Our Housing strategy sets out the delivery of the Housing management service equipped to manage more complex cases. We have an established Head Start service, which is structured to assist people through the start of their tenancy, and then a Tenancy Sustainment service is in place to support them throughout the life of the tenancy. The Board has reviewed the Independent Housing Ombudsman report on vulnerability and considered actions arising from it.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to meet consumer regulatory standards		This is linked to our overall governance and our aim of putting our customers first.	We have a Customer Insight & Resolutions Manager dedicated to helping residents resolve complaints and dissatisfaction. We have a group of involved residents who help shape our services. We complete journey mapping exercises with our residents to help us understand how our services work for them.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Rental income is less than forecast		Rental income provides us with the resources to deliver our services and to provide new homes. The current risk is the cost-of-living crisis which sees many of our residents struggling financially which may impact on their choices / ability to pay their rent, service charges or alarm charges	We closely monitor our rent collection performance. We have a well-established rents team, and a team of Head Start advisors who have a good relationship with our residents and are able to provide support at all stages of a tenancy.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Douglas House remedial works		Remedial works identified to meet standards identified in Building Safety Act.	Enhanced fire detection systems are in place within property. We held a resident consultation event to inform residents and continue to update them on the progress of the works. We are working with Devon & Somerset Fire and Rescue service to ensure highest levels of safety for residents.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to manage property assets appropriately		This risk encompasses both our aims to meet environmental targets and also maintain high levels of service throughout the pandemic	We are currently undertaking a stock condition survey to help us get to know our property stock better, and we have surveyed almost half of our stock in 2023-24. The remainder is due to be surveyed in 2024/25. We maintain high levels of Health & Safety compliance. We have a multi discipline group monitoring cases of Damp, Mould and Condensation.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Loss of key staff, high turnover and / or inability to recruit to key roles.		Recruitment has been challenging this year, and there has been a high staff turnover	We are committed to investing in continued staff development and providing career growth. We have been promoting mental health awareness to safeguard staff well-being, and we will carry out more surveys to measure employee satisfaction and motivation. We have regular staff forum meetings to encourage employees to voice their concerns and to create a more inclusive workplace.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to demonstrate effective governance in setting and operating an appropriate strategic direction		Last year, we had a number of Board members reaching the end of their term and wanted to ensure that we maintain a high level of skill, experience and expertise at the Board level whilst being representative of our residents	We have recruited a new Chair of the Board who will take over in the summer of 2024 and has already begun working with us to ensure we have a smooth transition. One of the Board members holds the role of Resident Voice Champion, providing insight to the Board on complaint handling and feedback from the residents. In 2024-25, we are creating a new Customer Experience Committee to lead in this area. We agreed on a new three-year Corporate plan this year.

Value for Money Statement

The Value for Money (VFM) strategy was approved by the Board in July 2021 and reflects both the changes to the value for money standard issued by the regulator in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation, and these are presented below.

		Group		Association		Budget FY25	Target FY24	Sector Metrics
		2023/24	2022/23	2023/24	2022/23	2024/25	2023/24	2022/23
Metric 1	Reinvestment %	10.8%	9.7%	10.8%	9.7%	8.1%	13.3%	6.7%
Metric 2	A New supply delivered SH %	3.1%	1.3%	3.1%	1.3%	1.1%	3.7%	1.3%
	B New supply delivered NSH %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Metric 3	Gearing %	32.9%	32.9%	33.1%	32.9%	40.9%	34.0%	45.3%
Metric 4	EBITDA MRI Interest Cover %	134.4%	135.9%	134.4%	143.8%	110.3%	127.3%	128.4%
Metric 5	Social housing cost per unit £	£ 4,809	£ 4,418	£ 4,809	£ 4,418	£ 5,156	£ 4,770	£ 4,586
Metric 6	A Operating margin SH %	22.0%	19.3%	21.8%	21.8%	18.6%	21.2%	19.8%
	B Operating margin overall %	20.4%	20.2%	20.2%	21.3%	17.5%	20.3%	18.2%
Metric 7	ROCE %	2.7%	2.7%	2.7%	2.6%	2.4%	2.6%	2.8%

The group's metrics presented above compare favourably against the sector average in some areas but less favourably in others.

The group's re-investment of 10.8% is below our target but increased compared to last year and significantly above the sector metrics of 6.7%, despite developments being delayed at the start of the year due to materials and labour shortages. Nevertheless, it does reflect our continued investment in our properties. The latest sector metrics relate to 2022-23, and as such, it is difficult to compare with this benchmark as this is nearly one year behind. Despite initial delays and shortages, the development and capital improvement programmes have performed well with significant investment. In 2023-24, we bid on 3 section 106 schemes and successfully secured 3 schemes with a total of 99 homes.

We have a strong development pipeline through both the purchase of section 106 schemes and smaller land led developments, both within the Teignbridge District and further afield in neighbouring authority areas. This has been further facilitated through the additional funding secured next year from financing an additional £30m of Revolving Credit Facility. However, due to the increased inflation above the Consumer Price Index on materials and labour, which has increased the cost of building new homes and other costs, the re-investment forecast will be decreased to 8.1% from the 10.8% achieved this year.

The new supply delivered is calculated based on units completed in 2023-24. We have achieved 3.1% new supply by delivering 122 units, compared to a target of 3.7%. This difference is due to the delivery of 14 homes slipping into next year. We are still well above the sector average of 1.3% on this metric; however, as the benchmark relates to 2022-23 data, it does not show the delays that have been felt across the building sector.

New supply is forecasted to be 43 units in 2024-25, including 15 affordable rent, 18 social rent and 10 shared ownership properties, 33 of which have been committed. We will continue to seek new

opportunities to achieve our development aspirations, and we now have the capacity to deliver 297 homes over the next 5 years.

Gearing remains the same at 32.9% compared to 2022-23. We are now utilising the Revolving Credit Facility and cash reserves to fund our increased investment into new homes and regeneration. At 32.9%, this remains well below the sector average, giving us scope to increase this. We started our refinancing project in 2023-24 to increase the funding by £30m through the Revolving Credit Facility, which will be available from 2024-25 for ten years. This will allow us to further invest in new homes and regeneration, give us the financial capacity to meet any requirements from the Decent Homes 2 Standard and stock condition surveys. All of this aims to improve the quality of our homes and the effectiveness of our service to tenants, improve efficiencies and achieve savings for both tenants and Teign Housing. This can be achieved whilst keeping our interest cover well within sustainable levels.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) is 134.4%, which is above the target and the sector metrics. Although our funders do not use EBITDA MRI as one of their covenants, we remain within the historical targets. As a result of continued investment next year, the interest cover ratio is expected to fall further next year as we continue our programme in new and existing properties; however, the new covenant terms mean that this reduction is sustainable and well above thresholds.

The social housing cost per unit has increased from £4,418 last year to £4,809 this year. This has been due to an increase in planned maintenance compliance spending, continued regeneration works during 2023-24, and the effect of high inflation across all materials and labour. Overall, we have seen an increase in the cost per property compared to the prior year, and it is an overall increase within the sector.

The operating margin overall is 20.4%, which is just above the sector's average and our targeted margin, and a slight increase from last year. In 2024-25, a reduction in operating surplus is anticipated with the drive to improve the service we deliver to tenants and to increase the investment in decarbonisation.

The return on capital employed remains static at 2.7% due to a marginal increase in operating surplus compared to last year and asset base. This metric is slightly over the target but in line with the sector. It is forecasted to reduce to 2.4% in 2024-25, as the operating surplus is forecasted to reduce due to increases in operating expenses.

We continue to be committed to providing good levels of customer service in what continues to be a challenging environment. Economic and political uncertainty is set to continue for the coming year, and Teign Housing has modelled and planned for further potential issues through the business planning process.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it to make informed choices about how resources are effectively channelled towards delivering services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality as well as stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan, including the financial position after refinancing, includes the delivery of 297 homes over the next 5 years.

The Board scrutinises financial and service delivery performance at each meeting through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps being taken to deliver improvements.

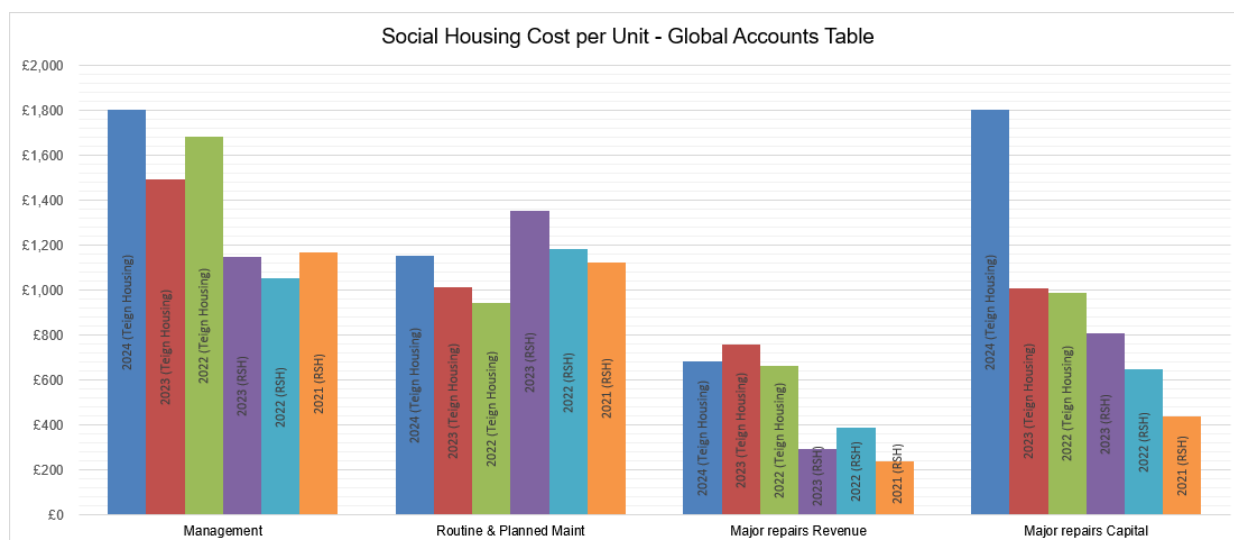
These include:

- Value for Money Metrics – full details of value for money achievements
- The balanced scorecard, including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly Financial Report
- Annual report – report sent annually to our tenants
- Interim annual review of the business plan against actual progress
- Regular reforecasting as part of the management accounts review

An evaluation of our costs in comparison to the global accounts is presented below, and the figures for Teign Housing have been re-stated in line with the current global accounts format (based on SW & SE Peer Group). The latest figures available as a sector comparative are for the year ending March 2023, which is one year behind our year end.

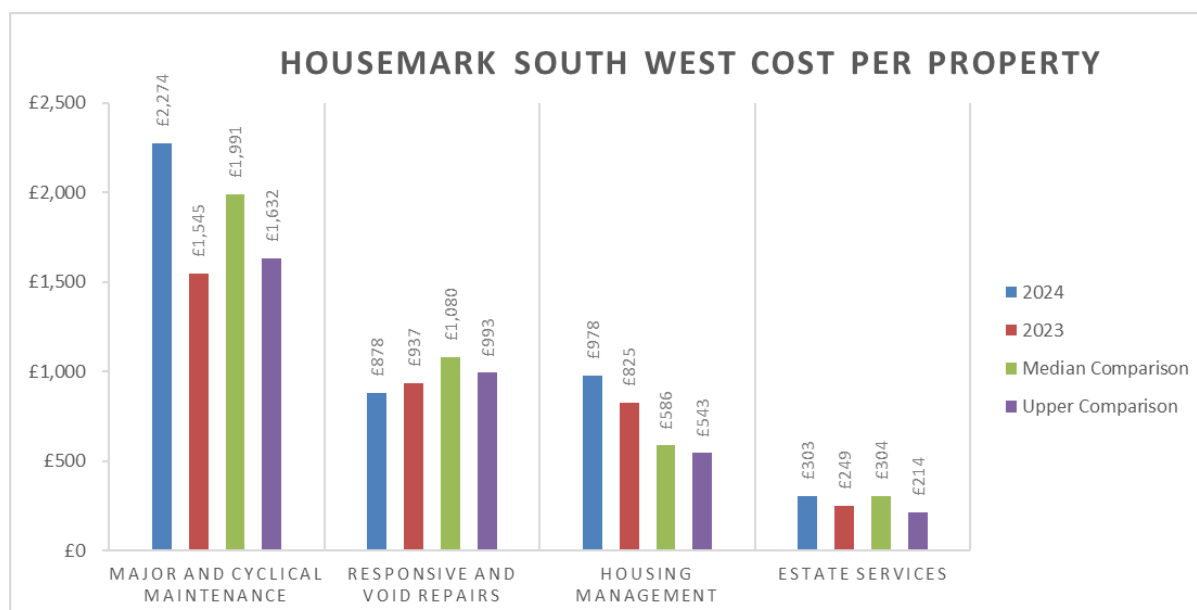
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2023-24 £	2022-23 £	2021-22 £	2023 £	2022 £	2021 £
<i>Expenditure – per Social Housing Property</i>						
Management	1,802	1,495	1,684	1,151	1,053	1,169
Routine & Planned Maintenance	1,154	1,013	942	1,354	1,182	1,125
Major repairs – Total	2,487	1,770	1,656	1,104	1,038	677
Major repairs – Revenue	685	759	666	295	390	240
Major repairs – Capital	1,802	1,011	990	810	648	438



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing	Teign Housing	Comparison Group Median	Comparison Group Upper
	2023-24	2022-23	2022-23	2022-23
Department	£	£	£	£
Major and Cyclical Maintenance	2,274	1,545	1,991	1,632
Responsive and Void Repairs	878	937	1,080	993
Housing Management	978	825	586	543
Estate Services	303	249	304	214
No of Properties	3,904	3,787	4,767	2,277



As expected, these two comparisons against RSH (SW & SE) global accounts and the Housemark South West Housing peer group show similar findings. The global accounts figures show costs per unit in 2023-24 were above that for 2022-23 by an average of 10.3% and the Housemark cost per property shows a 6.5% increase, with there being slight differences in how these are calculated.

Management cost per unit has been increased from last year, and over the sector average due factors outside of our control, in particular, the increase in insurance premiums, Douglas House legal and professional costs, and the earlier than anticipated commencement of the financing project. Continued scrutiny of management costs and tight budgetary control will ensure the overall efficiency of the organisation.

Routine and Cyclical Maintenance has increased slightly from last year and is lower than the sector average. However, it is slightly over the Housemark data, again due to the different calculation methods. We are continually working to ensure we receive the best quality for the best price for our purchases to mitigate the increases as much as possible. We are also driving efficiencies where possible by planning similar works in areas and by type.

Major repairs, both capital and revenue, remain above the RSH sector average. The revenue expenditure has decreased, but the capital has increased over the last year. Both RSH and Housemark have shown similar trends. The major revenue cost per unit includes regeneration spend at the Magnolia block, which has started ahead of the planned timetable. Although this element of the spend is treated as a revenue cost, it relates to the project as a whole and, therefore, contributes to the longer-term improved stock quality. In addition to this, there has been continued expenditure on compliance, including asbestos and health and safety works. It is important to spend in these areas to avoid longer term, more expensive non-conformance related costs and to keep our residents safe.

This year, we have seen an increase in capital and major repair costs per unit. Capital expenditures fluctuate year on year due to the planning of the maintenance programme to make the most efficient use of resources.

We will ensure that we maintain tight budgetary control going forward to provide optimum value to our tenants. We have a strong commitment to invest in our housing stock for the future, and we have embarked on a stock condition survey to be completed by the end of 2024-25 to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes including a focus on damp and mould. We continue to look for opportunities to invest in renewable and efficient energy solutions for both our new build and existing homes.

With the acknowledgement that the stock condition survey results will impact the future strategy, the Asset Management Strategy was reviewed, updated and approved by the Board in April 2023. A further updated Asset Management and Carbon Reduction Strategy will be developed, along with a review of our Acquisitions and Disposals Policy, when the survey is largely completed and will provide us with a clear focus and direction about the future use and energy efficiency of our assets such as continued use, redesignation, redevelopment or disposal. It defines the Teign Standard, which continues to be above the current Decent Homes Standard whilst we await the publication of Decent Homes 2 and Awaab's Law. It allows us to proactively manage our planned maintenance programme to drive maximum cost efficiency and value for money. When we dispose of properties that have been assessed as not suitable or unsustainable as affordable housing, the proceeds are used to support the development of new homes.

We continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable, these are now included within the future development programme.
- Review key assets for potential opportunities.
- Assess the requirements and resources needed for progress towards EPC Band C by 2030 and Net Zero Carbon by 2050.
- The asset management viability tool continues to assist us with knowledge of our housing stock. This includes neighbourhood mapping and allows us to consider various options to determine the future of the asset. We are looking at alternative options to improve on this.

Below is an extract from the scorecard, which presents the company's performance against targets set internally and against targets taken from Housemark data for the year ended 31 March 2024. We have selected areas that we believe represent current VFM significance.

Area	2023-24	2022-23	2021-22	2020-21	Housemark 2022-23 Benchmark	Target 2023-24
Customer satisfaction						
Repairs	98.2%	97.9%	97.6%	96.1%	77.9%	96.0%
Standard of property at re-let	96.6%	99.0%	94.0%	91.0%	-	100.0%
Satisfaction with complaints process	50.0%	95.0%	95.0%	50.0%	76.2%	85.0%
Rent collection & arrears						
Rent collection	100.4%	99.3%	100.1%	100.9%	101.6%	100.0%
Rent arrears (% of annual debit)	2.7%	2.7%	2.3%	2.5%	3.2%	3.2%
Void loss & turnaround						
Void losses	1.10%	0.56%	0.50%	0.38%	1.40%	0.50%
Void turnaround time (days)	33.9	25.1	22.6	25.5 days	42	25
Digital agenda						
Total number of tenant portal registrations	901	650	603	487	-	1250
Inbound communication by Webchat	1.3%	1.1%	1.6%	7.7%	-	-

Customer satisfaction with repairs has increased slightly against last year, and we continue to exceed our target for the year and against the Housemark average. Satisfaction with the standard of property at relet has decreased slightly from last year, and we have narrowly missed the 100% target. Satisfaction with the complaints process has fallen to 50%. However, this is based on a sample of just 2 respondents; therefore, it is an unreliable indicator. We continue to receive an increased number of complaints and respondents to this metric, in common with trends across the sector. We have strengthened our staffing by overseeing the complaints process and learning for the future, and improving our performance on this area is a key priority for us.

Rent collection increased and reached our target of 100%, and it is in line with the Housemark Benchmark. The rent arrears remain the same at 2.7% compared to the prior year and performed better than the benchmark. In light of the economic climate and cost of living crisis this is not unexpected as households feel their budgets further tightened each month. We have continued to support tenants over the last year through the process of applying for universal credit and working with them where possible to manage their rent payments. This has helped us to improve our performance from last year and exceed our internal targets. Through our Head Start team, we have signposted and assisted tenants in securing the additional financial support they need. We have also distributed over £37,500 (2022-23: £29,000) of financial support in the form of a hardship fund to tenants in greater need.

Void losses have increased compared to last year and are below the benchmark due to the delays in letting new properties. We temporarily increased resources to address this pinch-point, and this resulted in improved performance towards the year end.

Across the organisation, we have a strong focus on VFM, and many departments have specific VFM targets. An updated VFM report was presented to the Board for approval in July 2023. In 2023-24 our VFM focus was on:

Digital

We have been implementing GIS (Geographic Information System) to benefit from the full utilisation of its capabilities. This software will allow us to overlay details such as tree data and grounds maintenance areas to a map of our housing stock, and from this, we can better plan resources and schedule services.

We have enhanced the offering of our tenant portal and app by adding push notifications to alert our residents of important updates such as arrears and to update their contact details. We are also working through a process for applicants to streamline the process of onboarding residents into our systems digitally.

Void inspections have been digitised by our staff using tablets to carry out our voids checklists, moving away from paper-based forms, and reducing administrative resources to upload these into our systems.

Estate Inspections can now be carried out using our housing management system (Cx) whilst onsite, using a tablet rather than paper forms, reducing the administrative overhead of inputting these after the inspections have been completed.

Our alarm service is being migrated away from analogue telephony and devices to digital with a phased approach, in line with the government and British Telecoms (BT) plans for the Digital Switchover by 2025.

The contact centre system (NICE Cx One) has been upgraded, and we have migrated our webchat and email solutions in, for call handlers to better support our residents all in one place. It also provides the ability to report on the communication channels to monitor our performance. This has resulted in the previous solutions for email and webchat to be decommissioned.

Improve skills and behaviours of staff

We recognise that motivated staff create satisfied customers. We continue to develop our managers through our Teign Academy programmes so that they can support their teams to better performance. We will maintain Investors in People (IIP) Platinum status, and our staff will expect and embrace change as we seek to improve as an organisation continually.

Welfare reform and cost of living impact

We continue to work with our customers to support them with issues surrounding Universal Credit and the Cost of Living crisis. Our Head Start Team is made of 3 Coordinators and 1 Team Leader with a clear focus on tenancy sustainment. Whilst not limited to, their work and support will consider trial calculations for our customers to ensure they are claiming everything they are entitled to, carrying out affordability assessments during the pre-tenancy allocation process to ensure their new property will be affordable, and delivering our Assisted Lettings Scheme where customers who qualify can benefit from white goods or carpets to reduce the costs associated with moving to a new property.

With the pressures of the Cost of Living, our team often finds themselves working with customers to increase their financial resilience and support them to manage the impact this may have on the individual

and/or household. Our support does extend further to help improve Health and Wellbeing, Digital Inclusion, and Positive Participation.

In 2022-23, we launched a Hardship Grant with a core purpose to support customers impacted by the Cost of Living and rent increases. The support offered via the Hardship Grant has continued in 2023-24, supporting over 459 households to date, with a total grant spending of £66,500. We are pleased that for 2024-25, a further amount of funding has been made available of over £50,200. The level of support provided not only provides customers benefiting from the grant immediate financial respite but can be beneficial in reducing other pressures such as stress and anxiety, and as a result, this has led to better engagement in managing tenancies.

Asset Management

We have commissioned our full housing stock survey since last financial year and surveyed 44% of the stock at the end of this financial year (with a near 100% survey expected by March 2025 subject to access issues). This will give us valuable insight into the condition of our housing stock to undertake any necessary remedial action but also better plan our cyclical and planned maintenance cycle, and carbon reduction work and highlight any issues before they become too serious. Whilst a financial outlay in the short term, this will provide efficiency savings over the long term and also allow us to identify any problem stock where it may be beneficial to dispose of and replace with newly developed housing.

Procurement

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and to improve value for money for its members. In 2023-24, the savings delivered through the membership of this consortium total £198,116, bringing the total savings since we joined in 2010 to £2,217,124.

Templer HomeBuild

The wholly owned subsidiary, Templer HomeBuild continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on 'right first time' generating progressive efficiencies and cost savings. The VAT savings to be realised from Templer HomeBuild in 2023-24 were £614,617. The 2024-25 budget includes a further VAT saving of £591,085.

Voids

In 2023-24, we have seen a fall in void property repair costs due to the number of void properties falling from 175 to 158, and most of these relate to the decrease in major voids. The void cost per property remains the same as last year.

Tenants

Our outsourced repairs reporting service has been brought in-house into our Customer First team. As part of our journey mapping process with tenants, it was suggested that we do this to improve the service level. We have seen improvements in the scheduling and planning of operatives' days, creating efficiencies, and it now means that with one call into Teign Housing, tenants can resolve a number of different queries across departments.

During the year:

- there was 98.2% satisfaction with repairs carried out
- 97.0% of all planned work was completed on time

The Customer First Team continued to be engaged in Call Quality and Monitoring Coaching to improve the way we interact with our customers.

Our Customer First Team Advisors are scored on set criteria centered around tone of voice and active listening. This process has increased baseline scores, which significantly improves our customers' experience and, hopefully, improves their expectations of our service.

A journey mapping session involving tenants, the Neighbourhood Policing Team and Teignbridge District Council was held in March to co-design improvements to managing ASB (Anti-Social Behaviours) within our communities. There will be a follow up session in early 2024-25. This direct involvement helps shape effective processes and forge links between the partner agencies to achieve better outcomes with best use of our resources for our residents.

The Anti-Social Behaviour (ASB) Respect Line was launched during Q4 of 2022-23. This gives residents access to Out of Hours services to report Anti-Social Behaviour and access to welfare calls and services. This increased focus and investment in improving the service and satisfaction for resolving ASB issues will address and reduce the number of complaints received regarding this area.

Tenants can now pay by recurring card payment. Most of our tenants now pay by direct debit, but we are keen to support other means of payment that may be better suited to individuals. The service has been live since this financial year, and this assists the Income Team in collecting rent and other payments.

Homemaker South West supports people with debt problems across the region. We have been working alongside them since 2019. In 2023-24, at a cost of £7,250, they supported our tenants to maximise their income with total gains, with our tenants receiving a total of £73,000 of support they were entitled to. Some of this income helps tenants ensure they are paying their rent, which in turn benefits the company. We see this as an efficient service, directly benefiting our tenants.

We have worked tenaciously, in partnership with THB, to continue to achieve 100% compliance on gas and electrical safety testing this year, employing various strategies, resulting in us not incurring legal costs.

Rents and Tenancy Sustainment teams have completed more Discretionary Housing Payment applications on behalf of tenants, which whilst initially it takes more time, this does prove VFM when the applications are awarded as the debt is cleared quicker than us chasing a tenant for payment and the cost of the tenant making payments to us.

Independence and Wellbeing

The Winter Warmer events continue to provide information on how to reduce fuel consumption, understand benefit entitlements, and avoid fuel poverty. Hot meals continue to be prepared and the activities take place in our community rooms. These have continued as the Spring Kitchen and Summer Sizzlers and bringing scheme communities together, aiming to build relationships, combat loneliness and improve wellbeing and have been very well received. The feedback has been positive about the new service, as to how this has made a difference to them, to have someone knock at their door on a regular basis is appreciated. In 2023-24, the total number of activities taking place is 112 with 751 attendees. These events include a mixture of drop-in sessions for tenants to discuss housing and support related issues, celebrations events such as the King's Coronation, monthly meals prepared by Hub Coordinators and wellness events.

We have continued to capture the needs of our most vulnerable customers by setting goal plans. During the year, 55% of our customers living in our sheltered accommodation have received a plan.

ALRT (Assisted Lifting Response Team)

The company has continued to work in partnership with Torbay and South Devon NHS and Appello to offer this service. Customers who benefit from this service will get the Torbay ALRT team to attend to assist a non-injured faller with lifting. The team has specialist lifting equipment and training, meaning they can get customers up quickly and help advise on preventing further accidents.

It also means a shorter wait time than if they were waiting for an ambulance, as paramedics have to prioritise emergency cases over someone unable to get up but unhurt.

This service has benefited 55 customers this year, preventing them from waiting for the ambulance and then being admitted to the hospital unnecessarily. Thus, it helps to reduce the time waiting for emergency services.

Teigncare

With the digitalisation of telephone systems, significant investment was needed to upgrade the alarm system. After financially modelling this, it was found that the service would no longer be financially viable to provide going forward, so the decision was made by the Board to cease the service by seeking a buyer to continue the provision. Appello Careline Ltd bought the service, and the sale was in April 2023. This has ensured continuity of service for the existing customers.

The Board has approved the investment in the Dispersed Alarms to be installed by 2024-25, and this project is to move from analogue technology to digitalise alarms at an estimated cost of £320,000. We have consulted with a group of residents on the type of alarm that would best suit them. This promotes engagement with the residents, especially when introducing a new piece of technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

Tenant Involvement

We continue to engage with our tenants and the wider community actively. We have a Resident Involvement Manager who coordinates this and helps us gauge what it is that tenants value and what

they expect from us. We have a Tenants' Forum, which holds a hybrid meeting every six weeks. We continue to consult on changes to services and processes as well as tenant related policies, procedures, and strategies. We also have a Scrutiny Panel who undertakes regular reviews of our services from a tenant point of view and provides critical feedback and recommendations for service improvement. Thirdly, a tenant Service Board supports our strong ethos towards co-regulation and at their quarterly meetings, they focus on areas in relation to the Regulator of Social Housing's Consumer Standards. These all help to keep Teign Housing stay connected with its tenants.

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

We completed work on a block containing 16 properties that were in band D and are now at Band C with the addition of external wall insulation amongst other works. We instructed new assessments on 200 properties where the EPC had expired and were anticipated to be below EPC band C to inform our future work and investment.

We are currently formulating the best ways to retrofit our homes, have run a pilot scheme on a row of homes, and will learn from the project. We are also exploring grant funding, which will enable us to accelerate the programme in the next 12 -24 months.

In 2024-25, as well as the projects above, which will continue, our focus will also be on:

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

The additional stock condition data from the stock surveys will provide better and more accurate data to inform our investment plans for carbon reduction. Using this data along with EPC information, we can cost effectively target properties due for planned maintenance to both maintain decent home standards and focus on the least energy efficient properties first to maximise the return on investment.

Working towards our target of achieving a minimum EPC C across all stock by 2030, careful planning and coordination of the work will allow Social Housing Decarbonisation Funding to be utilised efficiently and effectively.

Damp and Mould

We are taking a proactive approach to this, including looking at property trends. In 2023-24, monitors were installed in homes where there is a greater probability of damp and mould occurring to allow us to monitor the situation. We have established a damp and mould group to focus on this issue, as well as regular mould washing when applicable, and advise tenants as to how to prevent it from occurring.

Further Improve our complaints process

The aim of the investment in a dedicated new Customer Insight & Resolutions Manager is for the organisation to be able to deliver a better service to our customers. We will continue to enhance our

approach to complaints with increased training opportunities for all employees and co-develop processes with our customers. Full results are published quarterly to the Board and Tenants' Forum.

Develop more affordable homes

We will continue to develop affordable homes while ensuring that homes remain affordable for people living in our local communities. This may be through the purchase of section 106 developments or through smaller land led schemes. In the business plan, we have a target of delivering 43 new homes in 2024-25. We continue to review our land and properties for redevelopment opportunities. Ultimately, this will lead to an increase in rental income, which in turn can be re-invested in our existing stock or used to build more new homes.

Improve cash flow by increasing the collection of non-rent debt

Our housing management system will continue to monitor the rechargeable repairs, and the balance will show on Tenant records. The Income team will continue to manage the debts, as the team will have sight of both rent and non-rent charges. This holistic view will increase the success rate of the debt chasing process.

Tenants

The Customer First Team will relaunch the Call Quality and Monitoring Coaching to improve the way we interact with our customers. Team leaders will be included in the relaunched programme and subject matter experts will be invited to provide coaching and feedback on specific call types. This will improve the quality of response to callers by enhancing the advisor's detailed knowledge of the call subject matter.

We will continue to deliver the Omnichannel project, which brings together all the communications channels into one area to enable us to manage demand for our service better.

Mary Gober Training was delivered in June 2023 for the Customer and Communities Team Leaders and Managers as well as the full Customer First Team. This training is focused on Customer Service but also a wider remit of matching personal skills to technical skills to best equip employees to achieve their full potential and improve service levels across the directorate.

The Contact Centre Management Association highly commended the team in June 2023. To improve our service delivery, we will build upon the recommendations in the Contract Centre Accreditation report.

Independence and Wellbeing

Preparation for the digital switchover will continue with the hard-wired replacement programme. It will be completed by December 2025 and result in a far quicker response to emergency calls.

Tenancy sustainment plans continue being created with all new tenants as part of the sign-up process. This allows goals to be set for their outcomes of moving into the sheltered schemes and also to identify any needs for support and assistance prior to moving in. This could be assistance with registering for a doctor's surgery or other medical and social requirements. This helps the team best plan for the support needed and have it in place on the day the tenancy begins.

This promotes engagement with the residents, especially when introducing a new piece of technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

The community events with Winter Warmers, Spring Kitchen and Summer Sizzlers will continue, as well as the craft sessions to promote relationships and contact and reduce any feelings of loneliness. At these sessions, we invite partner agencies to demonstrate the support offered.

All Independence and Wellbeing team members will enrol on training in health coaching to enable them to carry out their roles effectively and allow tenants to get the most out of the independence and wellbeing services. Health coaching involves a holistic, person-centred approach, where our advisors have the knowledge to empower tenants to build realistic and achievable goals, where we can continue to increase our number of goal plans with the aim of having 60-65% of tenants with goal plans by 2025.

Aids and Adaptations

We will complete the journey mapping process that commenced in Q4 of 2023-24, and the aids and adaptations (A & A) policy and procedure will be reviewed – the review will reflect the co-development work that was done with beneficiaries of the A & A service and the associated service improvements. We will introduce a quarterly performance report which will reflect the value that the service offers to our customers as well as our stakeholders.

Engaging with our community

Over the next year, the neighbourhood team will continue to focus on engaging with our communities through the digital platforms that we have available to us. During 2023-24, we trained frontline staff in mediation and developed a specialist in-house mediator to save the cost of outsourcing this service. We will continue to use these skills and training to improve conflict mediation across our communities.

A consultation was held with the tenants at one of our Shelter Schemes to install Wi-Fi in the community room to increase digital use and reduce isolation. This installation will be available from July 2024 for 33 households to use and will benefit over 40 tenants at Bradley Court. This will allow us to offer further courses in digital skills, decrease social isolation and make the internet inclusive and available to all, where some may be unable to access it due to financial difficulties. This project is being installed by Social Telecoms at a cost of £2,397.

Digital

In July, we will upgrade our housing management system to the latest version, providing enhanced functionality and security for staff and benefiting the customer experience.

A new Teign Housing and Templer HomeBuild website will be introduced, providing a better resident and key stakeholder experience. We will be moving to Windows 11 for all of our staff laptops, introducing the latest operating system from Microsoft and enhancing the user experience for staff to support our residents effectively.

We have introduced a new card payment system which complies with the Payment Card Industry Standards (PCI DSS) for taking card payments over the telephone and online. This new system allows the residents to make payments using their telephone handset rather than our staff members taking their

details and making the payment on their behalf. It also introduces extra security measures to keep card payment details safe and secure.

Our Electronic Document Management System (EDMS) is being migrated into our SharePoint environment, allowing staff to view documents all in one place and reducing the costs of having documents in a separate system.

We are reviewing the repairs diagnostic reporting solution to enhance the functionality and streamline the process of reporting repairs for our customers and staff. We are working in partnership with Ian Williams to enhance the repair interface with our repair subsidiary company, Templer HomeBuild. This will improve the performance of the interface, allowing our staff to book repairs for our residents quickly.

We will introduce self-service appointment bookings for repairs where our customers can book a repair slot that suits them, as can our contact centre staff on their behalf, freeing up resources within the Customer First Team.

We will issue tablets for front-line staff to input data at source whilst out in the field directly into our Housing Management System, Civica Cx, further reducing administrative time and resources. Review how resident consultation online can be used more widely, giving residents the opportunity to be more involved in decision-making.

We will expand our use of the Geographical Information System (GIS) solution to have real-time data pulled from our housing management system and open-source data repositories so that we can better plan resources and scheduling services. We will also enhance our CCTV digital capabilities, providing remote access to camera footage with electronic audit trails.

We will increase our use of Power BI by training our Business Intelligence Leads and staff so they can create an interactive, personalised dashboard and reports to empower decision-making.

We will procure and implement a new cloud-based asset management system, which will centralise data and provide real-time tracking and monitoring of assets.

Health and Safety

During the year, our Board approved our Health & Safety Strategy for the next three years, and we continue to work towards aligning our practices with HSG65, which is the Health and Safety Executive's Guide to managing health and safety. The guide follows the Plan, Do, Act approach which has H&S an integral part of good management rather than a stand-alone system. We are currently following HSG65 system rather ISO 45001 (International Organisation for Standardisation) as it provides a suitable management framework for our area of operation. The team is part of our overall Assurance team, working collectively towards promoting a positive and impartial culture in which we can continually improve our performance. The Health & Safety Team ensure, where possible and applicable, that the physical environments and assets that protect our employees and customers are safe, secure and fit for purpose.

Increase financial capacity

The current RCF of £20m remains available until 2028. In the autumn of 2023-24, we started a new re-financing project to best use our unencumbered stock by securing further funding against it. This would

enable the continued expansion of our development capacity and capital investment in improvements for our existing stock. The refinancing project was finalised in June 2024, and we have secured a new RCF of £30m until 2034.

Improve our complaints process

We continue to fully roll-out “Lessons Learned,” and in 2024-25, we aim to stop making the same mistakes again and prevent mistakes.

Ensure our residents are happy with their repairs

Next year, we aim to continue to exceed 96% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

Next year, we aim to exceed 99% of repairs requiring only one visit.

Work efficiently and respectfully in customers’ homes

Next year, we plan to complete 96% of all planned works on time.

Remain Financially Strong

In 2024-25, our operating margin is budgeted to be 18.0%, which is declining yearly due to the inflation rate on repairs and maintenance costs having increased more than the rate of rent increase.

The Consumer Standards and the Social Housing White Paper

We have delivered training for the whole company on these subjects in 2023-24 and will continue with refreshers during 2024-25 to provide updates and reinforce the importance of these crucial topics. The consumer standards working group meets regularly to discuss new initiatives to improve the service standard for our tenants, monitor current performance and review any new regulatory developments. This is important information given the heightened importance now placed on the customer and the new standards which are being put in place.

All of this continues to allow us to have a strong business plan that can manage the impact of cost increases, which have resulted from the strategic decisions made to improve the quality of our homes and services and to keep our customers safe. We also continue to deliver new homes and improve the overall capacity of the plan whilst still delivering the aims and aspirations of the company.

Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that the risks which threaten the achievement of the company’s objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness and takes any steps it considers necessary to maintain or improve its effectiveness.

Teign Housing's system of internal controls includes the measures set out below

Policy and strategy – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

Prevention and detection of fraud

The system of internal control includes measures designed to prevent or detect fraud.

The Board has established a policy on the prevention, detection and investigation of fraud which includes a whistle blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud which include but are not limited to:

- A Risk Management Framework
- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Authorisation controls
- Access controls
- Exception reports
- Financial Regulations

Board's assessment of assurance and internal control

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 27 June 2024. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.

The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2024 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 27 June 2024 and signed on its behalf by

Maureen Robinson
Chair of the Board



Directors Report

The Directors present their report for the year ending 31 March 2024.

Directors

The directors who served the company during the year are shown on page 1.

Information for auditors

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

Statement of Compliance

The company has chosen, in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period.

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial

position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Directors on 27 June 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Maureen Robinson', with a long horizontal line underneath it.

Maureen Robinson
Chair of the Board

Independent Auditor's Report to the Members of Teign Housing

Opinion

We have audited the financial statements of Teign Housing (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2024 which comprise the Consolidated and parent Company Statement of Comprehensive Income, the Consolidated and parent Company Statement of Financial Position, the Consolidated and parent Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2024 and of the Group's income and expenditure and the parent Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent

Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Company, 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 Companies Act 2006, 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, NHF Code of Governance 2020, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Lee Cartwright (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

150 Minories

London

EC3N 1LS

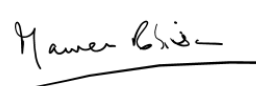
Date: 8 August 2024

Statement of Comprehensive Income

	Note	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Turnover	2	24,843	21,390	24,949	21,505
Cost of sales	2	(2,536)	(1,137)	(2,536)	(1,137)
Operating expenditure	2	(17,754)	(15,942)	(17,889)	(16,073)
Gain on disposal of property, plant and equipment	2	83	142	83	142
Movement of investments property value	2	(45)	-	(45)	-
Operating surplus	2	4,591	4,453	4,562	4,437
Interest receivable	4	95	73	124	89
Interest and financing costs	5	(2,021)	(1,977)	(2,021)	(1,977)
Surplus/(Deficit) before tax		2,665	2,549	2,665	2,549
Taxation	7	-	-	-	-
Surplus/(Deficit) before tax		2,665	2,549	2,665	2,549
		2,665	2,549	2,665	2,549
Other Comprehensive Income					
SHPS - Actuarial gain/(loss) in respect of pension schemes	19	(225)	(133)	(225)	(133)
LGPS - Actuarial gain in respect of pension schemes	19	-	-	-	-
Total		(225)	(133)	(225)	(133)
Total comprehensive income for the year		2,440	2,416	2,440	2,416

The financial statements on pages 37 to 75 were approved and authorised for issue by the Board on 27 June 2024 and were signed on its behalf by:







Helen Hilditch
Company Secretary

Maureen Robinson
Chair of the Board

Stephen Cook
Chair of Audit Committee

The results relate wholly to continuing activities and the notes on pages 41 to 75 form an integral part of these accounts.

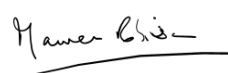
Statement of Financial Position

		Group	Group	Association	Association
		At	At	At	At
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible Assets	8	73	201	73	201
Tangible Assets	9	174,537	160,232	174,537	160,232
Investment Properties	10	525	570	525	570
		<u>175,135</u>	<u>161,003</u>	<u>175,135</u>	<u>161,003</u>
Current Assets					
Stock	11	923	1,580	923	1,580
Debtors due in less than one year	12	981	1,532	1,438	2,055
Debtors due in greater than one year		964	965	964	965
Cash and cash equivalents	13	2,662	5,319	2,363	4,992
		<u>5,530</u>	<u>9,396</u>	<u>5,688</u>	<u>9,592</u>
Less creditors: amounts falling due within one year	14	(10,399)	(2,699)	(10,557)	(2,895)
Net Current Assets		<u>(4,869)</u>	<u>6,697</u>	<u>(4,869)</u>	<u>6,697</u>
Total assets less current liabilities		<u>170,266</u>	<u>167,700</u>	<u>170,266</u>	<u>167,700</u>
Creditors: amounts falling due after more than one year	15	(68,415)	(68,384)	(68,415)	(68,384)
Provisions for Liabilities					
Pension Liability	19	(669)	(574)	(669)	(574)
Total Net Assets		<u>101,182</u>	<u>98,742</u>	<u>101,182</u>	<u>98,742</u>
Reserves					
Income and Expenditure reserve		69,401	66,895	69,401	66,895
Revaluation reserve		31,781	31,847	31,781	31,847
Total Reserves		<u>101,182</u>	<u>98,742</u>	<u>101,182</u>	<u>98,742</u>

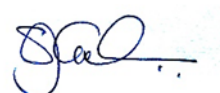
These financial statements on pages 37 to 75 were approved and authorised for issue by the Board 27 June 2024 and were signed on its behalf by:



Helen Hilditch
Company Secretary



Maureen Robinson
Chair of the Board



Stephen Cook
Chair of Audit Committee

The notes on pages 41 to 75 form an integral part of these accounts

Statement of Changes in Reserves

Group:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2022 Restated	64,397	31,929	96,326
Surplus from Statement of Comprehensive Income	2,549	-	2,549
Actuarial (loss) relating to the year	(133)	-	(133)
Transfer from revaluation reserve to income and expenditure reserve restated	82	(82)	-
Balance at 31st March 2023	66,895	31,847	98,742
Deficit from Statement of Comprehensive Income	2,665	-	2,665
Actuarial gain relating to the year	(225)	-	(225)
Transfer from income and expenditure reserve to revaluation reserve	66	(66)	-
Balance at 31st March 2024	69,401	31,781	101,182

Association:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2022 restated	64,397	31,929	96,326
Deficit from Statement of Comprehensive Income	2,549	-	2,549
Actuarial gain relating to the year	(133)	-	(133)
Transfer from revaluation reserve to income and expenditure reserve restated	82	(82)	-
Balance at 31st March 2023	66,895	31,847	98,742
Surplus/(Deficit) from Statement of Comprehensive Income	2,665	-	2,665
Actuarial gain/(loss) relating to the year	(225)	-	(225)
Transfer from income and expenditure reserve to revaluation reserve	66	(66)	-
Balance at 31st March 2024	69,401	31,781	101,182

The notes on pages 41 to 75 form an integral part of these accounts

Consolidated Statement of Cash Flows

	Group 2024 £'000	Group 2023 £'000
Cash flows from operating activities		
(Deficit)/Surplus for the year after tax	2,665	2,549
Adjustments for investing or financing activities		
(Gain) on sale of fixed assets	(83)	(142)
Interest receivable	(95)	(73)
Interest and financing costs	2,021	1,977
	1,843	1,762
Adjustments for non-cash items:		
Depreciation	2,808	2,565
Impairment of Fixed assets	-	-
Government grant utilised in the year	(82)	(83)
(Decrease)/Increase in stock	657	(792)
Decrease/(Increase) in Investment properties	45	-
(Increase)/Decrease in trade and other debtors	551	(730)
(Increase)/Decrease in trade and other creditors	(301)	(1,289)
Pension costs less contributions payable	(154)	(145)
	3,524	(474)
Net cash generated from operating activities	8,032	3,837
Cash flow from investing activities		
Capital expenditure on housing properties	(16,225)	(13,393)
Net proceeds on sale of housing properties	219	486
Purchase of other fixed assets and intangible assets	(277)	(109)
Government grant received	214	500
Interest received	95	73
Net cash used in investing activities	(15,974)	(12,443)
Cashflow from financing activities		
Interest paid	(2,715)	(2,448)
Loan Break Fees	-	-
Interest element of finance lease rental payment	-	-
Loans received	8,000	-
Loans repaid	-	-
Net cash used in financing activities	5,285	(2,448)
Net change in cash and cash equivalents	(2,657)	(11,054)
Cash and cash equivalents at beginning of year	5,319	16,373
Cash and cash equivalents at year end	2,662	5,319

The notes on pages 41 to 75 form an integral part of these accounts.

Notes to the financial statements

Legal Status

Teign Housing is a company limited by guarantee incorporated in England and Wales under the Companies Act 2006, it is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Millwood House, Collett Way, Newton Abbot, Devon TQ12 4PH.

1 Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers (2018). The Group is required under the Companies Act (Group Accounts) Regulations 2006 to prepare consolidated Group accounts.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements have been prepared in compliance with FRS102. The financial statements are prepared on the historical cost basis of accounting as modified by the valuation of the transferred rented housing stock to deemed cost on the transition to FRS 102 and are presented in £000's. Investment properties are included in the financial statements at valuation.

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Group financial statements consolidate the financial statements of Teign Housing (the parent) and its subsidiary undertaking Templer HomeBuild for the year ended 31 March 2024.

Parent company disclosure exemptions

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

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Teign Housing and entities controlled by the Group (its subsidiary). Control is achieved where the Group has the power

to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany transactions and balances between group entities are eliminated in full upon consolidation.

Going Concern

The company's financial statements have been prepared on a going concern basis, which assumes the ability to continue operating in the foreseeable future. The impact of the war in Ukraine and the ongoing situation in Gaza continue to be monitored, and the company has adapted to various new ways of working. The future budget and business plans have been constructed with this in mind, and no significant concerns have been noted.

The business plan was stress tested and assessed for any imminent or likely future breach in borrowing covenants. No significant concerns have been noted, and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

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

- a. Development expenditure.** The company capitalises development expenditure when the Board approve the agreement for contract. 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. Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the company has considered if the asset is held for social benefit or to earn commercial rentals.
- c. Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d. Pension and other post-employment benefits. The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

e. Impairment of non-financial 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.

A review of void losses in the year has been carried out and no properties have been identified as impaired.

A review of the schemes in development has been carried out and no properties have been identified as impaired.

Following the assessment of impairment, no impairment losses were identified in the reporting period.

f. Provision for bad debts. A provision is made for bad debts based on the age of the debt. The rates of the provision increase from 10% for debts over 13 weeks to 50% for debts over 52 weeks. Former tenant arrears are provided for at 100%.

g. Valuation of investment properties. Investment properties are included at the fair value each year, and a professional revaluation has been undertaken. The revaluation has shown a decrease of £45k in the market value. This decrease has been reflected in the value of the fixed assets and the reserves balance.

Turnover and revenue recognition

Turnover represents rental income receivable from tenants and leaseholders, amortised capital grants, revenue grants from Local Authorities and Homes England, income from the sale of shared ownership properties and income from other services suppliers excluding VAT.

Income is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accrual basis. The company operates variable service charges on a scheme by scheme basis in full consultation with residents.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and the amount of maturity of the related loan.

Capitalised Interest

Interest on our development schemes is capitalised from the point the Board approves the project and the company begins to incur development costs.

Categorisation of Debt

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102.

Corporation Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Value Added Tax

The company charges VAT on some of its income and can 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 company and not recoverable.

Intangible Assets

Intangible assets are for IT software. They are stated at cost less accumulated depreciation.

The useful economic life is 3 to 5 years.

Tangible Assets

Properties for social rent transferred from the Local Authority are stated at deemed cost less accumulated depreciation, all other properties and tangible fixed assets are stated at historic cost less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e., local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties, on practical completion of construction. Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period. Staff costs and overheads directly attributable to bringing housing properties into working condition for their intended use are capitalised. Freehold land is not depreciated.

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

The company depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELS for identified components are as follows:

Structure	100 Years
Cornish Units	50 Years
Kitchens	20 Years
Bathrooms	30 Years
Wiring	30 Years
Heating/boilers	15 Years
Windows and Doors	30 Years
Pitched Roof	70 Years
Flat Roof	20 Years
Disabled adaptations	10 Years

Low Cost Home Ownership

The costs of low-cost home ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets. Interest on loans used to finance the development of new housing properties is capitalised during the construction period.

Finance Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term, this is generally equivalent to the original cost of the assets. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and finance cost elements and the finance costs are charged to the Statement of Comprehensive Income.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Leased assets are depreciated over the life of the lease if this is shorter than their useful economic life. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their useful economic lives as follows:

IT equipment	3 to 5 years
Leasehold Improvements	5 to 10 years
Office premises	90 years
Office fixtures and fittings	3 to 5 years
Teigncare Alarm Equipment	3 to 10 years
Motor Vehicles	4 years
Electrical works	40 years
New technology	15 years
Gas installations	25 years

Investment Property

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

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Social Housing Grant (SHG)

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 (excluding land), under the accruals model.

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

SHG must be recycled by the company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of transfer rented social housing properties and their historical cost carrying value, where deemed cost transitional relief was taken.

2 Turnover, cost of sales, operating expenditure, and operating surplus

Group	Turnover	Cost of sales	Operating expenditure	2024 Operating surplus	Turnover	Cost of sales	Operating expenditure	2023 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	20,843	-	(17,303)	3,540	19,338	-	(15,431)	3,907
Other social housing activities								
Teigncare alarm services	-	-	-	-	187	-	(145)	42
Other services	146	-	(200)	(54)	103	-	(122)	(19)
First tranche low cost home ownership sales	3,437	(2,536)	-	901	1,408	(1,137)	-	271
Activities other than social housing								
Other activities (note 2b)	417	-	(251)	166	354	-	(244)	110
Total	24,843	(2,536)	(17,754)	4,553	21,390	(1,137)	(15,942)	4,311
Gain on disposal of property, plant and equipment (note 2c)				83				142
(Decrease)/Increase in value of investment properties				(45)				-
Operating surplus				4,591				4,453

2 Turnover, cost of sales, operating expenditure, and operating surplus cont'd.

Association	Turnover	Cost of sales	Operating expenditure	2024 Operating surplus	Turnover	Cost of sales	Operating expenditure	2023 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	20,843	-	(17,461)	3,382	19,338	-	(15,565)	3,773
Other social housing activities								
Teigncare alarm services	-	-	-	-	187	-	(145)	42
Other services	200	-	(177)	23	150	-	(121)	29
First tranche low cost home ownership sales	3,437	(2,536)	-	901	1,408	(1,137)	-	271
Activities other than social housing								
Other activities (note 2b)	469	-	(251)	218	422	-	(242)	180
Total	24,949	(2,536)	(17,889)	4,524	21,505	(1,137)	(16,073)	4,295
Gain on disposal of property, plant and equipment (note 2c)				83				142
(Decrease)/Increase in value of investment properties				(45)				-
Operating surplus				4,562				4,437

2a Income and expenditure from social housing lettings

Group	General needs £'000	Housing for older people £'000	Low cost home ownership £'000	Other £'000	Total 2024 £'000	Total 2023 £'000
Income						
Rent receivable, net of identifiable service charge and voids	14,206	4,691	589	2	19,488	17,945
Service charge income	413	609	26	53	1,101	1,105
Amortised government grants	82	-	-	-	82	83
Other income from social housing lettings	36	136	-	-	172	205
Turnover from social housing lettings	14,737	5,436	615	55	20,843	19,338
Operating expenditure						
Management	(4,783)	(2,109)	(17)	(46)	(6,955)	(5,662)
Service charge costs	(247)	(155)	(16)	(14)	(432)	(630)
Routine maintenance	(2,451)	(928)	(9)	(16)	(3,404)	(3,120)
Planned maintenance	(725)	(311)	(3)	(23)	(1,062)	(651)
Major repairs expenditure	(1,862)	(745)	(6)	(24)	(2,637)	(2,838)
Bad debts	(92)	(33)	-	-	(125)	(92)
Depreciation of housing properties	(1,676)	(658)	(67)	(132)	(2,533)	(2,264)
Amortisation	(103)	(40)	(4)	(8)	(155)	(174)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(11,939)	(4,979)	(122)	(263)	(17,303)	(15,431)
Operating surplus on social housing lettings	2,798	457	493	(208)	3,540	3,907
Void losses	(234)	(52)	-	-	(286)	(105)

2a Income and expenditure from social housing lettings cont'd.

Association	General needs	Housing for older people	Low cost home ownership	Other	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	14,206	4,691	589	2	19,488	17,945
Service charge income	413	609	26	53	1,101	1,105
Amortised government grants	82	-	-	-	82	83
Other income from social housing lettings	36	136	-	-	172	205
Turnover from social housing lettings	14,737	5,436	615	55	20,843	19,338
Operating expenditure						
Management	(4,836)	(2,132)	(17)	(47)	(7,032)	(5,662)
Service charge costs	(250)	(157)	(16)	(14)	(437)	(631)
Routine maintenance	(2,459)	(931)	(9)	(16)	(3,415)	(3,204)
Planned maintenance	(745)	(319)	(3)	(23)	(1,090)	(663)
Major repairs expenditure	(1,889)	(755)	(6)	(24)	(2,674)	(2,873)
Bad debts	(92)	(33)	-	-	(125)	(93)
Depreciation of housing properties	(1,676)	(658)	(67)	(132)	(2,533)	(2,264)
Amortisation	(103)	(40)	(4)	(8)	(155)	(174)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(12,050)	(5,025)	(122)	(264)	(17,461)	(15,564)
Operating surplus on social housing lettings	2,687	411	493	(209)	3,382	3,774
Void losses	(234)	(52)	-	-	(286)	(105)

2b Turnover from activities other than social housing

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Garage lettings	353	314	353	314
Non-social housing lettings	28	-	28	-
Commercial property lettings	36	39	36	39
Gift Aid Donation	-	-	52	69
	417	353	469	422

2c Gain on disposal of assets

Group and Association	Right to Buy/Acquire Sales £'000	Low Cost Home Ownership £'000	Open Market Sales £'000	Other Disposals £'000	Total 2024 £'000	Total 2023 £'000
Proceeds of sales	339	-	-	18	357	700
Less: Costs of sales	(112)	-	-	-	(112)	(400)
Amount payable to Teignbridge District Council	(162)	-	-	-	(162)	(158)
Gain/(Loss)	65	-	-	18	83	142

3 Directors' emoluments, key management personnel & employee information

	2024	2023
	£'000	£'000
The aggregate emoluments paid to or receivable by non executive Directors and former Directors	39	38
The aggregate emoluments paid to or receivable by executive Directors and former Directors	172	156
	211	194
The emoluments paid to the highest paid Director excluding pension contributions	152	137
The aggregate amount of Directors or past Directors' pensions, excluding amounts payable under a property funded pension scheme	-	-

The number of full time equivalent staff whose remuneration payable fell within bands of:	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
£70,000 to £79,999	-	-	-	-
£80,000 to £89,999	-	2	-	2
£90,000 to £99,999	-	2	-	1
£100,000 to £109,999	3	-	2	-
£110,000 to £119,999	-	-	-	-
£120,000 to £129,999	-	-	-	-
£130,000 to £139,999	-	-	-	-
£140,000 to £149,999	-	-	-	-
£150,000 to £159,000	-	1	-	1
£160,000 to £169,000	-	-	-	-
£170,000 to £179,000	1	-	1	-

The Chief Executive is an ordinary member of the pension scheme. In April 2022, the Chief Executive moved from a final salary scheme to a defined benefit scheme funded by annual contributions by the employee, and the employer. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £20,093 (2022-23: £18,489) was paid in addition to the personal contributions of the Chief Executive. Directors (key management personnel) are defined as the members of the Board and the Chief Executive.

Employee information

	Group	Group	Association	Association
	2024	2023	2024	2023
The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:				
Office staff	105	92	82	77
Wardens, caretakers and cleaners	19	17	19	17
Maintenance staff	53	51	-	-
	<u>177</u>	<u>160</u>	<u>101</u>	<u>94</u>

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Staff costs (for the above employees)				
Wages and salaries	6,086	5,205	3,527	3,065
Social Security costs	585	535	342	304
Other Pension costs	557	423	476	362
LGPS Cessation Event	-	-	-	-
Non Executive Director Wages and salaries	39	38	39	38
Holiday Pay Accrual	55	55	16	18
	<u>7,322</u>	<u>6,256</u>	<u>4,400</u>	<u>3,787</u>

4 Finance income and other income

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank finance income	95	73	95	73
Interest received from Group entities	-	-	29	16
	<u>95</u>	<u>73</u>	<u>124</u>	<u>89</u>

5 Finance costs and similar charges

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
On loans repayable within 5 years	269	-	269	-
On loans wholly or partly repayable in more than five years	2,325	2,327	2,325	2,327
Costs associated with financing	20	27	20	27
Net interest on the defined liability	24	14	24	14
Less finance costs capitalised on housing properties under construction	(620)	(391)	(620)	(391)
Other interest charges	3	-	3	-
	2,021	1,977	2,021	1,977

6 Surplus on ordinary activities before taxation

	Group	Group	Association	Association
Is stated after charging/(crediting)	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Depreciation of housing properties	2,526	2,211	2,526	2,211
Depreciation of other fixed assets	127	128	127	128
Amortisation of intangible fixed assets	155	174	155	174
Operating lease rentals (land and buildings)	-	-	-	-
Operating lease rentals (other)	-	-	-	-
Auditors remuneration (excluding VAT)				
- Audit of the Group financial statements	28	26	28	26
- Audit of subsidiaries	-	-	-	-
- Other service	2	2	2	2
Amortisation of government grant	(82)	(83)	(82)	(83)

7 Taxation on surplus on ordinary activities

Teign Housing is a registered charity. Charitable activities of the Company are exempt from United Kingdom Corporation Tax.

	Group	Group	Association	Association
Analysis of charge/(credit) for the year	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Current tax				
UK corporation tax at 25% (2022/23: 19%)	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Total current tax charge/(credit)	-	-	-	-
Deferred tax				
Total deferred tax charge/(credit)	-	-	-	-
Tax on surplus on ordinary activities	-	-	-	-
Reconciliation of tax charge				
Surplus on ordinary activities before taxation	2,665	2,549	2,665	2,549
Tax on surplus/(deficit) at corporation tax rate of 25% with profits over £250,000 (2022/23: 19%)	666	484	666	484
Effects of:				
Non-taxable surplus on charitable activities	(666)	(484)	(666)	(484)
Expenses not deductible for tax purposes	-	-	-	-
Non trade charges utilised in period	-	-	-	-
Tax charge/(credit) for the year	-	-	-	-

8 Intangible assets – IT software

	2024
	£'000
Cost	
At 1st April 2023	1,067
Additions	39
Disposals	(67)
At 31st March 2024	1,039
Amortisation	
At 1st April 2023	(866)
Charge for year	(155)
Disposals	55
At 31st March 2024	(966)
Net book value	
At 31st March 2024	73
At 1st April 2023	201

Of the £73,000 NBV, £28,000 relates to the Housing Management Software.

9 Tangible fixed assets

	Social Housing Properties for Letting Completed	Social Housing Properties for Letting Under Construction	Low Cost Home Ownership Properties Completed	Low Cost Home Ownership Properties Under Construction	Total Housing Properties	Land	IT Equipment	Office	Supported Housing Equipment	Fixtures & Fittings	Motor Vehicles	Total Fixed Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost												
At 1st April 2023	153,142	8,765	10,778	1,956	174,641	65	219	1,178	238	289	123	176,753
Additions	7,035	7,684	-	4,481	19,200	-	64	-	139	50	25	19,478
AUC Transfers	9,501	(9,501)	4,226	(4,226)	-	-	-	-	-	-	-	-
Transfer to Current Assets	-	-	-	(2,355)	(2,355)	-	-	-	-	-	-	(2,355)
Disposals	(191)	-	-	-	(191)	-	-	-	(191)	(16)	-	(398)
At 31st March 2024	169,487	6,948	15,004	(144)	191,295	65	283	1,178	186	323	148	193,478
Depreciation & Impairment												
At 1st April 2023	(15,200)	(139)	(386)	-	(15,725)	-	(144)	(137)	(218)	(228)	(69)	(16,521)
Charge for the year	(2,413)	-	(113)	-	(2,526)	-	(63)	(15)	(9)	(20)	(20)	(2,653)
Disposals	55	-	-	-	55	-	-	-	177	1	-	233
At 31st March 2024	(17,558)	(139)	(499)	-	(18,196)	-	(207)	(152)	(50)	(247)	(89)	(18,941)
Net book Value												
At 31st March 2024	151,929	6,809	14,505	(144)	173,099	65	76	1,026	136	76	59	174,538
At 1st April 2023	137,942	8,626	10,392	1,956	158,916	65	75	1,041	20	61	54	160,232

9 Tangible fixed assets cont'd

Number of units owned and managed

Group and Association

Social Housing Accommodation

Under development

	Opening Balance	Started in Year	Completed in Year	Closing Balance
General needs housing	97	72	88	81
<i>Social rent</i>	41	12	37	16
<i>Affordable rent</i>	56	60	51	65
Supported housing and housing for older people	-	-	-	-
Low cost home ownership	34	31	34	31
	131	103	122	112

Under management at end of year

	Opening Balance	Completed in Year	Disposed in Year	Closing Balance
	<i>*Restated</i>			
General needs housing	2,658	88	3	2,743
<i>Social rent</i>	2,376	36	3	2,409
<i>Affordable rent</i>	282	52	-	334
Supported housing and housing for older people	997	-	-	997
Low cost home ownership *	131	34	-	165
Market rent *	3	-	-	3
	3,789	122	3	3,908
	3,920			4,020

Social Housing Accommodation

	Opening Balance	Taken on in Year	Removed in Year	Closing Balance
	<i>*Restated</i>			
Managed for others at end of year *	40	17	-	57
	40			57

*The Opening Balance of Low cost home ownership has been restated from 127 to 131 to include 4 restricted equity properties being misreported in 2022-23. This restatement will have no impact beyond note 9.

*There are 3 Market rent properties have been included. This restatement will have no impact beyond note 9.

*The Opening Balance of Managed for others has been restated from 29 to 40 to include 11 units managed for Teign District Council since 2021-22. This restatement will have no impact beyond note 9.

The value of property additions includes £621,000 of capitalised finance costs (2022-23: £391,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £2,264,000 (2022-23: £1,643,000). The average rate of finance costs is 4.59% (2022-23: 4.06%).

Housing properties were valued by Jones Lang LaSalle in accordance with Royal Institute of Chartered Surveyors procedures. Based on the commitments to the funders, some properties are valued at EUV-SH (existing use value), and some are at MV-ST (market value subject to tenancy). Properties valued annually for funding commitments at 31 March 2024 equated to £126.5m (1,434 properties); Properties valued triennially for funding commitments at 31 March 2024 equated to £30.7m (413 properties), and unencumbered properties valued at 31 March 2023 equated to £101.2m (1,493 properties), in total 3,340 properties. There are 564 properties that have not been valued for funding commitments.

The total expenditure on repairs and maintenance to existing properties in the year was £11,032,000 (2022-23: £9,278,000). Of this £3,818,000 was capitalised under the SORP 2018 (2022-23 £3,203,000).

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2024 was £35,501,400 (2022-23: £34,861,400).

10 Investment properties held for letting

Group and Association	2024 £'000
Cost	
At 1st April 2023	570
Additions	-
Loss from adjustment in value	(45)
At 31st March 2024	525

Investment properties were re-valued at 31 March 2024 by Jones Lang Lasalle, professionally qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Global Standards. These properties were part of the original stock transfer from Teignbridge District Council and transferred with a nil value. The shops have been valued on the basis of Market Value. The total valuation has been decreased to £525,000 (£570,000, 31 March 2023).

11 Stock

	2024	2023
Group and Association	£'000	£'000
Properties held for sale		
Low cost home ownership properties		
Completed	530	181
Under construction	393	1,399
	923	1,580

There are 34 low-cost home ownership properties under construction and 4 properties completed and available for sale at 31 March 2024.

12 Trade and other debtors

Amounts falling due in less than one year

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Arrears of rent and service charges	611	593	611	593
Provision for bad and doubtful debts	(353)	(341)	(353)	(341)
	258	252	258	252
Prepayments and accrued income	514	374	577	491
Other trade receivables	209	905	203	911
VAT receivables	-	1	-	1
Amounts owed by subsidiary undertakings	-	-	400	400
Amounts due in less than one year	981	1,532	1,438	2,055

Amounts falling due in greater than one year

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
THFC loan interest paid in advance	964	965	964	965
Amounts due in greater than one year	964	965	964	965

13 Cash and cash equivalents

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Short term deposits	-	1,013	-	1,013
Cash at bank	2,662	4,306	2,363	3,979
	<u>2,662</u>	<u>5,319</u>	<u>2,363</u>	<u>4,992</u>

The Cash at bank figure includes £355k restricted funds that are held as a pension bond. These funds are held in a separate bank account and are not available as company working capital.

14 Creditors: amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Trade payables	484	376	483	423
Accruals and deferred income	242	645	242	645
Rent and service charges paid in advance	884	848	884	848
Right to Buy sharing agreement (see below)	162	157	162	156
Amounts owed to subsidiary	-	-	259	237
Other creditors	375	449	348	428
Bank loans (note 15a)	8,000	-	8,000	-
Deferred capital grant (note 15b)	84	81	84	81
VAT creditor	7	-	7	-
Income Tax (PAYE) and National Insurance	161	143	88	77
Lease obligations	-	-	-	-
Amounts owed to subsidiary undertakings	-	-	-	-
	<u>10,399</u>	<u>2,699</u>	<u>10,557</u>	<u>2,895</u>

The Right to Buy sharing agreement is part of the inventory transfer agreement and requires Teign Housing to pay a share of the proceeds from property sales to Teignbridge District Council. This agreement ceased in February 2024.

15 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Bank loans (note 15a)	57,511	57,491	57,511	57,491
Loan Premium	3,479	3,597	3,479	3,597
Lease obligations	-	-	-	-
Deferred capital grant (note 15b)	7,303	7,230	7,303	7,230
Recycled Capital Grant Fund (note 15c)	99	43	99	43
Sinking Fund (Haldon)	23	23	23	23
	68,415	68,384	68,415	68,384

15a Bank loans

The Group and Association loans are repayable in the following periods:

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Fixed rate loans				
Within one year	-	-	-	-
2 to 5 years	-	-	-	-
In 5 years or more	57,511	57,491	57,511	57,491
Variable rate loans				
Within one year	8,000	-	8,000	-
2 to 5 years	-	-	-	-
In 5 years or more	-	-	-	-
	65,511	57,491	65,511	57,491

The £25m loan from GBSH and £33m loan from bLEND PLC are fixed long-term loans, which remain in place, resulting in a total drawn debt of £58m.

The £20m revolving credit facility remains in place with Nationwide, and £8m was withdrawn at the end of March 2024 (2023-24: nil).

All loans are secured by specific charges on the Company's housing properties and are repayable at varying rates of finance costs from 2.92% to SONIA plus 1.18%.

The average rates of finance costs on the long-term loans outstanding at 31 March 2024 were:

Fixed rate loans 3.98% (2022-23: 3.98%)

At 31 March 2024, the Group and Association also had the following undrawn loan facilities:

	2024	2023
	£'000	£'000
Undrawn facilities (Nationwide)	12,000	20,000
	12,000	20,000

15b Deferred capital grant

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At start of the year	7,311	6,894	7,311	6,894
Received during the year	214	500	214	500
Grants recycled on disposals to RCGF	(56)	-	(56)	-
Released to income during the year	(82)	(83)	(82)	(83)
	7,387	7,311	7,387	7,311
Amount due to be released < 1 year	(84)	(81)	(84)	(81)
	7,303	7,230	7,303	7,230

The total accumulated government grant and financial assistance received or receivable at 31 March 2024 is £8,272k (2022-23: £8,112k), of which, £7,387k (2022-23: £7,311k) is included as deferred capital grant and £884k (2022-23: £802k) has been recognised as income through the Statement of Comprehensive Income to date.

15c Recycled capital grant fund

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At 1 April 2023	43	43	43	43
Inputs to RCGF:				
Grants recycled	56	-	56	-
At 31 March 2024	99	43	99	43
	99	43	99	43
Due in more than one year	99	43	99	43
	99	43	99	43

All balances relate to Homes England.

16 Operating leases

The Group and Association no longer have any operating leases.

17 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2024, the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

18 Capital commitments

	2024 £'000	2023 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	14,972	15,431
Capital expenditure that has been authorised by the Board but has not yet been contracted for	3,158	4,270
	<u>18,130</u>	<u>19,701</u>

The company expects these commitments to be financed over the life of the committed development program over a period of 3 years with:

	2024 £'000	2023 £'000
Proceeds from sale of shared ownership properties	2,484	1,746
Uncommitted loan facilities	15,646	17,955
	<u>18,130</u>	<u>19,701</u>

The revolving credit facility provided by Nationwide (£20,000,000) will fund £15,646,000 of committed expenditure.

19 Pensions Liability

Total Pensions Liability	2024	2023
	£'000	£'000
SHPS	669	574
Total	669	574

(a) Social Housing Pension Scheme

During the year, the company participated in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK and is accounted for as such.

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

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

The scheme was closed to new members and on 31st March 2022 the company closed the scheme to the remaining two members.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to accurately calculate the impact of this issue, but we have had an indication that our maximum liability would be £68,000. No adjustment has been made in these financial statements in respect of this potential issue.

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	2024 £'000	2023 £'000
Fair value of plan assets	2,840	2,808
Present value of defined benefit obligation	<u>(3,509)</u>	<u>(3,382)</u>
(Deficit) in plan	(669)	(574)
Unrecognised surplus	<u>-</u>	<u>-</u>
Defined benefit (liability)	<u><u>(669)</u></u>	<u><u>(574)</u></u>

Reconciliation of opening and closing balances of the defined benefit obligation

	2024 £'000	2023 £'000
Defined benefit obligation at start of period	3,382	5,234
Current service cost	-	-
Expenses	5	5
Interest expense	162	145
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	124	(207)
Actuarial losses (gains) due to changes in demographic assumptions	(34)	(7)
Actuarial losses (gains) due to changes in financial assumptions	(52)	(1,723)
Benefits paid and expenses	<u>(78)</u>	<u>(65)</u>
Defined benefit obligation at end of period	<u><u>3,509</u></u>	<u><u>3,382</u></u>

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

	2024 £'000	2023 £'000
Fair value of plan assets at start of period	2,808	4,662
Interest income	138	131
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(187)	(2,070)
Employer contributions	159	150
Member contributions	-	-
Benefits paid and expenses	(78)	(65)
Fair value of plan assets at end of period	<u>2,840</u>	<u>2,808</u>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£49,000) (2023: £1,939,000).

Defined benefit costs recognised in statement of comprehensive income (SOCl)

	2024 £'000	2023 £'000
Current service cost	-	-
Expenses	5	5
Net interest expense	24	14
Defined benefit costs recognised in Statement of Comprehensive Income (SoCl)	<u>29</u>	<u>19</u>

Defined benefit costs recognised in other comprehensive income (OCI)

	2024 £'000	2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(187)	(2,070)
Experience gains and losses arising on the plan liabilities - gain (loss)	(124)	207
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	34	7
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	52	1,723
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	<u>(225)</u>	<u>(133)</u>
Total amount recognised in Other Comprehensive Income - gain (loss)	<u>(225)</u>	<u>(133)</u>

Assets

	2024 £'000	2023 £'000
Global Equity	283	52
Absolute Return	111	30
Distressed Opportunities	100	85
Credit Relative Value	93	106
Alternative Risk Premia	90	5
Fund of Hedge Funds	-	-
Emerging Markets Debt	37	15
Risk Sharing	166	207
Insurance-Linked Securities	15	71
Property	114	121
Infrastructure	287	321
Private Equity	2	-
Private Debt	112	125
Opportunistic Liquid Credit	111	120
High Yield	-	10
Opportunistic Credit	-	-
Cash	56	20
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	18	85
Secured Income	85	129
Liability Driven Investment	1,156	1,294
Currency Hedging	(1)	5
Net Current Assets	<u>5</u>	<u>7</u>
Total assets	<u><u>2,840</u></u>	<u><u>2,808</u></u>

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

Key assumptions

	2024	2023
	£'000	£'000
Discount Rate	4.92%	4.84%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.79%	2.79%
Salary Growth	3.79%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	2024	2023
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring in 2024 (2023)	20.5	21
Female retiring in 2024 (2023)	23.0	23.4
Male retiring in 2044 (2043)	21.8	22.2
Female retiring in 2044 (2043)	24.4	24.9

20 Related parties

Transactions with regulated and non-regulated elements of the business

The company provides management services, other services, and loans to its subsidiary.

The company also receives charges from its subsidiary for labour services provided for property maintenance and compliance.

Gift aid from the subsidiary is recognised at year end on a receivable basis and is calculated based on the profit for the year end.

Payable to the company from non-regulated subsidiaries

	2024	2023
	£'000	£'000
Transactions with Templer HomeBuild Limited		
Gift aid distribution	52	69
Management & administration	58	49
Loan interest	29	16
Loan repayments received	400	800
	539	934

Payable to non-regulated subsidiaries from the company

	2024	2023
	£'000	£'000
Transactions with Templer HomeBuild Limited		
Property services provided	3,073	2,575
Loans to Subsidiary	400	800
	3,473	3,375

Statement of Financial Position balances between Parent and Subsidiary

	Creditors	Debtors
	£'000	£'000
Teign Housing	259	964
Templer HomeBuild	456	259
	715	1,223

Balances held in respect of the Parent/Subsidiary relationship are eliminated on consolidation.

21 Consolidated structure and investment

On 17 October 2005, Teign Development Limited was formed as a wholly owned subsidiary of Teign Housing. Teign Development Limited changed its name to Templer HomeBuild Limited on 11 April 2017 and commenced trading on 1 July 2017. The principal activity of Templer HomeBuild is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale. Templer HomeBuild profit for the year was £52,000 (2022-23: £69,000) and had net assets of nil (2022-23: nil).

22 Low-cost home ownership – buyback liability

Teign Housing has two low-cost home ownership properties that have mandatory buy back clauses, this means that in the event of the owner being unable to sell their property we are obliged to purchase their share. These will be noted as contingent liabilities in the accounts. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event.

10 Lonsee Gardens

Sale date – 23rd November 2010

Share percentage bought – 35%

Price of percentage bought - £53,235

Original 100% market value as stated in the Lease - £152,100

The property/shares were transferred to a new shared owner on 21st November 2013.

The 100% market value on 21st November 2013 was £145,000

12 Lonsee Gardens

Sale date – 1st October 2010

Share percentage bought – 25%

Price of percentage bought - £37,537.50

Original 100% market value as stated in the Lease – £150,150

23 Change in Net Debt

Group

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	5,319	(2,657)	-	2,662
Housing Loans Due in One Year	-	(8,000)	-	(8,000)
Housing Loans Due After One Year	(57,491)	-	(20)	(57,511)
	(52,172)	(10,657)	(20)	(62,849)

Association

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	4,992	(2,629)	-	2,363
Housing Loans Due in One Year	-	(8,000)	-	(8,000)
Housing Loans Due After One Year	(57,491)	-	(20)	(57,511)
	(52,499)	(10,629)	(20)	(63,148)

24 Discontinuation of Teigncare Service

The Teigncare alarm service to private individuals was acquired and has been operated by Appello Careline Ltd since 3rd April 2023.

Audit Management Letter

Teign Housing
Year ending 31 March 2024

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Introduction

Our Audit Memorandum sets out the results of the audit of Teign Housing for the year ending 31 March 2024.

We will issue an unqualified audit opinion that the financial statements give a true and fair view, subject to the completion of the outstanding matters as set out later in this report.

The Purpose of this Report

On an annual basis we present a summary of the result of our external audit to the Audit Committee of Teign Housing ('the Committee'). This document is intended to provide clarity over the audit process by:

- Outlining the audit strategy implemented for Teign Housing (the Association) and its subsidiary (the Group);
- Noting the resolution of the key elements and issues upon which we focus our work.

Our audit strategy is under continual review to ensure it encompasses issues which arise between now and the conclusion of the audit cycle. We welcome any feedback, particularly on any key issues identified by the Committee and omitted in this document.

Respective Responsibilities of the Board and the Auditor

The Board are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements.

Our audit is carried out in accordance with International Standards on Auditing.

Whilst we as auditors are responsible for forming and expressing an opinion on the financial statements it remains management's responsibility to prepare the financial statements with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Objectives of Our Audit

Our audit work is designed to consider whether:

- The financial statements of the Group and Association give a true and fair view of the state of affairs at 31 March 2024 and of its results for the year under review taking into account the requirements of:
 - The Housing SORP 2018 – The Statement of Recommended Practice for social housing providers;
 - The Accounting Direction for Private Registered Providers of Social Housing in England 2022;
 - The Housing Act 1996 and the Housing and Regeneration Act 2008; and
 - UK Generally Accepted Accounting Practice FRS 102;
 - The Companies Act 2006; and
 - The Charities Act 2011.

You will appreciate that our routine audit work is designed to enable us to form an audit opinion on the annual financial statements of the Group and Association and should not be relied upon to disclose errors or irregularities which are not material in relation to those financial statements.

Technical Information Service

In addition to our audit, during the year we provide technical updates on the housing sector, charities, VAT, tax, PAYE and OMB issues. If you would like to receive these electronic newsletters, please email london@beeverstruthers.co.uk stating your name, position and an email address.

Audit Progress and Status

We are grateful for the assistance and support received from officers throughout our audit and confirm we have had full and free access to information and records during our work.

We note that at the outset of our audit commencing May 2024, we were provided with draft financial statements for the Group and Subsidiary. There was one adjusted audit difference identified, however no unadjusted audit differences to the financial statements, as shown in Appendix 1.

Our audit is substantially complete. Outstanding items are:

- Post year end management accounts and minutes up to point of signing.

Ethics and Independence

We confirm that we have implemented policies and procedures to meet the Ethical Standard.

International Standard on Auditing (ISA) 260 (Communication with those Charged with Governance) and good practice require us to outline the following in our audit strategy:

- Details of all relationships between the auditor and the client;
- Total fees charged for the provision of other services;
- Related safeguards in place to eliminate identified threats to independence;
- Confirmation that the auditor complies with the Ethical Standard.

The Committee should take an active role in considering whether the external auditor's independence might be impaired by the provision of non-audit services.

We confirm that:

- We are not aware of any personal or professional relationships between Beever and Struthers and the Group of all relationships between the auditor and the client;
- In addition to our work as the Group's external auditors, we also provide other services to the Group including taxation services and RTB certification. In our opinion the level of fees charged for these non-audit services does not constitute, and will not be perceived as constituting, a self-interest threat. This is permitted in the Ethical Standard where the client has 'informed management' and appropriate safeguards are applied to reduce the self-review threat to an acceptable level.

We therefore conclude that we comply with the FRC's Ethical Standard and in our opinion the firm is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Partner and the audit staff is not impaired.

Audit Fees

We propose an audit fee of £28,009 excluding VAT for the year ending 31 March 2024 for the statutory audit of the Group.

	Approximate Fees 2024	Actual Fees 2023
Teign Housing	£28,009	£26,250

Fees for Other Services

The proposed fees, excluding VAT, for non-audit services for 2023/24 are set out below:

	Approximate Fees 2024	Actual Fees 2023
Taxation compliance:		
Teign Housing	£734	£688
Templer HomeBuild Limited	£605	£567
Right to Buy sharing agreement certificate	£928	£870
Total non-audit fees (excluding VAT)	£2,267	£2,125

Key Audit Issues

We identified the following key auditing and accounting issues at the planning stage, which was the main focus of our audit. We have set out our detailed audit work and any other issues that we wish to bring to your attention.

Audit issue per audit plan overview	Audit procedures and results
Macroeconomic Conditions (Significant audit risk) The wider economic environment is providing several challenges which are both directly and indirectly impacting the Group. Consumer Prices Index (CPI) has decreased from 10.5% (December 2022) to 4% (December 2023) though it continues to remain high. Moreover, the Bank Rate has increased from 2.25% to 5.25% over the past 12 months. This will have an effect on the Group's direct costs. As a result of on-going geo-political uncertainties, there may be further impacts in the coming months on financial markets and also on the supply of materials resulting in delayed void works and developments. This introduces additional audit risks in us arriving at our audit opinion. These include: • Going concern including reduced future cash flows; • Potential impairment of carrying values on assets held for sale such as first-tranche shared-ownership as a result of property market transactions decreasing; • Potential impairment of development works in progress as well as carrying values of housing properties; • Fall in values in assets as part of the net pension liability recognised as well as potential increases in cash flow demands from pension providers; • Increase in arrears as benefit claims requiring processing by local authorities in the current situation increase; and • Impact in performance in voids as filling void properties is more difficult in the current situation.	We have not identified any issues with going concern over the course of our audit. Teign experienced a healthy surplus in 2024 and retains strong cash and reserves. There are no indications of any impairment issues in the year. There has been an increase in rental debtors in 2024. We have considered the recoverability of debtor balances and reviewed the actions taken by the Group to receive these amounts. It appears that reasonable steps are being taken to manage debtor balances and the bad debt provision in place is sufficiently prudent. There has also been an increase in void losses in the year, although there are no indications that this is a significant issue. We will review the latest performance and forecasts up to the point of signing the financial statements.

Key Audit Issues

Audit issue per audit plan overview	Audit procedures and results
Assessment of Fraud Risk (Significant audit risk) ISA 240 "The Auditor's responsibility to consider fraud" requires us to consider the risk of fraud and the impact that this has on our audit approach. In addition, ISA 700 "Forming an Opinion and Reporting on Financial Statements", means auditors are required to explain in the auditor's report to what extent the audit was considered capable of detecting irregularities, including fraud. There is a presumed significant risk of fraud in two areas: Revenue Recognition Material misstatements due to fraudulent reporting often result from an overstatement of revenues, for example through premature revenue recognition or recording fictitious revenues. The auditor therefore presumes that there are risks of fraud in revenue recognition and considers which types of revenue may give rise to fraud risks. Management Override Under ISA 240 there is a presumed risk of management override of the system of internal controls. Material misstatements can arise from management overriding the controls which are in place or by manipulating the results to achieve targets and the expectations of the stakeholders.	We have reviewed the validity of year end journals as part of our consideration of the completeness of the accounting records and no issues were identified with regards to fraud. We have reviewed the process and controls over income and conducted walkthrough reviews of the system. We have not identified any material misstatement of income during our testing. We have reviewed the assessment and calculation of accounting estimates and found no issues.

Key Audit Issues

Audit issue per audit plan overview	Audit procedures and results
Loan Covenants and Treasury Management (Other area of audit risk) All loans are held in the Association. Borrowings at March 2023 were £57.5m (Group and Association). In addition, Teign Housing provides a working capital loan to Templer HomeBuild Limited on a six monthly basis. Per the management accounts to 30 September 2023, the surplus reported was £1.17m compared to a budget of £0.94m due partly to lower than budgeted interest payable. Per the management accounts to 30 September 2023, covenants are being comfortably met. The interest cover ratio is 263% compared to the tightest minimum covenant of 110%, the income cover ratio is 267.31% compared to the tightest minimum covenant of 105%, and the gearing ratio is 35.5% against the tightest maximum covenant of 55%.	Borrowings at 31 March 2024 were £65.5m, consisting of loans with GBSH, THFC and Nationwide. We have reviewed loan arrangements and recalculated covenants at year end and were satisfied that the Group has not breached any of these. The Group operating surplus in the year is £4.6m and therefore there is sufficient headroom in place to meet the covenants.

Key Audit Issues

Audit issue per audit plan overview	Audit procedures and results
Key Judgements and Estimates (Significant audit risk) The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end and the amounts reported for revenues and expenses during the year. Given its nature, this area is a key audit focus. ISA 540 “Auditing Accounting Estimates and Related Disclosures” also places additional emphasis on scepticism in the audit process, with its importance increasing when accounting estimates are subject to a greater degree of estimation uncertainty or are affected to a greater degree by complexity, subjectivity, or other inherent risk factors.	On review of a sample of items capitalised as fixed assets totalling £19,200k, we identified that all cases were appropriate treated as capital. We recalculated the depreciation charge on fixed assets and identified no significant differences or concerns. We have reviewed the basis and calculations for the bad debt provision and are satisfied that arrears are adequately provided for. Appropriate consideration has been given to the age of debts and the level of risk in each individual case. We have reviewed the possibility of impairment and found no particular triggers, and this has included reviewing the most up to date appraisals for ongoing investments. We understand that works are needed at Douglas House in order to bring it to a lettable condition, however its retained value in use prevents the need for an impairment charge. The Group's investment properties were valued at 31 March 2024 by Jones Lang Laselle Chartered Surveyors at £525K. We have reviewed the valuation report provided by JLL for Investment Properties. Our assessment of the assumptions and methodology used identified no material concerns with the downwards revaluation.

Key Audit Issues

Audit issue per audit plan overview	Audit procedures and results
Asset Management and Development (Significant audit risk) Asset Management is of significance in terms of planning future works to ensure that tenant homes are adequately maintained. As at 31 March 2023 Teign had £163.9m in completed properties and £10.7m in properties under construction, split between social housing and low cost home ownership properties. We expect significant development spend again in the current financial year and by 30 September 2023 total assets under construction have increased to £17.2m. There were eight first tranche sales to the end of September with a full year budget for 24 completions. There have been no RTB or RTA disposals however there are three sales in the pipeline. The Group also has a portfolio of investment properties which are rented out at market rent. A RICS qualified valuer will be appointed to value the investment properties at the Statement of Financial Position date in line with the requirements of FRS 102.	We have reviewed the treatment and capitalisation of components as well as the write off of any residual asset balances on replacement. During the year the Group incurred expenditure of £12.2M on properties under construction, with £7.7M being in relation to social housing properties and the remaining £4.5M on shared ownership properties. A further £7M was incurred on replacement components. The annual depreciation charge on completed housing properties was £2.5M. The useful economic lives of housing components appear to be reasonable. We are satisfied that housing properties have been appropriately treated in the financial statements. The difference between the depreciation charge calculated on the revaluation of housing properties less the depreciation charge calculated on the historical cost should be transferred from the revaluation reserve to the income expenditure reserve. This has been correctly accounted for within the year ended 31 March 2024. We have reviewed development scheme costs against supporting documentation as well as against records held by the development team. Amounts paid to date were authorised in line with delegated authorities. Cut-off on costs and accruals was treated appropriately. We tested a sample of additions to developments and all payments were authorised in line with delegated authorities. We have considered the carrying amount of unsold shared ownership schemes to ensure they are stated at lower of cost and net realisable value.

Key Audit Issues

Audit issue per audit plan overview	Audit procedures and results
Social Housing Pension Scheme (Significant audit risk) The Association participates in the Social Housing Pension Scheme (SHPS) which is a multi-employer, defined benefit scheme. The total provision as at 31 March 2023 was £574k and the impact on the actuarial gains and losses for the year was a loss of £133k. The actuaries of the schemes will value the pension assets and liabilities for Section 28 of FRS 102 purposes, and these will be included in the financial statements at 31 March 2023.	We The actuarial loss (being the movement in the difference between the fair value of the scheme's assets and the net present value of the actuarial liability) of £225k has been disclosed as a movement in the current financial year in Other Comprehensive Income. We have reviewed the actuarial valuations and the reasonableness of the assumptions made by the actuaries, including a review of the assumption made in respect of the valuations of the scheme assets and the net present value of the liabilities. We agreed the SHPS pension disclosures to appropriate third party documentation provided, reviewed the accuracy of the journals processed at the year end, and reviewed the disclosures including the notes to the financial statements. We are satisfied with the figures as disclosed in the financial statements.

Key Audit Issues

Audit issue per audit plan overview	Audit procedures and results
Templer HomeBuild Limited (Other audit area of focus) Templer HomeBuild Limited is a 100% owned subsidiary which commenced trading in July 2017. The principal activity of Templer HomeBuild Limited is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale.	Templer HomeBuild Limited experience a surplus of £52k in 2023/24, with income comprising of labour recharged to Teign Housing with an uplift and administrative charges. Teign Housing provides a working capital loan to Templer HomeBuild Limited on a six monthly basis. The balance at 31 March 2024 was £400K. We are satisfied that appropriate disclosures have been for intercompany and related party transactions.

Key Audit Issues

Audit issue per audit plan overview	Audit procedures and results
Additional work around IT controls (Other audit area of focus) One of the International Standards on Auditing, ISA 315 Identifying and Assessing the Risks of Material Misstatement, has been updated for periods commencing on or after 15 December 2021, so applies to the Group for the second time this year. The standard has significantly enhanced auditors' approach to understanding entities, their environment and risk assessment activities to promote a more consistent and robust risk assessment process. Although auditors were previously required to consider IT controls, the revised ISA includes further considerations in relation to understanding the IT environment and IT general controls. Auditors are required to identify the IT applications and other aspects of the IT environment (such as databases, operating system and network) that are subject to risks arising from the use of IT, as well as to gain an understanding of information processing activities and identify risks arising from the use of IT.	We identified the key IT Risks and assessed the overall effectiveness to the IT environment. We have gained insight into how information is processed including how data flows through various IT systems and how it is transformed and reported in the financial statements.

Audit Differences

International Standards on Auditing (UK and Ireland) require us to communicate relevant matters relating to the audit of the financial statements to those charged with governance.

Audit Differences

Under the requirements of ISA 260 “Communication of audit matters with those charged with governance”, we are required to report any adjusted and unadjusted audit differences arising from our work.

We are also required to report any unadjusted audit differences unless they are “clearly trivial” (if there are any) to the Committee.

There was one adjusted audit difference identified, however no unadjusted audit differences, as set out in Appendix 1.

Management Letter

International Standards on Auditing 260 on the external audit of charities require auditors to communicate matters of concern to those charged with governance. Such matters normally cover:

- expected modifications to the auditor’s report;
- unadjusted misstatements;
- material weaknesses in the accounting and internal control systems;
- views about qualitative aspects of the Group’s accounting practices and financial reporting;
- matters specifically required by other Auditing Standards to be communicated to those charged with governance (such as fraud and error); and
- any other relevant and material matters relating to the audit.

There are no management letter issues under the above criteria that we wish to bring to your attention. We have raised no audit observations, as shown in Appendix 2.

Appendix 1: Adjusted/Unadjusted Audit Differences

Adjusted Audit Differences

Narrative	Balance Sheet		SoFA	
	Debit £'000	Credit £'000	Debit £'000	Credit £'000
First Tranche Sales Income First Tranche COS Debtors Stock	530	1,213	1,213	530
Total	530	1,213	1,213	530

Unadjusted Audit Differences

Narrative	Balance Sheet		SoFA	
	Debit £'000	Credit £'000	Debit £'000	Credit £'000
There were no adjusted audit differences				
Total	-	-	-	-

Appendix 2: Audit Observations

Audit Observations

There were no observations raised for the year.

Appendix 3: Letter of Representations

BEEVER AND STRUTHERS
150 Minories
London
EC3N 1LS

CLIENT:

TEIGN HOUSING

Chartered Accountants

Date of Accounts

31 March 2024

REPRESENTATIONS REGARDING LIABILITIES AND CERTAIN MATTERS

[Date of Accounts Approval]

Dear Beever and Struthers

This representation letter is provided in connection with your audit of the financial statements of Teign Housing for the year ending 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of Teign Housing in accordance with the Companies Act 2006, the Housing and Regeneration Act 2008, the Statement of Recommended Practice for social housing providers 2018, the Accounting Direction for Private Registered Providers of Social Housing in England 2022 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Financial Statements

1. We have fulfilled our responsibilities as Board members, as set out in the terms of your engagement letter dated 23 January 2023 for preparing financial statements in accordance with the Companies Act 2006, the Statement of Recommended Practice for social housing providers 2018, the Accounting Direction for Private Registered Providers of Social Housing in England 2022 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) which give a true and fair view of the financial position of Teign Housing as of 31 March 2024 and of the results of its operations for the year then ended and for making accurate representations to you.
2. We have reviewed our accounting policies for compliance with FRS 102. We are satisfied that the financial statements have been prepared in accordance with FRS 102.
3. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
4. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of FRS 102 related party disclosures and the Accounting Direction for Private Registered Providers of Social Housing in England 2022.
5. All events since the Statement of Financial Position date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
6. We confirm the financial statements are free of material misstatements, including omissions. No uncorrected misstatements were identified during the audit.

Appendix 3: Letter of Representations

BEEVER AND STRUTHERS
150 Minories
London
EC3N 1LS

CLIENT:

TEIGN HOUSING

Chartered Accountants

Date of Accounts

31 March 2024

7. We confirm that, having considered our expectations and intentions for the next twelve months, and the availability of working capital, Teign Housing is a going concern. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.
8. All accounting records and relevant information have been made available to you for the purpose of your audit of the financial statements. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to obtain audit evidence. All other records and related information including minutes of all management and shareholders meetings have been made available to you.
9. We confirm that we have considered whether the value of any of the assets held on the Statement of Financial Position have been impaired, and where this is the case the asset carrying value has been written down to the lower of cost less depreciation and the higher of its value in use and its net realisable value at 31 March 2024.
10. All transactions undertaken by the Group and Association have been properly reflected in the accounting records and are reflected in the financial statements.
11. We confirm that Templer HomeBuild Limited have been appropriately consolidated into the reported Group financial statements.
12. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Information Provided

13. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves, management, employees who have significant roles in internal control, or others, where fraud could have a material effect on the financial statements.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
15. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the Group and Association conducts its business and which could affect the financial statements. The Group and Association have complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

Appendix 3: Letter of Representations

BEEVER AND STRUTHERS
150 Minories
London
EC3N 1LS

CLIENT:

TEIGN HOUSING

Chartered Accountants

Date of Accounts

31 March 2024

16. We confirm that we have disclosed to you the identity of the entity's related parties and all related party relationships and transactions relevant to the Group and Association that we are aware of.
17. The Group and Association has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
18. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.
19. The Group and Association has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for directors, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. The Board have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Signature

Name & Title

Date

Signature

Name & Title

Date

Note: this document should be on the letter head of the organisation and be signed by the Chair and Chief Executive. It should be dated the same day as the approved and signed annual financial statements.

Appendix 3: Letter of Representations

BEEVER AND STRUTHERS
150 Minories
London
EC3N 1LS

CLIENT:

TEMPLER HOMEBUILD LIMITED

Chartered Accountants

Date of Accounts

31 March 2024

REPRESENTATIONS REGARDING LIABILITIES AND CERTAIN MATTERS

[Date of Accounts Approval]

Dear Beaver and Struthers

This representation letter is provided in connection with your audit of the financial statements of Templer HomeBuild Limited for the year ending 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of Templer HomeBuild Limited in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Financial Statements

1. We have fulfilled our responsibilities as Board members, as set out in the terms of your engagement letter dated 23 January 2023 for preparing financial statements in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" which give a true and fair view of the financial position of Templer HomeBuild Limited as of 31 March 2024 and of the results of its operations for the year then ended and for making accurate representations to you.
2. We have reviewed our accounting policies for compliance with FRS 102. We are satisfied that the financial statements have been prepared in accordance with FRS 102.
3. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
4. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of FRS 102 related party disclosures.
5. All events since the Statement of Financial Position date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
6. We confirm the financial statements are free of material misstatements, including omissions. No uncorrected misstatements were identified during the audit.
7. We confirm that, having considered our expectations and intentions for the next twelve months, and the availability of working capital, Templer HomeBuild Limited is a going concern. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.

Appendix 3: Letter of Representations

BEEVER AND STRUTHERS
150 Minories
London
EC3N 1LS

CLIENT:

TEMPLER HOMEBUILD LIMITED

Chartered Accountants

Date of Accounts

31 March 2024

8. All accounting records and relevant information have been made available to you for the purpose of your audit of the financial statements. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to obtain audit evidence. All other records and related information including minutes of all management and shareholders meetings have been made available to you.
9. We confirm that we have considered whether the value of any of the assets held on the Statement of Financial Position have been impaired, and where this is the case the asset carrying value has been written down to the lower of cost less depreciation and the higher of its value in use and its net realisable value at 31 March 2024.
10. All transactions undertaken by the Company have been properly reflected in the accounting records and are reflected in the financial statements.
11. We confirm that Templer HomeBuild Limited has been appropriately consolidated into the reported Group financial statements.
12. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Information Provided

13. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves, management, employees who have significant roles in internal control, or others, where fraud could have a material effect on the financial statements.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
15. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the Company conducts its business and which could affect the financial statements. The Company have complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
16. We confirm that we have disclosed to you the identity of the entity's related parties and all related party relationships and transactions relevant to the Company that we are aware of.

Appendix 3: Letter of Representations

BEEVER AND STRUTHERS
150 Minories
London
EC3N 1LS

CLIENT:

TEMPLER HOMEBUILD LIMITED

Chartered Accountants

Date of Accounts

31 March 2024

17. The Company has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
18. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.
19. The Company has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for directors, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. The Board have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Signature

Name & Title

Date

Signature

Name & Title

Date

Note: this document should be on the letter head of the organisation and be signed by the Chair and Chief Executive. It should be dated the same day as the approved and signed annual financial statements.

TEIGN HOUSING

England & Wales - Charity number 1112196

Accounts



Teign Housing

Report and financial statements

Reporting date 31 March 2023

Registered company number 04619035

Registered charity number 1112196

Regulator of Social Housing
registration number LH4403

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Teign Housing – Company information

Board of Management

Non-Executive Directors		Board Meeting Attendance (8 meetings)
Andrew Jones	(Chair of Board – Retired 28/07/2022)	3
Angie Edwards-Jones	(Chair of Audit Committee – Retired 27/10/2022)	5
Maureen Robinson	(Chair of Board – Appointed as Chair 28/07/2022)	8
Rebecca Harwood-Lincoln	(Co-Optee to 27/07/2022, Full Board Member from 28/07/2022)	7
Sean Palka	(Co-Optee – Appointed 29/04/2022, Full Board Member from 27/10/2022)	6
Stephen Cook	(Chair of Audit Committee – Appointed 27/10/2022)	8
Stuart Davies	(Chair of Templer HomeBuild – Appointed 28/7/2022)	7
Stephen Higginson		8
Joanna Davoile		7

Executive Director

Jo Reece	(Chief Executive)	8

Auditors	External Auditor Beever and Struthers 150 Minories London EC3N 1LS	Internal Auditor PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR

Solicitors	Housing Management Capsticks Solicitors LLP 1 George Street London SW19 4DR	Human Resources Tozers Southernhay West Exeter EX1 1UA

Governance and Development
Trowers & Hamblins LLP
3 Bunhill Row
London
EC1Y 8YZ

Bankers and Funders	The Housing Finance Corporation 3 rd Floor 17 St Swithin's Lane London EC4N 8AL	GB Social Housing 5 Great St Helen's London EC3A 6AP

Nationwide Building Society

Public Sector Team
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Company Secretary

Helen Hilditch

Registered Office

Millwood House
Collett Way
Newton Abbot
Devon
TQ12 4PH

Strategic Report

The Directors present their Strategic Report incorporating the Value for Money Statement for the year ending 31 March 2023.

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

Overview of the Business

Teign Housing is a registered charity, a company limited by guarantee, and is registered with the Regulator of Social Housing. Our focus is on the core activity of the company which is the provision of low cost rented accommodation. The organisation has a wholly owned subsidiary, Templer HomeBuild Limited. Its purpose is to provide property maintenance and construction services to the Social Housing sector. Consolidated accounts for the Group are also reported along with those of Teign Housing, the parent organisation.

Vision

We dedicate ourselves to providing good quality homes and tailored housing support. Working with our diverse customers and trusted partners we provide effective services that bring long term benefits to all. We are sustainable in a fast-changing environment and reinvest our surpluses to grow our communities.

Values

Respectful

We treat people with empathy, respect diversity and provide quality customer service. We appreciate the relationships we build, and with our customers, contractors and partners, we are proud to be *Team Teign*.

Resourceful

We maximise our resources through innovation and by using our money in efficient ways. We look for opportunities to expand our business by building new homes and creating and growing valuable services. We recognise our role in supporting the local economy.

Ethical

We value our responsibility as a charity providing homes and services for those who need them and as an employer. We are an organisation with heart and strive to offer an empowering workplace and the personal service our communities want.

Governance

The Articles stipulate that there are up to 10 Board Members consisting of 7 non-executive and up to 3 executive members. The Board currently consists of 7 non-executive members and 1 executive member. The members of the Board are legally the directors of the company, and the Board is Teign Housing's governing body.

The Board adopted the National Housing Federation (NHF) 2020 Code of Governance on 1 April 2021. The Board is committed to and complies with the standards in the Code however this year there has been one exception. The new Code states that the maximum tenure will normally be up to six consecutive years and may be extended to a maximum of nine years, where the Board agrees it is in the organisation's best interest. A Board member was due to retire at the AGM in 2022. However, Teign no longer hold AGMs and the Board agreed a retirement date of 27 October 2022.

We aim to recruit Board members 6 months ahead of any vacancy. They join the Board as unpaid co-optees and are trained and inducted during this period before being formally appointed to the Board. Further training is carried out throughout their term of office. We conduct biannual pay benchmarking for all staff and Board posts and benchmark any vacancies for advertising. We have a schedule of standing orders and financial regulations which set out delegated authorities from the Board to its committees and the senior management team.

The Board is supported in its governance by two committees:

- Audit Committee
- Remuneration Committee

The key governing documents are the Articles, the Standing Orders, and the Financial Regulations, with a range of policies that guide the operational activities of the company.

All Board members are paid a fee for their services. Payments during the year were:

Andrew Jones	Chair of Board (retired 28/07/2022)	£2,977
Maureen Robinson	Chair of Board (from 28/07/2022)	£8,110
Angie Edwards-Jones	Chair of Audit (retired 27/10/2022)	£2,870
Stephen Cook	Chair of Audit (appointed as chair 27/10/22)	£5,578
Steve Higginson	Chair of Remuneration	£3,668
Stuart Davies	Board Member	£4,729
Joanna Davoile	Board Member	£3,318
Sean Palka	Board Member	£1,672
Rebecca Harwood-Lincoln	Board Member Resident Voice Champion	£2,700
Colin McDonald	Independent Audit Committee Member	£1,905

For the year ending 31 March 2023 the Board met on 8 occasions. There was 91% attendance at Board meetings.

Public Benefit Entity

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. Teign Housing also pays due regard to the guidance published by the Charity Commission on public benefit.

We provide homes for rent at lower than market prices; homes designated for older people with additional needs and shared ownership properties. For our tenants and the wider community, we provide a personal alarm and home visit service under the brand Teigncare and through our commitment to building new homes we are helping to address the shortage of good quality affordable housing. During the year the decision was taken by the Board to cease the provision of the Teigncare service due to the significant level of investment required to maintain the service. On 3rd April 2023 the Teigncare service was sold to Appello Careline Ltd who have maintained provision of the service to the existing customers.

Financial Performance

Teign Housing Group has made a surplus after tax for the year of £2,549,000 (2021-22: deficit £1,661,000). Full details of our financial results can be found on pages 37 - 79.

Financial performance is monitored through the annual budget, which is set by the Board. The annual budget is based on the business plan and the Board receives a report, at each meeting, assessing the company's performance against the budget.

Operational Performance

The current 3-year corporate plan was agreed by Board in March 2021. The Board have established a range of key performance indicators to assess the company's performance in relation to the corporate plan objectives. The Board monitors quarterly through the Balanced Scorecard, Financial Framework, and the Development Report.

Further details of our operational performance including value for money can be found on pages 13 – 29.

Business Plan

The 30-year Business Plan reflects the strategic direction of the company and its future aspirations. The focus for the coming years will be to continue to maintain the housing stock to an appropriate level, deliver further new homes and manage services. The Business Plan has been thoroughly stress tested and the key risks to the organisation identified and appropriate mitigation arrangements are in place.

Treasury Management

At 31 March 2023 Teign Housing was funded by a £33m bond with The Housing Finance Corporation and a £25m bond with GB Social Housing and had a loan balance of £57.5m (2021-22: £57.5m) and an undrawn revolving credit facility (RCF) with Nationwide of £20m (2021-22: £20m). During the year the RCF end date was extended to 2028 from 2027. The funding agreements all contain three financial covenants. Finance costs on loans were £2.354m (2021-22: £2.411m) which equates to an average rate of 4.06% (2021-22: 4.06%). Finance costs of £391,000 were capitalised during the year (2021-22: £190,000). At 31 March 2023 Templer HomeBuild had loan balance with Teign Housing of £400,000 (2021-22: £400,000). This loan is drawn for a period of 6 months, being repaid to the parent and redrawn by the subsidiary in June and December each year. There was £15.431m of capital committed to the development programme which was in contract at 31 March 2023 (2021-22: £18.40m) and there was a cash and cash equivalents balance of £5.319m (2021-22: £16.373m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

Reserves Policy

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives and provide the new homes and services that the reserves are intended to support, whilst managing the risks associated with long term expenditure plans.

A budget is set each year along with a 30-year business plan including a forecast for reserves, allowing the company to achieve these objectives. This is monitored throughout the year and is reported quarterly through the management accounts to the Board.

The level held in the income and expenditure reserve at 31 March 2023 was £66,895,000 (2021-22 £64,397,000) and in the revaluation reserves £31,847,000 (2021-22 £31,929,000).

Unrestricted reserves excluding tangible fixed assets net of grant were £-86,797,000 at 31 March 2023 (2021-22 £-78,729,000) and can only be released by disposing of tangible fixed assets.

Property Sales

During the year six properties were sold (2021-22: 17 properties) of which 1 property was under the Right to Acquire scheme (2021-22: 1 property), 5 properties were under the Right to Buy Scheme (2021-22: 10 properties), no properties were fully staircased (2021-22: 5 properties) or were sold on the open market (2021-22: 1 property). Teign Housing received proceeds of £700,300 of which £606,200 were from right to buy sales (2021-22: £1,178,000). Under the terms of the transfer agreement, £157,956 (2021-22: £759,000) of the right to buy sale proceeds were paid to Teignbridge District Council and the remainder was retained by Teign Housing in recognition of future income foregone and this will be invested in future development.

Staff

The average number of employees for the year ending 31 March 2023 was 160 (2021-22: 155 employees). The Board recognises the contribution made by all staff and is committed to the continued development of its staff. During the year the company spent £106,000 on staff training and development (2021-22: £131,000).

Restructure

A company-wide restructure was announced in September 2022, followed by a 30-day consultation period ahead of the new organisation structure taking effect from 1st December 2022. With the many expectations and new challenges that the Social Housing sector is facing, it was felt that a restructure would best provide the platform and stability to be able to meet the requirements and continued strive to deliver excellent service provision for our tenants. The restructure resulted in a net gain of 7 new positions across Teign Housing and Templer HomeBuild. A strengthened strategic focus was gained with the forming of new Director roles across the four main pillars of the organisation, this is supported by a Leadership team and a deeper organisational structure giving greater scope for employee progression.

Fire Safety Remedial Work

The Building Safety Act 2022 and the new Fire Safety (England) Regulations 2022, which came into force in January 2023, set out how landlords of high-rise buildings (those with seven stories or more, or over 18m high) should work with fire services to ensure a planned and effective response to fire alarms at these buildings. We have just one property, Douglas House in Teignmouth, which falls into this high-rise definition.

To fully comply with this new legal requirement, Teign Housing commissioned an independent review of Douglas House. This Fire Risk Appraisal of External Walls (FRAEW) report based on PAS 9980 (Fire Risk Appraisal of external wall construction and cladding of existing blocks of flats – code of practice), resulted in a number of recommendations which we will be actioning including the removal of the external wall insulation. The residents have been informed of the decision and we are in constant communication with them about the progress of the project. We are in the early stages of the project and as yet the timescales and costs involved to Teign Housing are not known but are expected to be lengthy and considerable. Whilst we expect to be able to successfully apply to the Building Safety Fund for the funding of the work, this will occur after the work has begun.

Damp and Mould

In January 2023 Teign Housing and Templer HomeBuild collaborated to write a new Damp and Mould Policy and Procedure to set out and improve on the approach to dealing with these issues. We aim to

proactively reduce issues relating to damp and mould by maintaining the housing stock to decent homes standard or better through the asset management information system, investment programmes, Housing Health and Safety Rating System assessment outcomes, initiatives to maximise customer contact points to identify issues, and the use of environmental monitoring systems. Reactively, a Damp Mould and Condensation working group monitors the situation and actions informed via a case tracker and monthly update, a specific role to investigate and monitor DMC issues has been created within THB, a triage process has been adopted to categorise reports of damp and mould at the outset to prioritise our resources and residents are contacted following remedial works and mandatory training has been delivered with a view to continue this annually and to new starters. We will be exploring how we can better prepare for an expected spike in reports of damp and mould this Winter.

Development

During 2022-23 we entered into 4 new contracts with a total value of £9,320,000 to purchase 3 section 106 schemes that will deliver 28 rented and 14 shared ownership homes and a build contract to deliver 8 rented homes on land that we own in Widecombe in the Moor.

We were successful in bidding on 3 further section 106 schemes, which are proceeding to contract, and a further Land led project in the Upper Coly Valley. These schemes will deliver a total of 14 rented and 5 shared ownership properties.

	Social Rental Units	Low Cost Home Ownership	Total Units
Under construction 31/03/2022	90	37	127
Started in the year	65	20	85
Completed in the year	35	13	48
Under construction 31/03/2023	120	44	164

48 new affordable homes were completed in 2022-23. This was less than anticipated because of delays associated with labour and material shortages due to the impact on supply from the pandemic and war in Ukraine.

We currently have contractual agreements to develop 140 homes over the next 12 months and 32 homes in 2024-25.

Future Direction

To achieve the Corporate Vision and Values, we focus on the core of our business and the Board has committed to the following strategic aims:

- Excellent Services – We will deliver high quality services to all our customers and partners. We will provide considerate customer services, empowering housing services and effective repairs.
- Quality Homes – We will invest in new and existing homes by maintaining high standards of repairs and improvements to our current homes and develop new homes to meet the needs of the local people.
- Sustainable Business – We will strengthen our business by continually improving our governance, increasing the value of our work, seeking ways of joint working with our partners, and investing in our staff.

Performance against these aims is monitored as part of a three-year Corporate Plan for 2021 to 2024.

We are committed to maintaining our financial performance and our delivery of good homes and customer services. We achieve this by focusing on maintaining our operational performance, maximising our income and effectively driving down costs.

To support our strategic aims we have several strategies in place. The neighbourhood services strategy gives the direction to provide excellent services and the ageing well strategy to focus on our older customers.

The asset management strategy focuses on the quality of our homes and ensures that they are of a good standard and maintained appropriately. The development strategy sets out the aspirations for future development, along with the business plan which currently has capacity for 259 homes over the next 5 years. The regeneration strategy sets out plans for longer term regeneration and £203,000 has been included in the business plan for 2023-24 with £305,000 included in each of the next four years.

The carbon reduction strategy sets out plans for the business to reduce its carbon footprint and the first stage of this is to invest in homes which have a lower energy performance rating. In order to meet the government's target of all homes having a minimum EPC (energy performance certificate) rating of C by 2035, in 2023-24 the business plan makes provision for £500,000 of investment in our homes to improve their energy performance rating and for the following 6 years £500,000 is included for this purpose, each year.

To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. We were re-accredited as Investors in People Platinum in 2020, we have a robust training and development policy and work life balance policy and in 2021-22 we introduced an agile working policy. The VFM strategy sets out how we continually seek to improve quality and performance and, where possible, reduce costs and create efficiencies.

Risk Management

We recognise that risks happen and in order to thrive and achieve our objectives we need to take a managed degree of risk.

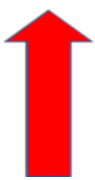
We have a risk framework in place which manages our risks, closely monitors them, and ensures that the way we manage them is appropriate to the reward and opportunities they will deliver. We operate in a constant changing environment and our risk owners review their risk each month to ensure that they are still appropriate.

Any changes to our strategic risks are reported to our Audit Committee and Board on a quarterly basis. We support this with an assurance programme monitoring our performance via our scorecard, a robust internal audit programme and by undertaking internal assurance reviews into business processes. Our resident led scrutiny panel undertakes reviews of our service areas from a resident perspective and any identified areas for improvement are fed directly back to our Board.

Our Board considers emerging risks at each Board meeting, and during the year many of our previously emerging risks crystallised and were moved to our risk registers. These included the impact of inflation on materials and staffing, the impact of war in Europe and the increasing complexity of the mental health issues experienced by our residents.

Our top risks during the year were:

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Service unable to deal with the increasing complexity of vulnerable people		This risk reflects the impact of dealing with third parties (statutory & voluntary sector) who are finding resources stretched and finding cases more challenging. This has the potential to affect the delivery of our Housing services. With more pressure on support agencies, we find ourselves supporting residents and households with more complex needs.	Our Housing strategy sets out the delivery of the Housing management service equipped to manage more complex cases. We have an established Head Start service which is structured to assist people through the start of their tenancy and then a Tenancy Sustainment service in place to support throughout the life of the tenancy.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Rental income is less than forecast		Rental income provides us with the resources to deliver our services and to provide new homes. The current risk is the cost-of-living crisis which sees many of our residents struggling financially which may impact on their choices / ability to pay their rent, service charges or alarm charges.	We closely monitor our rent collection performance. We have a well-established rents team, and a team of head start advisors who have a good relationship with our residents, and are able to provide support at all stages of a tenancy

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Douglas House remedial works		Remedial works identified to meet standards identified in Building Safety Act.	Enhanced fire detection systems are in place within property. We held a resident consultation event to inform residents and continue to update them on the progress of the works. We are working with Devon & Somerset Fire and Rescue service to ensure highest levels of safety for residents.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to meet consumer regulatory standards		This is linked to our overall governance and our aim of putting our customer first.	We have a Resolutions Manager dedicated to helping residents resolve complaints and dissatisfaction. During the year we rolled out of our new resident involvement platform which will help us better understand our tenants and their views.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Loss of key staff, high turnover and / or inability to recruit to key roles.		Recruitment has been challenging this year and there has been a high staff turnover	We restructured the organisation during the year. This gave us more opportunity to grow and further develop our services. It allowed for development of a new leadership team.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Planned surplus from sales of home ownership properties or asset disposals is not achieved.		Uncertainty over the home ownership market. Potential delays in the delivery of new homes available.	Our business plan has been thoroughly stress tested for this scenario including a 30% drop in market value and mitigates considered. Our business plan has been thoroughly stress tested for this scenario including a 30% drop in market value and mitigates considered.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to manage property assets appropriately		This risk encompasses both our aims to meet environmental targets and also maintain high levels of service throughout the pandemic	We are currently undertaking a stock condition survey which will cover approximately 25% of our homes. This will be followed by further regular surveys. We maintain high levels of Health & Safety compliance. We have a multi discipline group monitoring cases of Damp, Mould and Condensation. Our organisational restructure created a Head of Asset Investment role, to ensure that we manage our property assets well.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to demonstrate effective governance in setting and operating an appropriate strategic direction		Last year we had a number of Board members reaching the end of their term and wanted to ensure that we maintain a high level of skill, experience and expertise at Board level whilst being representative of our residents	We ran a successful Board recruitment campaign and co-opted two new Board members who were subsequently both fully appointed to the Teign Housing Board during the course of the year. One of the appointments was to the new role of Resident Voice Champion to provide insight to the Board on Teign Housing's complaint handling culture. The Board also completed an external review of its overall skills matrix and annual appraisal process in April 2022. The Board is now considering its approach for the recruitment of a new Chair to replace the current incumbent who is due to retire in the summer of 2024.

Value for Money Statement

The Value for Money (VFM) strategy was approved by the Board in July 2021 and reflects both the changes to the value for money standard issued by the regulator in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation and these are presented below.

		Group		Association		Budget FY23	Target FY22	Sector Metrics
		2022/23	2021/22	2022/23	2021/22	2023/24	2022/23	2021/22
Metric 1	Reinvestment %	9.7%	7.4%	9.7%	7.4%	13.3%	8.8%	5.74%
Metric 2	A New supply delivered SH %	1.3%	1.1%	1.3%	1.1%	3.7%	2.2%	1.53%
	B New supply delivered NSH %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%
Metric 3	Gearing %	32.9%	28.1%	32.9%	28.1%	34.0%	36.2%	41.98%
Metric 4	EBITDA MRI Interest Cover %	135.9%	156.7%	143.8%	155.9%	127.3%	166.6%	141.39%
Metric 5	Social housing cost per unit £	£ 4,418	£ 4,023	£ 4,418	£ 4,023	£ 4,770	£ 4,300	£ 4,360
Metric 6	A Operating margin SH %	19.3%	20.0%	21.8%	19.7%	21.2%	26.0%	23.95%
	B Operating margin overall %	20.2%	21.8%	21.3%	21.6%	20.3%	24.7%	22.70%
Metric 7	ROCE %	2.7%	2.6%	2.6%	2.6%	2.6%	3.1%	3.28%

The group's metrics presented above compare favourably against the sector average in some areas, but less favourably in others.

The group's re-investment of 9.7% has exceeded our target and increased when compared against last year and the sector, despite developments having been delayed at the start of the year due to materials and labour shortages. An element of this will be due to inflation and the rising cost of materials influencing the total expenditure nevertheless it does reflect our continued investment in our properties. The latest sector metrics relate to 2021-22 and as such it is difficult to compare with this benchmark as this will include lockdown delays that Housing Associations will have experienced. Even with the initial delays and shortages the both the development and capital improvement programmes have performed well with significant investment. In 2022-23 we bid on 23 section 106 schemes and were successful in securing 6 schemes with a total of 75 homes.

We have a strong development pipeline through both the purchase of section 106 schemes and smaller land led developments, both within the Teignbridge District and further afield in neighbouring authority areas. This has been further facilitated through the additional funding secured last year from the refinancing. Because of this we are seeing an increase in re-investment from the 9.7% achieved this year to 13.3% forecast for next year.

New supply delivered is a calculation based on units completed in 2022-23. We have achieved 1.3% new supply through delivering 48 units, this compares to a target of 2.2%. This difference is due to the delivery of 18 homes slipping into next year. However, these 18 homes are expected to be ready between April and July 2023.

We are just below the sector average on this metric however as the benchmark relates to 2021-22 data it is not showing the delays that have been felt across the building sector.

Committed new supply is forecasted to increase by a further 136 units in 2023-24 including 59 affordable rent, 41 social rent and 36 shared ownership properties. We will continue to seek new opportunities to achieve our development aspirations and we now have the capacity to deliver 259 homes over the next 5 years. In the 2022-23 plan the capacity was 403 homes, we have delivered 48 of these, which would leave a remaining capacity of 355, however due to the effects of the rental income cap of 7% for 2023-24, increased inflation rates averaging 14% on materials and labour costs and up to 20% on some build costs and general inflation forecast to be over the Bank of England target of 2% for 2023-24, this has resulted in a loss in capacity of 96 homes.

Gearing has increased by 4.8% from 2021-22 to 32.9%. We are utilising the loan, secured in early 2021-22, and cash reserves to fund our increased investment into new homes and regeneration, increasing the ratio. At 32.9%, this remains well below the sector average and gives us scope to increase this. We have potential through unencumbered stock to increase funding with the additional loan debt. This will allow us to further invest into new homes and regeneration, give the financial capacity to meet any requirements from the Decent Homes 2 Standard and stock condition surveys, as well as continue to develop our extensive digitalisation agenda. All of which aims to improve the quality of our homes, effectiveness of our service to tenants, improve efficiencies and achieve savings for both tenants and Teign Housing. This can be achieved whilst keeping our interest cover well within sustainable levels.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) has reduced as although the operating surplus has increased from 2021-22 by £220,000, our expenditure on capitalised major repairs has increased. The metric adjusts for this cost and reduces as the level of expenditure in this area increases. Although our funders do not use EBITDA MRI as one of their covenants, we remain within the historic targets. As a result of continued investment next year this, the interest cover ratio is expected to fall further next year as we continue our programme in new and existing properties however the new covenant terms mean that this reduction is sustainable and well above thresholds.

The social housing cost per unit has increased from £4,023 last year to £4,418 this year. This has been due to an increase in the planned maintenance compliance spending, continued regeneration works at during 2022-23 as well as an increase in the number of high cost void rectifications and the effect of high inflation across all materials and labour. Overall, whilst we have seen a cost per property increase compared to the prior year, this brings us more aligned to sector average spending per unit.

The operating margin has decreased from last year. A reduction in operating surplus was anticipated with the drive to improve our service delivered to tenants however the climate of economic instability and high inflation rates seen during 2022-23 was unforeseen at the time of budgeting, leading to the operating margin being below target.

The return on capital employed remains static due to a marginal increase operating surplus compared to last year and asset base. This metric slightly behind target and the sector. It is forecasted to continue

stabilise as the investments into new homes and services are realised and generate greater turnover and cost savings.

We continue to be committed to providing good levels of customer service in, what continues to be, a challenging environment. Economic and political uncertainty are set to continue for the coming year and Teign Housing has modelled and planned for further potential issues through the business planning process as well as creating a new organisational structure to better support the service offered to tenants as well as to help reduce costs over the long term and generating efficiencies.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it in order to make informed choices about how resources are effectively channelled towards the delivery of services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality as well as stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan including the financial position after refinancing, includes the delivery of 259 homes over the next 5 years.

The Board scrutinise financial and service delivery performance at each meeting, through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps being taken to deliver improvements.

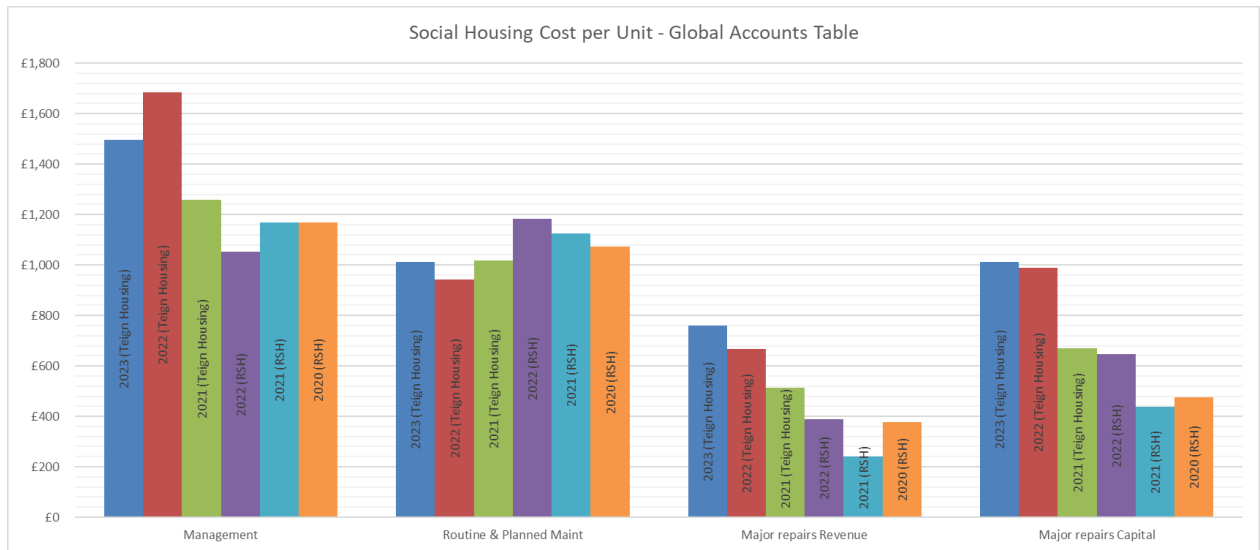
These include:

- Value for Money Metrics – full details of value for money achievements
- The balanced scorecard including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly treasury report – details of cash flow performance, loans, investments and forecasts
- Quarterly financial framework report— details of financial performance
- Annual report – report sent annually to our tenants
- Quarterly development report – progress of development schemes, comparison to business plan, development cash flows
- Interim annual review of the business plan against actual progress
- Regular reforecasting as part of the management accounts review

An evaluation of our costs in comparison to the global accounts is presented below and the figures for Teign Housing have been re-stated in line with the current global accounts format (based on SW & SE Peer Group). The latest figures available as a sector comparative are the year ending March 2022.

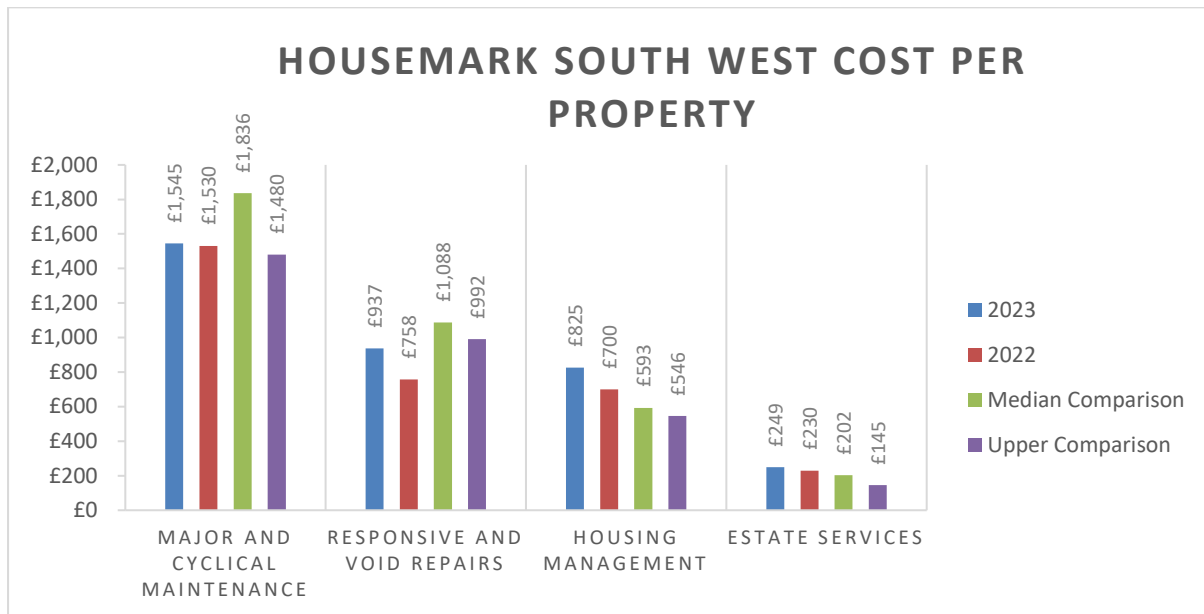
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2022-23 £	2021-22 £	2020-21 £	2022 £	2021 £	2020 £
Expenditure – per Social Housing Property						
Management	1,495	1,684	1,257	1,053	1,169	1,169
Routine & Planned Maintenance	1,013	942	1,017	1,182	1,125	1,072
Major repairs – Total	1,770	1,656	1,182	1,038	677	855
Major repairs – Revenue	759	666	512	390	240	378
Major repairs – Capital	1,011	990	670	648	438	477



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing	Teign Housing	Comparison Group Median	Comparison Group Upper
	2022-23	2021-22	2021-22	2021-22
Department	£	£	£	£
Major and Cyclical Maintenance	1,545	1,530	1,836	1,480
Responsive and Void Repairs	937	758	1,088	992
Housing Management	825	700	593	546
Estate Services	249	230	202	145
No of Properties	3,787	3,743	3,626	2,281



As expected, these two comparisons against RSH (SW & SE) global accounts and the Housemark South West Housing peer group show similar findings. The global accounts figures show costs per unit in 2022-23 were above that for 2021-22 by an average of 4.0% and the Housemark cost per property shows a 13.0% increase, with there being slight differences in how these are calculated.

Management cost per unit has seen a decrease from last year. This is due to the costs for the pension cessation event accrued for in 2021-22. This was a one-off event and the management costs have returned to expected levels. Continued scrutiny of management costs and tight budgetary control will ensure the overall efficiency of the organisation.

Routine and Cyclical Maintenance have increased marginally from last year and towards the sector average. Again, this finding is similar to the Housemark data, with Teign responsive and void costs increasing but below that of the comparative. This is in part due to the increased number of high cost voids that are being seen across the sector and inflationary cost pressures on materials and labour. We are continually working to ensure we receive the best quality for the best price for our purchases to mitigate the increases as much as possible. We are also driving efficiencies where possible by planning similar works in areas and by type.

Major repairs, both capital and revenue remain above the RSH sector average. Both revenue and capital expenditure has increased over the last year. Similar figures are shown in the Housemark data. The major revenue cost per unit includes regeneration spend at the Laurel Kingsway block. Although this element of the spend is treated as a revenue cost, it relates to the project as a whole and therefore contributes to the longer-term improved stock quality. In addition to this there has been continued expenditure on compliance, including asbestos and health and safety works. It is important to spend in these areas, in part to avoid longer term more expensive non-conformance related costs and to keep our residents safe.

This year has seen an increase to capital major repairs cost per unit. There is some fluctuation in capital expenditure year on year due to the planning of the maintenance programme in order to make the most efficient use of resources.

We will ensure that we maintain tight budgetary control going forward to provide optimum value to our tenants. We have a strong commitment to invest in our housing stock for the future and we have embarked on a stock condition survey to be completed by the end of 2024-25 to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes including a focus on damp and mould. We continue to look for opportunities to invest in renewable and efficient energy solutions for both our new build and existing homes.

With the acknowledgement that the results of the stock condition survey results will have an impact on the future strategy, the Asset Management Strategy was reviewed and updated for a 12-month period and approved by the Board in April 2023. A further updated Asset Management and Carbon Reduction Strategy will be developed when the results are known and will provide us with a clear focus and direction about the future use and energy efficiency of our assets such as continued use, redesignation, redevelopment or disposal. It defines the Teign Standard which continues to be above the current Decent Homes Standard whilst we await the publication of Decent Homes 2 and Awaab's Law, it allows us to proactively manage our planned maintenance programme to drive out maximum cost efficiency and value for money. When we dispose of properties that have been assessed as not suitable or unsustainable as affordable housing, the proceeds are used to support the development of new homes.

We continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable these are now included within the future development programme.
- Review key assets for potential opportunities.
- Assess the requirements and resources needed for progress towards EPC Band C by 2030 and Net Zero Carbon by 2050.
- The asset management software tool continues to improve the knowledge of our housing stock, including neighbourhood mapping and allows us to model the various options to determine the future of the asset.

Below is an extract from the scorecard which presents the company's performance against targets set internally and against targets taken from Housemark data in for the year ended 31 March 2023. Areas have been selected which we believe represents current VFM significance.

Area	2022-23	2021-22	2020-21	2019-20	Housemark 2021-22 Benchmark	Target 2022-23
Customer satisfaction						
Repairs	97.9%	97.6%	96.1%	96.4%	80.4%	96.0%
Standard of property at re-let	99.0%	94.0%	91.0%	-	-	100.0%
Satisfaction with complaints process	95.0%	95.0%	50.0%	71.0%	76.2%	85.0%
Rent collection & arrears						
Rent collection	99.3%	100.1%	100.9%	99.6%	101.6%	100.0%
Rent arrears (% of annual debit)	2.7%	2.3%	2.5%	2.9%	2.3%	3.2%
Void loss & turnaround						
Void losses	0.56%	0.50%	0.38%	0.33%	1.43%	0.50%
Void turnaround time (days)	25.1	22.6	25.5 days	20.5 days	24.08	25
Digital agenda						
Total number of tenant portal registrations	650	603	487	295	-	1500
Inbound communication by Webchat	1.1%	1.6%	7.7%	1.5%	-	-

Although customer satisfaction with repairs has increased slightly against last year, we do continue to exceed our target for the year and against the Housemark average. Satisfaction with standard of property at relet has increased from 94.0% to 99.0%. We have increased our target to 100.0% this year and have only narrowly missed this. Satisfaction of the complaints process has been maintained at 95.0% and we continue to receive an increased number of complaints and respondents to this metric as a result of continued awareness regarding Tenant Satisfaction Measures and ability to complain. We have a dedicated resolutions manager to help manage and oversee the complaints process. With greater emphasis in this area across the organisation, it is hoped that further investigation and analysis of complaints can lead to improving systems in place, ways of doing things and dealing with the root causes.

Rent collection decreased and arrears increased from the prior year. In light of the economic climate and cost of living crisis this is not unexpected as households feel their budgets further tightened each month. We do perform less favourably against the 2021-22 benchmark however this does not take the current economic climate into account and therefore is not a fair comparison. We have continued to support tenants over the last year, through the process of applying for universal credit and working with them where possible to manage their rent payments. This has helped us to improve performance from last year and exceed our internal targets. Through our Head Start team we have sign posted and assisted tenants in securing additional financial support available to them. We have also distributed over £29,000 of financial support in the form of a hardship fund to tenants in greater need.

Void losses have increased marginally. Likely as a result of an increased void turnaround time due material and labour shortages as well as the large number of high cost void rectifications.

Across the organisation we have a strong focus on VFM, and many departments have specific VFM targets. An updated VFM report was presented to the Board for approval in July 2022. In 2022-23 our VFM focus was on:

Digital

The opportunity to further enhance the digital offering to customers and staff continues to be a vital part of our approach to Value for Money into the future. Our Corporate plan has a digital focus and the Digital Strategy approved by the Board in March 2021 sets out our plans and ambitions for the next 3 years.

We have continued with our agile working policy; this has been well received by employees and enables us to maintain the continued quality of service to our tenants.

In September the last of the remaining physical servers were decommissioned and removed from the server room at Millwood House, replaced by migrating services to Microsoft Azure (Cloud based) This was the final step in the Microsoft Modernisation Programme which has supported the move to agile working and increased security for working over a disparate area.

During the year we have successfully upgraded the Civica Cx housing management system software to a more recent version (21.4). We are looking to take a further upgrade during 2023-24 which will provide additional features to assist in providing a better service to our tenants.

We have moved to an electronic expense processing system. This allows receipts to be digitally scanned saving the need for paper to be received and processed and for authorisation to follow the correct procedures before submission. This helps reduce errors and inefficiencies and supports our agile working environment.

During November 2022 the new resident portal and app were launched. This provides tenants with a self-service function to contact Teign Housing, manage their rent accounts and personal details, as well as a very useful personal budgeting tool to assist with managing their home and personal finances. The ability to access rent accounts and details at any time of day will increase the accuracy of the information held such as contact details, this will make the data more accurate. This was Phase 1, there is further functionality planned for release in Phase 2 & 3 in the new financial year. There continues to be a drive to enhance use of the CX tenant portal. Registrations have increased by 8% from last year.

Digital Notebooks were launched to the Customers & Communities Directorate in March 2023. This provides all customer facing staff with a notebook that can be written in during meetings or visits. The pages of this notebook can then be photographed, and the text uploaded as photo or converted to text to enable the swift and accurate recording of details. The page in the notebook can then be wiped down and used again for the next meeting. This will greatly improve data accuracy in our Housing

Management Software and enable the latest updates and changes to be visible in a much more timely fashion.

In September 2022 we introduced Civica Involve, changing the way the company conducts surveys and consultations, consolidating them all in to one piece of software. This will mean all data is in one place and the results can easily be accessed by a wider number of employees and enable us to conduct more customer satisfaction surveys on a monthly basis by undertaking them online for those who have internet access. The first survey conducted was the Repair Satisfaction Survey. We will be rolling this out for further surveys during the year and this will help to support the work that we are doing on the new Tenant satisfaction measures

Improve skills and behaviours of staff

Through learning and development, we will continue to facilitate a culture of respect and exceptional customer service, including Mary Guber training and Training delivered by Chris Gross.

Welfare Reform

We continue to work with our customers to support them with issues surrounding Universal Credit. We have a team of 5 in the Head Start Team who support our customers with issues such as Universal Credit claims and any grants that they may be entitled to. With a clear focus on tenancy sustainment, they consider affordability assessments and checks prior to sign up and then continue to monitor the tenant's payment behaviours during the first 12 months of their tenancy, offering additional support as and when required. During 2022-23 the Hardship fund was launched which provided over £29,000 of financial to help to those experiencing real financial difficulty. In its first year this scheme has supported 234 households and 652 individuals have benefitted from the grants available in the fund. For 2023-24 this commitment has continued with a Hardship fund of over £37,000 available. Providing this level of support improves not only the financial situation of our tenants but also their mental stress and worry and leads to better engagement in managing tenancies.

Asset Management

We have recently commissioned the first part of our full housing stock survey. This will give us valuable insight into the condition of our housing stock to undertake any necessary remedial action but also better plan our cyclical and planned maintenance cycle and highlight any issues before they become too serious. Whilst a financial outlay in the short term, this will provide efficiency savings over the long term and also allow us to identify any problem stock where it may be beneficial to dispose and replace with newly developed housing.

Procurement

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and improves value for money for its members. In 2022-23 the savings delivered through the membership of this consortium total £185,469 bringing the total savings since we joined in 2010 to £2,019,008.

Templer HomeBuild

The wholly owned subsidiary, Templer HomeBuild continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on 'right first time' generating progressive efficiencies and cost savings. The VAT savings to be realised from Templer HomeBuild in 2022-23 were £486,200. The 2023-24 budget includes a further VAT saving of £655,432.

Voids

In 2022-23 we continued to see a rise in the number properties that are being returned to us in a very poor state of repair or that need extensive clearance work. The Void standard introduced 3 years ago has led to a fall in void costs when these properties are re-let however, we are still experiencing a significant rise in those property requiring considerable repair work, including structural damage. We are continuing to investigate the reasons for this and trialling earlier intervention and support to help minimise these cases.

Tenants

Our outsourced repairs reporting service has been brought in-house into our Customer First team in Devon. As part of our journey mapping process with tenants, it was requested that we do this to improve the service level given. We have seen improvements in the scheduling and planning of operative's days, giving better efficiencies and it now means that with one call into Teign Housing, tenants can resolve a number of different queries across departments.

The Customer First Team continued to be engaged in Call Quality and Monitoring Coaching to improve the way we interact with our customers.

Our Customer First Team Advisors are scored on set criteria centered around tone of voice and active listening. This process has increased baseline scores which significantly improves our customers experience and, hopefully, improves their expectations of our service.

A journey mapping session involving tenants, Neighbourhood Policing Team and Teignbridge District Council was held in March to co-design improvements to managing ASB (Anti-Social Behaviours) within our communities. There will be a follow up session in early 2023-24. This direct involvement helps shape effective processes and forging links between the partner agencies to achieve better outcomes with best use of our resources for our residents.

The ASB Respect Line was launched during Q4 of 2022-23. This gives residents access to Out of Hours services to report Anti-Social Behaviour and access to welfare calls and services. This increased focus and investment on improving the service and satisfaction for resolving ASB issues will address and reduce the amount of complaints received regarding this area.

EMT approval has been given to allow tenants to pay by recurring card payment. Most of our tenants now pay by direct debit but we keen to support other means of payment that may be better suited to individuals. The service will go live in the new financial year and this assist the Income Team in collecting rent and other payments.

Homemaker South West support people with debt problems across the region. We have been working alongside them since 2019 at a cost of £24,500 since that time. They continue to support our tenants to maximise their income with total gains, with some tenants receiving over £15,000 of support they were entitled to. Some of this income supports tenants to ensure they are paying their rent which in-turn benefits the company. We see this as an efficient service, directly benefiting our tenants.

We have worked tenaciously, in partnership with THB, to continue to achieve 100% compliance on gas and electrical safety testing this year, employing various strategies, resulting in us not incurring legal costs.

Rents and Tenancy Sustainment teams have completed more DHP applications on behalf of tenants, which whilst initially it takes more time this does prove VFM when the applications are awarded as the debt is cleared quicker than us chasing a tenant for payment and the cost of the tenant making payments to us

Independence and Wellbeing

The Independent Living service was overhauled with the introduction of a new Independence and Wellbeing service during 2021-22 the full benefits of this have been felt in 2022-23. The team continued to offer the community events launched last year. The Winters Warmer campaign provided information as to how to reduce fuel consumption and understand benefit entitlements and avoiding fuel poverty. The company provided a hot meal to residents every 2 weeks and took place in our community rooms and continued as the Spring Kitchen and Summer Sizzlers and will be also expanding into other community rooms in the area. These all encourage the community to get together, aiming to build relationships and combat loneliness and improve wellbeing and have been very well received. The feedback has been positive about the new service, as to how this has made a difference to them, to have someone knock at their door on a regular basis is appreciated.

We have continued to capture the needs of our most vulnerable customers by setting goal plans and during the year and a further 56 customers living in our sheltered accommodation have received a plan.

ALRT (Assisted Lifting Response Team)

The company has continued to work in partnership with Torbay and South Devon NHS and Appello to offer this service. Customers who benefit from this service will get the Torbay ALRT team to attend to assist a non-injured faller with lifting. The team has specialist lifting equipment and training, meaning they can get customers up quickly and help advise on preventing further accidents.

It also means a shorter wait time than if they were waiting for an ambulance, as paramedics have to prioritise emergency cases over someone who is unable to get up, but unhurt.

This service has benefited 50 customers this year which has prevented them not waiting for the ambulance and then being admitted into hospital unnecessarily thus helping to reduce the time that emergency services attend to much higher priority cases.

Teigncare

With the digitalisation of telephone systems significant investment was needed to upgrade the alarm system. After financially modelling this, it was found that the service would no longer be financially viable to provide going forwards, so the decision was made at Board to cease the service by seeking a buyer to continue the provision. During the year negotiations were entered with Appello Careline Ltd and the sale was agreed for April 2023. This has ensured continuity of service for the existing customers.

Tenant Involvement

We continue to actively engage with our tenants and the wider community. We have a Resident Involvement Manager who co-ordinates this and helps us to gauge what it is that tenants' value and what they expect from us. We have a Tenants' Forum which during the year have met via Zoom every 6 weeks. During the year we have reintroduced in person meetings but Zoom remains the preferred method due to convenience for Forum members. We continue to consult on changes to services and processes as well as tenant related policies, procedures, and strategies. We also have a Scrutiny Panel who undertake regular reviews of our services, from a tenant point of view and provide critical feedback and recommendations for service improvement. Thirdly, a tenant Service Board supports our strong ethos towards co-regulation and at their quarterly meetings they focus on areas in relation to the Regulator of Social Housing's Consumer Standards. These all help to keep Teign Housing connected with its tenants.

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

We have completed work on 26 properties in that were in bands E & F and are awaiting inspection to confirm they are now at Band C. A further 60 properties have been surveyed to confirm the work required to bring them up to EPC C. This work is budgeted for in 2023-24. 20 properties were identified as being suitable for becoming EWI pilots, this work has been successfully completed in the year and we continue to identify properties as they become void to continue this carbon reduction investment.

Provide quality repairs

During the year there was 97.9% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

During the year 99.3% of all repairs were resolved on the first visit

Work efficiently and respectfully in customers' homes

During the year 96.37% of all planned work was completed on time

In 2023-24 as well as the projects above which will continue, our focus will also be on:

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

The stock condition data from the stock surveys will provide better and more accurate data to inform our investment plans for carbon reduction. Using this data along with EPC information we can cost effectively target properties due for planned maintenance to both maintain decent homes standards and focus on the least energy efficient properties first to maximise the return on investment. Surveys have identified 60 properties currently at EPC band E & F to be brought up to band C in 2023-24.

Working on target of achieving a minimum EPC C across all stock by 2030, careful planning will be used to coordinate the work so that carbon zero plans integrate with EPC improvements. This will allow Social Housing Decarbonisation Fund applications to be submitted efficiently and effectively.

Damp and Mould

We are taking a proactive approach to this including looking at property trends, in the coming year monitors will be installed in homes where there is a greater probability of damp and mould occurring to allow us to monitor the situation, we have a damp and mould group established to focus on this issue as well as regular mould washing when applicable and advise to tenants as to how to prevent it occurring.

Further Improve our complaints process

The aim of the investment in a dedicated Resolutions Manager is for the organisation to be able to deliver a better service to our customers. We will continue to enhance our approach to complaints with increased training opportunities for all employees and co-develop processes with our customers. Full results are published quarterly to the Board and Tenants' Forum.

Ensure our property assets remain sustainable

We will continue our investment work on our less efficient properties with the aim that every home will reach a minimum of EPC band C by 2030. We have begun to trail suitable void properties to invest in, to act as a pilot and monitor these to determine if they are less costly to maintain and reduce fuel bills for customers. The detailed information regarding the condition of our stock emanating from the Stock Condition Survey will further support this.

Develop more affordable homes

We will continue to develop affordable homes, whilst ensuring that homes remain affordable for people living in our local communities. This may be through the purchase of section 106 developments or through smaller land led schemes. In the business plan, we have a target of delivering 140 new homes in 2023-24. We continue to review our land and properties for redevelopment opportunities. Ultimately this will lead to an increase in rental income, which in turn can be re-invested in our existing stock or to build more new homes.

Improve cash flow by increasing the collection of non-rent debt

As part of the restructure rechargeable repairs will be invoiced through our housing management system and the balance will show on Tenant records, the debt will be managed by the Income Team who will have sight of both rent account and non-rent charges. This holistic view will increase the success rate of the debt chasing process.

Tenants

The letting process will be launched in the Resident app during 2023. Parts of the lettings process have already been mapped into the app and having a dedicated place for all the pre-tenancy inspection and affordability checks has already reduced the time taken to process new applications. The app build is well underway with a target launch date of August 2023.

The Customer First Team will relaunch the Call Quality and Monitoring Coaching to improve the way we interact with our customers. Team leaders will be included in the relaunched programmed and subject matter experts will be invited to provide coaching and feedback on specific call types. This will give a wider and improved quality of response to callers by enhancing the advisor's detailed knowledge of the call subject matter.

Mary Guber Training is scheduled in June for the Customer and Communities Team Leaders and Managers as well as the full Customer First Team. This training is focused on Customer Service but also a wider remit of matching personal skills to technical skills to best equip employees to achieve full potential and improve service levels across the directorate.

Independence and Wellbeing

Tenancy sustainment plans are now being created with all new tenants as part of the sign-up process. This allows goals to be set for their outcomes of moving into the sheltered schemes and also to identify any needs for support and assistance prior to moving in. This could be assistance with registering at a doctor's surgery or other medical and social requirements. This helps the team best plan for the support needed and have it in place on the day the tenancy begins.

The Board has approved the investment in the Dispersed Alarms to be installed over the next two years, at a cost of £320,000 in line with the digitalisation project and move from analogue technology. We are currently consulting with a group of residents on the type of alarm that would best suit and have demonstrations lined up with a number of providers in the coming weeks. This promotes the engagement with the residents especially when introducing a new piece of technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

The community events with Winter Warmers, Spring Kitchen and Summer Sizzlers will continue as well as the craft sessions to promote relationships and contact and reduce any feelings of loneliness. At these sessions we are inviting partner agencies to demonstrate the support offered.

Engaging with our community

The neighbourhood team over the next year we will continue to focus on engaging with our communities over the digital platforms that we have available to us. During 2022-23 we trained frontline staff in mediation and develop a specialist inhouse mediator to save the cost of outsourcing this service, we will continue to use these skills and training in improving conflict mediation across our communities.

Digital

In 2023-24 we plan to complete the implementation of the GIS (Geographic Information System) and web mapping software so that we can benefit from full utilisation of its capabilities. This software will allow us to overlay details such as tree maps and grounds maintenance maps to a map of our housing stock, from this we can better plan resources and scheduling of services.

Implementation of a new purchase order and invoice matching software will be rolled out in the summer 2023. The new software allows for better workflows for authorising purchase orders and invoices as well as improved interface for entering details and raising orders. This will help reduce errors, enable matching of invoices to be a much more seamless process to assist the supplier payment process and provide a more efficient system for our users.

We will continue working on improvements and exploring new functionality for Civica Cx housing management system. The aim is to continue to improve both the user experience for employees and tenants including better data accuracy, increased options for repairs diagnosis and mobile functionality.

Health and Safety

During the year we redesigned our Health & Safety Service and are working towards aligning our practices with HSG65. The team now forms part of our overall Assurance team working collectively towards promoting a positive and impartial culture in which we can continually improve our performance. The Health & Safety Team ensure where possible and applicable that the physical environments and assets that protect our employees and customers are safe, secure and for purpose.

Increase financial Capacity

The RCF has been extended to 2028 and we look to make best use of our unencumbered stock by securing further funding against this to enable the continued expansion of our development capacity and capital investment in improvements for our existing stock. This project will begin in the Autumn.

Improve our complaints process

We continue to fully roll-out “Lessons Learned” and in 2023-24 we aim to achieve improve resident satisfaction with the complaints process.

Ensure our residents are happy with their repairs

Next year we aim to continue to exceed 96% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

Next year we aim to exceed 99% of repairs requiring only one visit.

Work efficiently and respectfully in customers' homes

Next year we plan to complete 100% of all planned works on time.

Remain Financially Strong

In 2023-24 our operating margin is budgeted to be 20.0%

The Consumer Standards and the Social Housing White Paper

We have delivered training for the whole company on these subjects in 2022-23 and will continue with refreshers during 2023-24 to provide updates and reinforce the importance of these crucial topics. The consumer standards working group meets regularly to discuss new initiatives to improve the service standard for our tenants, monitor current performance and review any new regulatory developments. This is important information given the heightened importance now placed on the customer and the new standards which are being put in place.

All of this continues to allow us to have a strong business plan that can manage the impact of costs increases which have resulted from the strategic decisions made to improve the quality of our homes and services and to keep our customers safe. We also continue to deliver new homes and improve the overall capacity of the plan whilst still delivering the aims and aspirations of the company.

Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that the risks which threaten the achievement of the company's objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness and takes any steps it considers necessary to maintain or improve their effectiveness.

Teign Housing's system of internal controls includes the measures set out below

Policy and strategy – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

Prevention and detection of fraud

The system of internal control includes measures designed to prevent or detect fraud.

The Board has established a policy on the prevention, detection and investigation of fraud which includes a whistle blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud which include but are not limited to:

- A Risk Management Framework
- Authorisation controls

- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Access controls
- Exception reports
- Financial Regulations

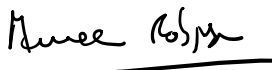
Board's assessment of assurance and internal control

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 29 June 2023. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.

The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2023 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 29 June 2023 and signed on its behalf by:



Maureen Robinson
Chair of the Board

Directors Report

The Directors present their report for the year ending 31 March 2023.

Directors

The directors who served the company during the year are shown on page 1.

Information for auditors

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

Statement of Compliance

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Statement of Directors Responsibilities

The directors are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial

position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Directors on 29 June 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Maureen Robinson', with a horizontal line underneath.

Maureen Robinson
Chair of the Board

Independent Auditor's Report to the Members of Teign Housing

Opinion

We have audited the financial statements of Teign Housing (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated and parent Company Statement of Comprehensive Income, the Consolidated and parent Company Statement of Financial Position, the Consolidated and parent Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's income and expenditure and the parent Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the

parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Company, 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 Companies Act 2006, 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, NHF Code of Governance 2020, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Lee Cartwright (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

150 Minories

London

EC3N 1LS

Date: 23 August 2023

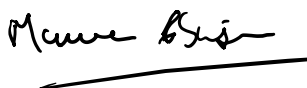
Statement of Comprehensive Income

	Note	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Turnover	2	21,390	20,479	21,505	20,567
Cost of sales	2	(1,137)	(994)	(1,137)	(994)
Operating expenditure	2	(15,941)	(15,467)	(16,074)	(15,566)
Gain on disposal of property, plant and equipment	2	142	225	142	225
Movement of investments property value	2	-	(10)	-	(10)
Operating surplus	2	4,453	4,233	4,436	4,222
Interest receivable	4	73	6	89	17
Interest and financing costs	5	(1,977)	(5,900)	(1,977)	(5,900)
Surplus/(Deficit) before tax		2,549	(1,661)	2,549	(1,661)
Taxation	7	-	-	-	-
Surplus/(Deficit) before tax		2,549	(1,661)	2,549	(1,661)
		2,549	(1,661)	2,549	(1,661)
Other Comprehensive Income					
SHPS - Actuarial gain/(loss) in respect of pension schemes	19	(133)	637	(133)	637
LGPS - Actuarial gain in respect of pension schemes	19	-	796	-	796
Total		(133)	1,433	(133)	1,433
Total comprehensive income for the year		2,416	(228)	2,416	(228)

The financial statements on pages 37 to 79 were approved and authorised for issue by the Board on 29 June 2023 and were signed on its behalf by:



Helen Hilditch
Company Secretary



Maureen Robinson
Chair of the Board



Stephen Cook
Chair of Audit Committee

The results relate wholly to continuing activities and the notes on pages 41 to 79 form an integral part of these accounts.

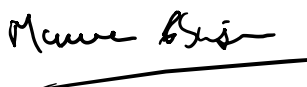
Statement of Financial Position

		Group	Group	Association	Association
		At	At	At	At
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible Assets	8	201	337	201	337
Tangible Assets	9	160,232	149,113	160,232	149,113
Investment Properties	10	570	570	570	570
		161,003	150,020	161,003	150,020
Current Assets					
Stock	11	1,580	788	1,580	788
Debtors due in less than one year	12	1,533	801	2,056	1,319
Debtors due in greater than one year		965	965	965	965
Cash and cash equivalents	13	5,319	16,373	4,992	16,011
		9,396	18,927	9,592	19,083
Less creditors: amounts falling due within one year	14	(2,699)	(3,968)	(2,895)	(4,124)
Net Current Assets		6,697	14,959	6,697	14,959
Total assets less current liabilities		167,700	164,979	167,700	164,979
Creditors: amounts falling due after more than one year	15	(68,384)	(68,081)	(68,384)	(68,081)
Provisions for Liabilities					
Pension Liability	19	(574)	(572)	(574)	(572)
Total Net Assets		98,742	96,326	98,742	96,326
Reserves					
Income and Expenditure reserve		66,895	64,397	66,895	64,397
Revaluation reserve		31,847	31,929	31,847	31,929
Total Reserves		98,742	96,326	98,742	96,326

These financial statements on pages 37 to 79 were approved and authorised for issue by the Board 29 June 2023 and were signed on its behalf by:



Helen Hilditch
Company Secretary



Maureen Robinson
Chair of the Board



Stephen Cook
Chair of Audit Committee

The notes on pages 41 to 79 form an integral part of these accounts.

Statement of Changes in Reserves

Group:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2021 Restated	64,507	32,047	96,554
Surplus from Statement of Comprehensive Income	(1,661)	-	(1,661)
Actuarial (loss) relating to the year	1,433	-	1,433
Transfer from revaluation reserve to income and expenditure reserve restated	118	(118)	-
Balance at 31st March 2022	64,397	31,929	96,326
Deficit from Statement of Comprehensive Income	2,549	-	2,549
Actuarial gain relating to the year	(133)	-	(133)
Transfer from income and expenditure reserve to revaluation reserve	82	(82)	-
Balance at 31st March 2023	66,895	31,847	98,742

Association:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2021 restated	64,507	32,047	96,554
Deficit from Statement of Comprehensive Income	(1,661)	-	(1,661)
Actuarial gain relating to the year	1,433	-	1,433
Transfer from revaluation reserve to income and expenditure reserve restated	118	(118)	-
Balance at 31st March 2022	64,397	31,929	96,326
Surplus/(Deficit) from Statement of Comprehensive Income	2,549	-	2,549
Actuarial gain/(loss) relating to the year	(133)	-	(133)
Transfer from income and expenditure reserve to revaluation reserve	82	(82)	-
Balance at 31st March 2023	66,895	31,847	98,742

The notes on pages 41 to 79 form an integral part of these accounts

Consolidated Statement of Cash Flows

	Group 2023 £'000	Group 2022 £'000
Cash flows from operating activities		
(Deficit)/Surplus for the year after tax	2,549	(1,661)
Adjustments for investing or financing activities		
(Gain) on sale of fixed assets	(142)	(225)
Interest receivable	(73)	(6)
Interest and financing costs	1,977	5,900
	1,762	5,669
Adjustments for non-cash items:		
Depreciation	2,565	2,566
Impairment of Fixed assets	-	-
Government grant utilised in the year	(83)	(70)
(Decrease)/Increase in stock	(792)	(45)
Decrease/(Increase) in Investment properties	-	10
(Increase)/Decrease in trade and other debtors	(732)	(290)
(Increase)/Decrease in trade and other creditors	(1,289)	(1,064)
Pension costs less contributions payable	(145)	25
	(476)	1,133
Net cash generated from operating activities	3,836	5,141
Cash flow from investing activities		
Capital expenditure on housing properties	(13,393)	(9,523)
Net proceeds on sale of housing properties	486	1,003
Purchase of other fixed assets and intangible assets	(109)	(116)
Government grant received	500	92
Interest received	73	6
Net cash used in investing activities	(12,443)	(8,538)
Cashflow from financing activities		
Interest paid	(2,448)	(2,355)
Loan Break Fees	-	(4,219)
Interest element of finance lease rental payment	-	-
Loans received	-	36,423
Loans repaid	-	(21,500)
Net cash used in financing activities	(2,448)	8,349
Net change in cash and cash equivalents	(11,055)	4,952
Cash and cash equivalents at beginning of year	16,373	11,421
Cash and cash equivalents at year end	5,319	16,373

The notes on pages 41 to 79 form an integral part of these accounts.

Notes to the financial statements

Legal Status

Teign Housing is a company limited by guarantee incorporated in England and Wales under the Companies Act 2006, it is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Millwood House, Collett Way, Newton Abbot, Devon TQ12 4PH.

1 Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers (2018). The Group is required under the Companies Act (Group Accounts) Regulations 2006 to prepare consolidated Group accounts.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements have been prepared in compliance with FRS102. The financial statements are prepared on the historical cost basis of accounting as modified by the valuation of the transferred rented housing stock to deemed cost on transition to FRS 102 and are presented in £000's. Investment properties are included in the financial statements at valuation.

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Group financial statements consolidate the financial statements of Teign Housing (the parent) and its subsidiary undertaking Templer HomeBuild for the year ended 31 March 2023.

Parent company disclosure exemptions

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

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Teign Housing and entities controlled by the Group (its subsidiary). Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany transactions and balances between group entities are eliminated in full upon consolidation.

Going Concern

The company's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The impact of the Covid-19 pandemic continues to be monitored and the company has adapted to various new ways of working. The future budget and business plans have been constructed with this in mind and no significant concerns were noted.

The business plan was stress tested and assessed for any imminent or likely future breach in borrowing covenants. No significant concerns have been noted, we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

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

- a. Development expenditure.** The company capitalises development expenditure when the Board approve the agreement for contract. 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. Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the company has considered if the asset is held for social benefit or to earn commercial rentals.
- c. Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as

technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d. Pension and other post-employment benefits. The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

e. Impairment of non-financial 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.

A review of void losses in the year has been carried out and no properties have been identified as impaired.

A review of the schemes in development has been carried out and no properties have been identified as impaired.

Following the assessment of impairment, no impairment losses were identified in the reporting period.

f. Provision for bad debts. A provision is made for bad debts based on the age of the debt. The rates of the provision increase from 10% for debts over 13 weeks to 50% for debts over 52 weeks. Former tenant arrears are provided for at 100%.

g. Valuation of investment properties. Investment properties are included at the fair value each year and a professional revaluation has been undertaken. The revaluation has shown no change in the total market value of £570k from the value held in the accounts at 31 March 2022. This value has been reflected in the value of the fixed assets and the reserves balance.

Turnover and revenue recognition

Turnover comprises primarily of rental income receivable from tenants and leaseholders. The following items are also included within the Turnover figure:

- other services supplied excluding VAT,
- Income from property sales, including Shared Ownership and tenants exercising their “Right to Buy” their home
- Amortised capital grant

Income is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accruals basis. The company operates variable service charges on a scheme by scheme basis in full consultation with residents.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Capitalised Interest

Interest on our development schemes is capitalised from the point the Board approves the project and the company begins to incur development costs.

Categorisation of Debt

The Group's debt has been treated as “basic” in accordance with paragraphs 11.8 and 11.9 of FRS 102.

Corporation Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Value Added Tax

The company charges VAT on some of its income and can 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 company and not recoverable.

Intangible Assets

Intangible assets are for IT software. They are stated at cost less accumulated depreciation. The useful economic life is 3 to 5 years.

Tangible Assets

Properties for social rent transferred from the Local Authority are stated at deemed cost less accumulated depreciation, all other properties and tangible fixed assets are stated at historic cost less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e., local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties, on practical completion of construction. Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period. Staff costs and overheads directly attributable to bringing housing properties into working condition for their intended use are capitalised.

Freehold land is not depreciated.

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

The company depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELS for identified components are as follows:

Structure	100 Years
Cornish Units	50 Years
Kitchens	20 Years
Bathrooms	30 Years
Wiring	30 Years

Heating/boilers	15 Years
Windows and Doors	30 Years
Pitched Roof	70 Years
Flat Roof	20 Years
Disabled adaptations	10 Years

Low Cost Home Ownership

The costs of low-cost home ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets. Interest on loans used to finance the development of new housing properties is capitalised during the construction period.

Finance Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term, this is generally equivalent to the original cost of the assets. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and finance cost elements and the finance costs are charged to the Statement of Comprehensive Income.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Leased assets are depreciated over the life of the lease if this is shorter than their useful economic life. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their useful economic lives as follows:

IT equipment	3 to 5 years
Leasehold Improvements	5 to 10 years
Office premises	90 years
Office fixtures and fittings	3 to 5 years
Teigncare Alarm Equipment	3 to 10 years
Motor Vehicles	4 years
Electrical works	40 years
New technology	15 years
Gas installations	25 years

Investment Property

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

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Social Housing Grant (SHG)

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 (excluding land), under the accruals model.

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

SHG must be recycled by the company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of transferred social housing properties and their historical cost carrying value, where deemed cost transitional relief was taken.

2 Turnover, cost of sales, operating expenditure, and operating surplus

Group	Turnover	Cost of sales	Operating expenditure	2023 Operating surplus	Turnover	Cost of sales	Operating expenditure	2022 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	19,338	-	(15,431)	3,907	18,505	-	(14,962)	3,543
Other social housing activities								
Teigncare alarm services	187	-	(145)	42	193	-	(176)	17
Other services	103	-	(122)	(19)	177	-	(189)	(12)
First tranche low cost home ownership sales	1,408	(1,137)	-	271	1,251	(994)	-	257
Activities other than social housing								
Other activities (note 2b)	354	-	(243)	111	353	-	(140)	213
Total	21,390	(1,137)	(15,941)	4,311	20,479	(994)	(15,467)	4,018
Gain on disposal of property, plant and equipment (note 2c)				142				225
(Decrease)/Increase in value of investment properties				-				(10)
Operating surplus				4,453				4,233

2 Turnover, cost of sales, operating expenditure, and operating surplus cont'd.

Association	Turnover	Cost of sales	Operating expenditure	2023 Operating surplus	Turnover	Cost of sales	Operating expenditure	2022 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	19,338	-	(15,565)	3,773	18,506	-	(15,073)	3,433
Other social housing activities								
Teigncare alarm services	187	-	(145)	43	193	-	(176)	17
Other services	150	-	(121)	28	208	-	(177)	31
First tranche low cost home ownership sales	1,408	(1,137)	-	271	1,251	(994)	-	257
Activities other than social housing								
Other activities (note 2b)	423	-	(243)	180	409	-	(140)	269
Total	21,505	(1,137)	(16,074)	4,295	20,567	(994)	(15,565)	4,007
Gain on disposal of property, plant and equipment (note 2c)				142				225
(Decrease)/Increase in value of investment properties				-				(10)
Operating surplus				4,437				4,222

2a Income and expenditure from social housing lettings

Group	General needs £'000	Housing for older people £'000	Low cost home ownership £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Income						
Rent receivable, net of identifiable service charge and voids	13,051	4,431	454	9	17,945	17,090
Service charge income	430	597	20	58	1,105	1,087
Amortised government grants	83	-	-	-	83	70
Furlough income	-	-	-	-	-	-
Other income from social housing lettings	64	140	-	-	205	258
Turnover from social housing lettings	13,628	5,168	474	67	19,338	18,505
Operating expenditure						
Management	(3,853)	(1,773)	(14)	(22)	(5,662)	(6,252)
Service charge costs	(368)	(237)	(12)	(13)	(630)	(495)
Routine maintenance	(2,239)	(856)	(7)	(18)	(3,120)	(2,901)
Planned maintenance	(466)	(181)	(2)	(2)	(651)	(519)
Major repairs expenditure	(1,932)	(855)	(6)	(45)	(2,838)	(2,444)
Bad debts	(67)	(25)	-	-	(92)	(43)
Depreciation of housing properties	(1,503)	(583)	(60)	(118)	(2,264)	(2,148)
Amortisation	(115)	(45)	(5)	(9)	(174)	(160)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(10,543)	(4,555)	(106)	(227)	(15,431)	(14,962)
Operating surplus on social housing lettings	3,085	613	368	(160)	3,907	3,543
Void losses	(75)	(29)	-	-	(104)	(86)

2a Income and expenditure from social housing lettings cont'd.

Association	General needs	Housing for older people	Low cost home ownership	Other	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	13,051	4,431	454	9	17,946	17,090
Service charge income	430	597	20	58	1,105	1,087
Amortised government grants	83	-	-	-	83	70
Other income from social housing lettings	64	140	-	-	205	259
Turnover from social housing lettings	13,628	5,168	474	68	19,338	18,506
Operating expenditure						
Management	(3,853)	(1,773)	(14)	(22)	(5,662)	(6,252)
Service charge costs	(369)	(237)	(12)	(13)	(631)	(496)
Routine maintenance	(2,295)	(878)	(8)	(22)	(3,204)	(2,970)
Planned maintenance	(475)	(184)	(2)	(3)	(663)	(530)
Major repairs expenditure	(1,963)	(858)	(6)	(46)	(2,873)	(2,474)
Bad debts	(67)	(25)	-	-	(93)	(43)
Depreciation of housing properties	(1,503)	(583)	(60)	(118)	(2,264)	(2,148)
Amortisation	(115)	(45)	(5)	(9)	(174)	(160)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(10,641)	(4,584)	(106)	(234)	(15,565)	(15,073)
Operating surplus on social housing lettings	2,987	584	367	(166)	3,773	3,430
Void losses	(75)	(29)	-	-	(105)	(86)

2b Turnover from activities other than social housing

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Garage lettings	314	311	314	311
Commercial property lettings	39	42	39	42
Gift Aid Donation	-	-	69	57
	354	353	423	410

2c Gain on disposal of assets

Group and Association	Right to Buy/Acquire Sales	Low Cost Home Ownership	Open Market Sales	Other Disposals	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Proceeds of sales	606	91	-	3	700	1,892
Less: Costs of sales	(323)	(78)	-	-	(400)	(862)
Amount payable to Teignbridge District Council	(158)	-	-	-	(158)	(805)
Gain/(Loss)	125	13	-	3	142	225

3 Directors' emoluments, key management personnel & employee information

			2023	2022
			£'000	£'000
The aggregate emoluments paid to or receivable by non executive Directors and former Directors			38	32
The aggregate emoluments paid to or receivable by executive Directors and former Directors			156	141
			193	173
The emoluments paid to the highest paid Director excluding pension contributions			137	133
The aggregate amount of Directors or past Directors' pensions, excluding amounts payable under a property funded pension scheme			-	-
The number of full time equivalent staff whose remuneration payable fell within bands of:	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
£70,000 to £79,999	-	4	-	3
£80,000 to £89,999	2	1	2	1
£90,000 to £99,999	2	-	1	-
£100,000 to £109,999	-	-	-	-
£110,000 to £119,999	-	-	-	-
£120,000 to £129,999	-	-	-	-
£130,000 to £139,999	-	-	-	-
£140,000 to £149,999	-	1	-	1
£150,000 to £159,000	1	-	1	-

The Chief Executive is an ordinary member of the pension scheme. In April 2022, the Chief Executive moved from a final salary scheme to a defined benefit scheme funded by annual contributions by the employee, and the employer. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £18,489 (2021-22: £7,742) was paid in addition to the personal contributions of the Chief Executive. Directors (key management personnel) are defined as the members of the Board and the Chief Executive.

Employee information

	Group	Group	Association	Association
	2023	2022	2023	2022
The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:				
Office staff	92	92	77	80
Wardens, caretakers and cleaners	17	17	17	17
Maintenance staff	51	46	-	-
	160	155	94	97

	Group	Group	Association	Association
	2023	2022	2023	2022
Staff costs (for the above employees)	£'000	£'000	£'000	£'000
Wages and salaries	5,205	4,847	3,065	3,070
Social Security costs	535	457	304	283
Other Pension costs	423	298	362	249
LGPS Cessation Event	-	1,178	-	1,178
Non Executive Director Wages and salaries	38	-	38	-
Holiday Pay Accrual	55	33	18	33
	6,255	6,813	3,788	4,813

4 Finance income and other income

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank finance income	73	6	73	6
Interest received from Group entities	-	-	16	11
	73	6	89	17

5 Finance costs and similar charges

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Lease finance costs	-	5	-	5
On loans wholly or partly repayable in more than five years	2,327	2,397	2,327	2,397
FRS 102 fair value adjustment	-	(584)	-	(584)
Costs associated with financing	27	15	27	15
Refinancing break away costs	-	4,219	-	4,219
Net interest on the defined liability	14	37	14	37
Less finance costs capitalised on housing properties under construction	(391)	(190)	(391)	(190)
Other interest charges	-	1	-	1
Charged to income and expenditure account	1,977	5,900	1,977	5,900

6 Surplus on ordinary activities before taxation

Is stated after charging/(crediting)	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Depreciation of housing properties	2,211	2,271	2,211	2,271
Depreciation of other fixed assets	128	121	128	121
Amortisation of intangible fixed assets	174	161	174	161
Operating lease rentals (land and buildings)	-	-	-	-
Operating lease rentals (other)	-	-	-	-
Auditors remuneration (excluding VAT)				
- Audit of the Group financial statements	32	22	32	22
- Audit of subsidiaries	-	2	-	-
- Other service	1	-	-	-
Amortisation of government grant	(83)	(70)	(83)	(70)

7 Taxation on surplus on ordinary activities

Teign Housing is a registered charity. Charitable activities of the Company are exempt from United Kingdom Corporation Tax.

Analysis of charge/(credit) for the year	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Current tax				
UK corporation tax at 19% (2021/22: 19%)	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Total current tax charge/(credit)	-	-	-	-
Deferred tax				
Total deferred tax charge/(credit)	-	-	-	-
Tax on surplus on ordinary activities	-	-	-	-
Reconciliation of tax charge				
Surplus on ordinary activities before taxation	2,549	(1,661)	2,549	(1,661)
Tax on surplus/(deficit) at standard corporation tax rate of 19% (2021/22: 19%)	484	(316)	484	(316)
Effects of:				
Non-taxable surplus on charitable activities	(484)	316	(484)	316
Expenses not deductible for tax purposes	-	-	-	-
Non trade charges utilised in period	-	-	-	-
Tax charge/(credit) for the year	-	-	-	-

8 Intangible assets – IT software

	2023
	£'000
Cost	
At 1st April 2022	1,029
Additions	38
Disposals	-
At 31st March 2023	1,067
Amortisation	
At 1st April 2022	(692)
Charge for year	(174)
Disposals	-
At 31st March 2023	(866)
Net book value	
At 31st March 2023	201
At 1st April 2022	337

Of the £201,000 NBV, £145,000 relates to the Housing Management Software.

9 Tangible fixed assets

	Social Housing Properties for Letting Completed	Social Housing Properties for Letting Under Construction	Low Cost Home Ownership Properties Completed	Low Cost Home Ownership Properties Under Construction	Total Housing Properties	Land	IT Equipment	Office	Supported Housing Equipment	Fixtures & Fittings	Motor Vehicles	Total Fixed Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost												
At 1st April 2022	145,065	5,747	9,318	1,124	161,254	65	199	1,176	234	285	107	163,320
Additions	3,829	7,664	(281)	3,908	15,120	-	31	-	4	4	32	15,191
AUC Transfers	4,645	(4,645)	1,741	(1,741)	-	-	-	-	-	-	-	-
Transfer to Current Assets	-	-	-	(1,336)	(1,336)	-	-	-	-	-	-	(1,336)
Disposals	(397)	-	-	-	(397)	-	(11)	-	-	-	(15)	(423)
At 31st March 2023	153,142	8,765	10,778	1,956	174,641	65	219	1,176	238	289	123	176,752
Depreciation & Impairment												
At 1st April 2022	(13,069)	(139)	(306)	-	(13,514)	-	(102)	(122)	(199)	(208)	(62)	(14,207)
Charge for the year	(2,184)	-	(80)	-	(2,264)	-	(52)	(15)	(19)	(20)	(22)	(2,391)
Disposals	53	-	-	-	53	-	10	-	-	-	15	79
At 31st March 2023	(15,200)	(139)	(386)	-	(15,725)	-	(144)	(137)	(218)	(228)	(69)	(16,520)
Net book Value												
At 31st March 2023	137,942	8,626	10,392	1,956	158,916	65	75	1,039	21	61	55	160,232
At 1st April 2022	131,996	5,608	9,012	1,124	147,740	65	97	1,054	35	77	45	149,113

9 Tangible fixed assets cont'd

Number of units owned and managed

Group and Association

Social Housing Accommodation	Opening Balance	Started in Year	Property Reclassified	Completed in Year	Closing Balance
Under development					
General needs housing	90	42	-	35	97
<i>Social Rent</i>	28	17	-	4	41
<i>Affordable Rent</i>	62	25	-	31	56
Supported housing and housing for older people	-	-	-	-	-
Low cost home ownership	37	10	-	13	34
	127	52	-	48	131
	Opening Balance	Completed in Year	Property Reclassified	Disposed in Year	Closing Balance
Under management at end of year					
General needs housing	2,627	35	2	6	2,658
<i>Social Rent</i>	2,376	4	2	6	2,376
<i>Affordable Rent</i>	251	31	-	-	282
Supported housing and housing for older people	999	-	(2)	-	997
Low cost home ownership	114	13	-	-	127
	3,740	48	-	6	3,782
	3,867				3,913
	Opening Balance	Taken on in Year	Property Reclassified	Removed in Year	Closing Balance
Social Housing Accommodation					
Managed for others at end of year	32	2	-	5	29
	32				29

The value of property additions includes £391,000 of capitalised finance costs (2021-22: £189,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £1,643,000 (2021-22: £1,252,000). The average rate of finance costs is 4.06% (2021-22: 4.06%).

Housing properties were valued by Jones Lang LaSalle in accordance with Royal Institute of Chartered Surveyors procedures. Properties valued annually for funding commitments at 31 March 2023 equated to £71.9m (1,533 properties) and properties valued triennially for funding commitments at 31 March 2023 equated to £61.7m (1,916 properties) in total 3,449 properties. There are 265 properties that have not been valued for funding commitments.

The total expenditure on repairs and maintenance to existing properties in the year was £9,278,000 (2021-22: £8,979,000). Of this £3,203,000 was capitalised under the SORP 2018 (2021-22 £3,025,000).

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2023 was £34,861,400 (2021-22: £34,561,400).

10 Investment properties held for letting

Group and Association	2023 £'000
Cost	
At 1st April 2022	570
Additions	-
Reclassification of use	-
Gain from adjustment in value	-
At 31st March 2023	570

Investment properties were re-valued at 31 March 2023 by Jones Lang Lasalle, professionally qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Global Standards. These properties were part of the original stock transfer from Teignbridge District Council and transferred with a nil value. The shops have been valued on the basis of Market Value. The total valuation remains unchanged as £570,000 (£570,000 31 March 2022).

11 Stock

Group and Association	2023 £'000	2022 £'000
Properties held for sale		
Low cost home ownership properties		
Completed	181	95
Under construction	1,399	693
	1,580 	788

There are 34 low cost home ownership properties under construction and 2 properties completed and available for sale at 31 March 2023.

12 Trade and other debtors

Amounts falling due in less than one year

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Arrears of rent and service charges	593	579	593	579
Provision for bad and doubtful debts	(341)	(304)	(341)	(304)
	252	275	252	275
Prepayments and accrued income	374	239	491	354
Other trade receivables	906	287	912	290
VAT receivables	1	-	1	-
Amounts owed by subsidiary undertakings	-	-	400	400
Amounts due in less than one year	1,533	801	2,056	1,319

Amounts falling due in greater than one year

	Group	Group	Association	Association
	2023	2022	2,023	2022
	£'000	£'000	£'000	£'000
THFC loan interest paid in advance	965	965	965	965
Amounts due in greater than one year	965	965	965	965

13 Cash and cash equivalents

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Short term deposits	1,013	1,013	1,013	1,013
Cash at bank	4,306	15,360	3,979	14,998
	5,319	16,373	4,992	16,011

The Cash at bank figure includes £355k restricted funds that are held as a pension bond. These funds are held in a separate bank account and are not available as working capital for the company.

14 Creditors: amounts falling due within one year

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade payables	376	301	423	346
Accruals and deferred income	645	1,478	645	1,478
Rent and service charges paid in advance	848	842	848	842
Right to Buy sharing agreement (see below)	157	957	156	957
Amounts owed to subsidiary	-	-	237	184
Other creditors	449	190	427	170
Deferred capital grant (note 15b)	81	70	81	70
VAT creditor	-	5	-	5
Income Tax (PAYE) and National Insurance	143	125	77	72
Lease obligations	-	-	-	-
	2,699	3,968	2,895	4,124

The Right to Buy sharing agreement is part of the inventory transfer agreement and requires Teign Housing to pay a share of the proceeds from property sales to Teignbridge District Council.

15 Creditors: amounts falling due after more than one year

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loans (note 15a)	57,491	57,471	57,491	57,471
Loan Premium	3,597	3,711	3,597	3,711
Lease obligations	-	-	-	-
Deferred capital grant (note 15b)	7,230	6,824	7,230	6,824
Recycled Capital Grant Fund (note 15c)	43	43	43	43
Sinking Fund (Haldon)	23	32	23	32
	68,384	68,081	68,384	68,081

15a Bank loans

The Group and Association loans are repayable in the following periods:

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Fixed rate loans				
Within one year	-	-	-	-
2 to 5 years	-	-	-	-
In 5 years or more	57,491	57,471	57,491	57,471
Variable rate loans				
Within one year	-	-	-	-
2 to 5 years	-	-	-	-
In 5 years or more	-	-	-	-
	57,491	57,471	57,491	57,471

The £25m loan from GBSH and £33m loan from bLEND PLC, resulting in a total drawn debt of £58m. remain in place.

A revolving credit facility was put in place with Nationwide for £20m, for 5 years, which has since been extended to 7 years, so currently comes to an end in 2028 and this remains undrawn.

All loans are secured by specific charges on the Company's housing properties and are repayable at varying rates of finance costs, from 2.92% to 5.39%.

The average rates of finance costs on the loans outstanding at 31 March 2023 were:

Fixed rate loans 3.98% (2021-22: 3.98%)

At 31 March 2023, the Group and Association also had the following undrawn loan facilities:

	2023	2022
	£'000	£'000
Undrawn facilities (Barclays)	-	-
Undrawn facilities (Nationwide)	20,000	20,000
	20,000	20,000

15b Deferred capital grant

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
At start of the year	6,894	6,909	6,894	6,909
Received during the year	499	92	499	92
Grants recycled on disposals to RCGF	-	(37)	-	(37)
Released to income during the year	(83)	(70)	(83)	(70)
	7,311	6,894	7,311	6,894
Amount due to be released < 1 year	(81)	(70)	(81)	(70)
Amount due to be released > 1 year	7,230	6,824	7,230	6,824

The total accumulated government grant and financial assistance received or receivable at 31 March 2023 is £8,112k (2021-22: £7,569k), of which, £7,311k (2021-22: £6,894k) is included as deferred capital grant and £802k (2021-22: £720k) has been recognised as income through the Statement of Comprehensive Income to date.

15c Recycled capital grant fund

	Group	Group	Association	Association
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
At 1 April 2022	43	6	43	6
Inputs to RCGF:				
Grants recycled	-	37	-	37
At 31 March 2023	43	43	43	43
Due in more than one year	43	43	43	43
	43	43	43	43

All balances relate to Homes England.

16 Operating leases

The Group and Association no longer have any operating leases.

17 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2023, the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

18 Capital commitments

	2023	2022
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	15,431	18,405
Capital expenditure that has been authorised by the Board but has not yet been contracted for	4,270	2,990
	19,701	21,395

The company expects these commitments to be financed over the life of the committed development program over a period of 3 years with:

	2023	2022
	£'000	£'000
Proceeds from sale of shared ownership properties	1,746	1,947
Uncommitted loan facilities	17,955	19,448
	19,701	21,395

The revolving credit facility provided by Nationwide (£20,000,000) will fund £17,955,000 of committed expenditure.

19 Pensions Liability

Total Pensions Liability	2023	2022
	£'000	£'000
SHPS	574	572
LGPS	-	-
Total	574	572

(a) Social Housing Pension Scheme

During the year, the company participated in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK and is accounted for as such.

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

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

The scheme was closed to new members and on 31st March 2022 the company closed the scheme to the remaining two members.

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

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	2023	2022
	£'000	£'000
Fair value of plan assets	2,808	4,661
Present value of defined benefit obligation	(3,382)	(5,233)
(Deficit) in plan	(574)	(572)
Unrecognised surplus	-	-
Defined benefit (liability)	(574)	(572)

Reconciliation of opening and closing balances of the defined benefit obligation

	2023	2022
	£'000	£'000
Defined benefit obligation at start of period	5,234	5,362
Current service cost	-	28
Expenses	5	4
Interest expense	145	118
Member contributions	-	23
Actuarial (gains) losses due to scheme experience	(207)	315
Actuarial losses (gains) due to changes in demographic assumptions	(7)	(78)
Actuarial losses (gains) due to changes in financial assumptions	(1,723)	(477)
Benefits paid and expenses	(65)	(62)
Defined benefit obligation at end of period	3,382	5,233

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

	2023	2022
	£'000	£'000
Fair value of plan assets at start of period	4,662	4,094
Interest income	131	91
Experience on plan assets (excluding amounts included in interest income) - gain	(2,070)	398
Employer contributions	150	118
Member contributions	-	23
Benefits paid and expenses	(65)	(62)
Fair value of plan assets at end of period	<u>2,808</u>	<u>4,662</u>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was £1,939,000 (2022: £489,000).

Defined benefit costs recognised in statement of comprehensive income (SOCl)

	2023	2022
	£'000	£'000
Current service cost	-	28
Expenses	5	4
Net interest expense	14	27
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	<u>19</u>	<u>59</u>

Defined benefit costs recognised in other comprehensive income (OCI)

	2023	2022
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - gain	(2,070)	398
Experience gains and losses arising on the plan liabilities - gain (loss)	207	(316)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss) gain	7	78
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss) gain	1,723	477
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss) gain	(133)	637
Total amount recognised in Other Comprehensive Income - (loss) gain	<u>(133)</u>	<u>637</u>

Assets

	2023	2022
	£'000	£'000
Global Equity	52	894
Absolute Return	30	187
Distressed Opportunities	85	167
Credit Relative Value	106	155
Alternative Risk Premia	5	154
Fund of Hedge Funds	-	-
Emerging Markets Debt	15	136
Risk Sharing	207	153
Insurance-Linked Securities	71	109
Property	121	126
Infrastructure	321	332
Private Debt	125	119
Opportunistic Illiquid Credit	120	157
High Yield	10	40
Opportunistic Credit	-	17
Cash	20	16
Corporate Bond Fund	-	311
Liquid Credit	-	-
Long Lease Property	85	120
Secured Income	129	174
Liability Driven Investment	1,294	1,300
Currency Hedging	5	(18)
Net Current Assets	<u>7</u>	<u>13</u>
Total assets	<u>2,808</u>	<u>4,662</u>

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

Key assumptions

	2023	2022
	£'000	£'000
Discount Rate	4.84%	2.78%
Inflation (RPI)	3.17%	3.47%
Inflation (CPI)	2.79%	3.14%
Salary Growth	3.79%	4.14%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	2023	2022
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring in 2023 (2022)	21.0	21.1
Female retiring in 2023 (2022)	23.4	23.7
Male retiring in 2043 (2042)	22.2	22.4
Female retiring in 2043 (2042)	24.9	25.2

(b) Local Government Pension Scheme (LGPS)

The company withdrew from the LGPS on 31st March 2022, this triggered a cessation event and the liability of this, accounted for in 2021-22 was £1,178,000. This was the final settlement for all liabilities.

Principal Actuarial Assumptions

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

At 31 March 2022

Rate of increase in salaries	4.35%
Rate of increase for pensions in payment / inflation	3.35%
Discount rate for scheme liabilities	2.60%
Inflation assumption (CPI)	3.35%

The current mortality assumptions include sufficient allowance for future improvements in mortality

At 31 March 2022
Years

Retiring today	
Males	22.7
Females	24.0
Retiring in 20 years	
Males	24.0
Females	25.4

Analysis of the amount charged to operating expenditure in the Statement of Total

	2023 £'000	2022 £'000
Employer service cost (net of employee contributions)	-	(142)
Administration expenses	-	(5)
Total operating charge	-	(147)
Analysis of pension finance costs		
Net Interest on the defined liability	-	(9)
Amounts charged to financing costs	-	(9)
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Total loss / (profit)	-	156

	2023 £'000	2022 £'000
Return on Fund Assets	-	484
Change in financial assumptions	-	325
Change in demographic assumptions	-	-
Experience gain / (loss) on defined benefit obligation	-	(13)
Changes in effect of asset ceiling	-	-
Actuarial gain / (loss)	-	796

Movement in (deficit) during year	2023 £'000	2022 £'000
Deficit in scheme at 1 April	-	(511)
Movement in year:		
Employer service cost (net of employee contributions)	-	(142)
Employer contributions	-	35
Net interest/return on assets	-	475
Re-measurements	-	325
Change in demographic assumptions	-	-
Other actuarial gains	-	(13)
Administration expenses	-	(5)
Movement on Cessation	-	(1,342)
Deficit in scheme at 31 March	-	(1,178)

Asset and Liability Reconciliation	2023	2022
	£'000	£'000
Reconciliation of liabilities		
Liabilities at start of period	-	8,928
Service cost	-	68
Interest cost	-	171
Employee contributions	-	10
Re-measurements	-	(325)
Change in demographic assumptions	-	-
Experience gains on defined benefit obligation	-	13
Past Service costs including curtailments	-	74
Benefits paid	-	(301)
Movement on Cessation	-	1,302
Liabilities at end of period	<u>-</u>	<u>9,940</u>

Reconciliation of assets	2023	2022
	£'000	£'000
Assets at start of period	-	8,417
Return on plan assets less interest	-	484
Interest on Assets	-	162
Other actuarial gains	-	-
Administration expenses	-	(5)
Employer contributions	-	35
Employee contributions	-	10
Benefits paid	-	(301)
Movement on cessation	-	(40)
Assets at end of period	<u>-</u>	<u>8,762</u>

20 Related parties

Transactions with regulated and non-regulated elements of the business

The company provides management services, other services, and loans to its subsidiary.

The company also receives charges from its subsidiary for labour services provided for property maintenance and compliance.

Gift aid from the subsidiary is recognised at year end on receivable basis and is calculated based on the profit for the year end.

Payable to the company from non-regulated subsidiaries

	2023	2022
	£'000	£'000
Transactions with Templer HomeBuild Limited		
Gift aid distribution	69	57
Management & administration	49	38
Loan interest	16	11
Loan repayments received	800	800
	934	906

Payable to non-regulated subsidiaries from the company

	2023	2022
	£'000	£'000
Transactions with Templer HomeBuild Limited		
Property services provided	2,575	2,150
Loans to Subsidiary	800	800
	3,375	2,950

Statement of Financial Position balances between Parent and Subsidiary

	Creditors	Debtors
	£'000	£'000
Teign Housing	167	965
Templer HomeBuild	475	167
	643	1132

Balances held in respect of the Parent/Subsidiary relationship are eliminated on consolidation.

21 Consolidated structure and investment

On 17 October 2005 Teign Development Limited was formed as a wholly owned subsidiary of Teign Housing. Teign Development Limited changed its name to Templer HomeBuild Limited on 11 April 2017 and commenced trading on the 1 July 2017. The principal activity of Templer HomeBuild is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale. Templer HomeBuild profit for the year was £69,000 (2021-22: £57,000) and had net assets of nil (2021-22: nil).

22 Low cost home ownership – buyback liability

Teign Housing has two low cost home ownership properties that have mandatory buy back clauses, this means that in the event of the owner being unable to sell their property we are obliged to purchase their share. These will be noted as contingent liabilities in the accounts. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event.

10 Lonsee Gardens

Sale date – 23rd November 2010

Share percentage bought – 35%

Price of percentage bought - £53,235

Original 100% market value as stated in the Lease - £152,100

The property/shares were transferred to a new shared owner on 21st November 2013.

The 100% market value on 21st November 2013 was £145,000

12 Lonsee Gardens

Sale date – 1st October 2010

Share percentage bought – 25%

Price of percentage bought - £37,537.50

Original 100% market value as stated in the Lease – £150,150

23 Change in Net Debt

Group

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	16,373	(11,054)	-	5,319
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(57,471)	-	(20)	(57,491)
	(41,098)	(11,054)	(20)	(52,172)

Association

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	16,011	(11,019)	-	4,992
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(57,471)	-	(20)	(57,491)
	(41,460)	(11,019)	(20)	(52,499)

24 Discontinuation of Teigncare Service

Due to the future investment required Teign Housing will no longer be providing the Teigncare alarm service to private individuals. The service will be acquired and operated by Appello Careline Ltd from 3rd April 2023.

Detailed below are the figures included in the 2023 accounts that relate to the Teigncare service.

	Group 2023 £'000
Turnover	187
Operating Expenses	(145)
Operating Margin	42
Cost	
At 31 March 2023	191
Depreciation & Impairment	
At 31 March 2023	(174)
Net book Value	
At 31 March 2023	17

TEIGN HOUSING

England & Wales - Charity number 1112196

Accounts



Teign Housing

Report and financial statements

Reporting date 31 March 2022

Registered company number 04619035

Registered charity number 1112196

Regulator of Social Housing

registration number LH4403

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Teign Housing – company information

Board of Management

Non-Executive Directors

Board Meeting Attendance (5 meetings)

Andrew Jones (Chair of Board)	5
Angie Edwards-Jones (Chair of Audit)	4
Maureen Robinson	5
James O'Dwyer (Retired 04/11/2021)	2
Mary Bennell (Resigned 12/05/2021)	0
Stephen Cook	4
Stuart Davies	5
Stephen Higginson (Appointed 29/07/2021)	4
Joanna Davoile (Appointed 04/11/2021)	1

Executive Director

Jo Reece (Chief Executive)	5

Auditors

External Auditor

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

Internal Auditor

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

Solicitors

Housing Management

Capsticks Solicitors LLP
1 George Street
London
SW19 4DR

Human Resources

Tozers
Southernhay West
Exeter
EX1 1UA

Governance and Development

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

Bankers and Funders

The Housing Finance Corporation

3rd Floor
17 St Swithin's Lane
London
EC4N 8AL

GB Social Housing

Future Business Centre
Cambridge
CB4 2HY

Barclays

PO Box 1015
3 Windsor Place
Cardiff
CF10 3ZL

Nationwide Building Society

Public Sector Team
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Company Secretary

Helen Hilditch

Registered Office

Millwood House
Collett Way
Newton Abbot
Devon
TQ12 4PH

Strategic Report

The Directors present their Strategic Report incorporating the Value for Money Statement for the year ending 31 March 2022.

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

Overview of the Business

Teign Housing is a registered charity, a company limited by guarantee, and is registered with the Regulator of Social Housing. Our focus is on the core activity of the company which is the provision of low cost rented accommodation. The organisation has a wholly owned subsidiary, Templer HomeBuild Limited. Its purpose is to provide property maintenance and construction services to the Social Housing sector. Consolidated accounts for the Group are also reported along with those of Teign Housing, the parent organisation.

Vision

We dedicate ourselves to providing good quality homes and tailored housing support. Working with our diverse customers and trusted partners we provide effective services that bring long term benefits to all. We are sustainable in a fast-changing environment and reinvest our surpluses to grow our communities.

Values

Respectful

We treat people with empathy, respect diversity and provide quality customer service. We appreciate the relationships we build, and with our customers, contractors, and partners, we are proud to be *Team Teign*.

Resourceful

We maximise our resources through innovation and by using our money in efficient ways. We look for opportunities to expand our business by building new homes and creating and growing valuable services. We recognise our role in supporting the local economy.

Ethical

We value our responsibility as a charity providing homes and services for those who need them and as an employer. We are an organisation with heart and strive to offer an empowering workplace and the personal service our communities want.

Governance

The Articles stipulate that there are up to 10 Board Members consisting of 7 non-executive and up to 3 executive members. The Board currently consists of 6 non-executive members and 1 executive member. The members of the Board are legally the directors of the company and the Board is Teign Housing's governing body.

The Board adopted the National Housing Federation (NHF) 2020 Code of Governance on 1 April 2021. The Board is committed to and complies with the standards in the Code however this year there has been two exceptions. The new Code states that the maximum tenure will normally be up to six consecutive years and may be extended to a maximum of nine years, where the Board agrees it is in the organisation's best interest. One member reached 9 years of service on 7 September 2021; however, this member did not retire until the Board meeting in November 2021. In addition, there is another member due to retire at the AGM in 2022. However, Teign no longer hold AGMs and the Board have agreed a retirement date of November 2022.

We aim to recruit Board members 6 months ahead of any vacancy. They join the Board as unpaid co-optees and are trained and inducted during this period before being formally appointed to the Board. Further training is carried out throughout their term of office. We conduct triennial pay benchmarking for all staff and Board posts and benchmark any vacancies for advertising. We have a schedule of standing orders and financial regulations which set out delegated authorities from the Board to its committees and the senior management team.

The Board is supported in its governance by two committees:

- Audit Committee
- Remuneration Committee

The key governing documents are the Articles, the Standing Orders, and the Financial Regulations, with a range of policies that guide the operational activities of the company.

All Board members are paid a fee for their services. Payments during the year were:

Andrew Jones	Chair of Board	£8,330
Angie Edwards-Jones	Chair of Audit	£4,640
James O'Dwyer	Board Member (Retired 04/11/2021)	£1,922
Maureen Robinson	Board Member and Chair of Templer HomeBuild	£5,658
Mary Bennell	Board Member (resigned 12/05/2021)	£ 366
Stephen Cook	Board Member	£3,306
Stuart Davies	Board Member	£3,327
Steve Higginson	Board Member (Appointed 29/07/2021)	£2,869
Joanna Davoile	Board Member (Appointed 04/11/2021)	£1,305
Colin McDonald	Independent Audit Committee Member (Appointed 22/02/2022)	£ 179

For the year ending 31 March 2022 the Board met on 5 occasions. There was 90% attendance at Board meetings.

Public Benefit Entity

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. Teign Housing also pays due regard to the guidance published by the Charity Commission on public benefit.

We provide homes for rent at lower than market prices; homes designated for older people with additional needs and shared ownership properties. For our tenants and the wider community, we provide a personal alarm and home visit service under the brand Teigncare and through our commitment to building new homes we are helping to address the shortage of good quality affordable housing.

Financial Performance

Teign Housing Group has made a deficit after tax for the year of £1,661,000 (2020-21: surplus £3,471,000). Full details of our financial results can be found on pages 36 – 77. The deficit for the current financial year is wholly attributable to £4,219,000 paid to Barclays in June 2021 in order to break the loan agreement that we had with them and allow refinancing to proceed with longer term debt at more favourable rates.

Financial performance is monitored through the annual budget, which is set by the Board. The annual budget is based on the business plan and the Board receives a report, at each meeting, assessing the company's performance against the budget.

Operational Performance

The current 3-year corporate plan was agreed by Board in March 2021. The Board have established a range of key performance indicators to assess the company's performance in relation to the corporate plan objectives. The Board monitors quarterly through the Balanced Scorecard, Financial Framework, and the Development Report.

Further details of our operational performance including value for money can be found on pages 12 – 28.

Business Plan

The 30-year Business Plan reflects the strategic direction of the company and its future aspirations. The focus for the coming years will be to continue to maintain the housing stock to an appropriate level, deliver further new homes and manage services. The Business Plan has been thoroughly stress tested and the key risks to the organisation identified and appropriate mitigation arrangements are in place.

Treasury Management

During 2021-22 the refinancing process, which begun in 2020-21, was concluded. From 18 April 2021 there was a new revolving credit facility (RCF) in place with the Nationwide (£20m) which replaced the previous facility with Barclays (£13.5m). During quarter one of 2021-22, new funding was sourced from The Housing Finance Corporation (THFC) via their bLEND product. The transition took place on 23 April 2021 when the pricing was secured. Security was put in place on 28 June 2021 and the loan of £33m was drawn and the remaining £21.5m of Barclays debt was repaid, resulting in a cost of £4.219m of break costs to terminate the Barclays loan agreement.

At 31 March 2022 Teign Housing was funded by a £33m bond with The Housing Finance Corporation and a £25m bond with GB Social Housing and had a loan balance of £57.5m (2020-21: £46.9m) and an undrawn revolving credit facility of £20m (2020-21: £13.5m). The funding agreements contain three financial covenants. Due to the high value of the break costs incurred within the year, there is a covenant breach as at 31 March 2022, however, this has been agreed and fully signed off by our Board and our funders and is accepted as a one off occurrence.

Finance costs on loans were £2.411m (2020-21: £2.583m) which equates to an average rate of 3.9% (2020-21: 4.22%). Finance costs of £190,000 were capitalised during the year (2020-21: £164,000). At 31 March 2022 Templer HomeBuild had loan balance with Teign Housing of £400,000 (2020-21: £400,000). This loan is drawn for a period of 6 months, being repaid to the parent and redrawn by the subsidiary in June and December each year. There was £18.4m of capital committed to the development programme which was in contract at 31 March 2022 (2020-21: £8.358m) and there was a cash and cash equivalents balance of £16.373m (2020-21: £11.421m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

Reserves Policy

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives and provide the new homes and services that the reserves are intended to support, whilst managing the risks associated with long term expenditure plans.

A budget is set each year along with a 30 year business plan including a forecast for reserves, allowing the company to achieve these objectives. This is monitored throughout the year and is reported quarterly through the management accounts to the Board.

The level held in the income and expenditure reserve at 31 March 2022 was £64,397,000 (2020-21 £66,145,000) and in the revaluation reserves £31,929,000 (2020-21 £30,409,000).

Unrestricted reserves excluding tangible fixed assets net of grant were £-78,729,000 at 31 March 2022 (2020-21 £-70,490,000) and can only be released by disposing of tangible fixed assets.

Property Sales

During the year 17 properties were sold (2020-21: 23 properties) of which 1 property was under the Right to Acquire scheme (2020-21: 1 property) and 10 properties were under the Right to Buy scheme (2020-21: 11 properties). Teign Housing received proceeds of £1,892,000 of which £1,178,000 were from right to buy sales (2020-21: £1,043,100). Under the terms of the transfer agreement, £759,000 (2020-21: £796,000) of the right to buy sale proceeds were paid to Teignbridge District Council and the remainder was retained by Teign Housing in recognition of future income foregone and this will be invested in future development.

Staff

The average number of employees for the year ending 31 March 2022 was 155 (2020-21: 149 employees). The Board recognises the contribution made by all staff and is committed to the continued development of its staff. During the year, the company spent £131,000 on staff training and development (2020-21: £98,000).

Development

During 2021-22 we entered into new contracts with a total value of £15,595,000 to purchase 5 section 106 schemes that will deliver 79 rented and 34 shared ownership homes. We also entered a build contract to deliver 8 rented homes on land that we own in Widecombe in the Moor.

We were successful in bidding on 2 further section 106 schemes, which are proceeding to contract. These schemes will deliver a total of 17 rented and 9 shared ownership properties.

	Social Rental Units	Low Cost Home Ownership	Total Units
Under construction 31/03/2021	36	14	50
Started in the year	85	37	122
Completed in the year	31	14	45
Under construction 31/03/2022	90	37	127

45 new affordable homes were completed in 2021-22. This was less than anticipated because of delays associated with the COVID-19 pandemic.

We currently have contractual agreements to develop 77 homes over the next 12 months and 83 homes in 2023-24.

Future Direction

To achieve the Corporate Vision and Values, we focus on the core of our business and the Board has committed to the following strategic aims:

- Excellent Services – We will deliver high quality services to all our customers and partners. We will provide considerate customer services, empowering housing services and effective repairs.
- Quality Homes – We will invest in new and existing homes by maintaining high standards of repairs and improvements to our current homes and develop new homes to meet the needs of the local people.
- Sustainable Business – We will strengthen our business by continually improving our governance, increasing the value of our work, seeking ways of joint working with our partners, and investing in our staff.

Performance against these aims is monitored as part of a three-year Corporate Plan for 2021 to 2024.

We are committed to maintaining our financial performance and our delivery of good homes and customer services. We achieve this by focusing on maintaining our operational performance, maximising our income, and effectively driving down costs.

To support our strategic aims we have several strategies in place. The neighbourhood services strategy gives the direction to provide excellent services and the ageing well strategy to focus on our older customers.

The asset management strategy focuses on the quality of our homes and ensures that they are of a good standard and maintained appropriately. The development strategy sets out the aspirations for future development, along with the business plan which currently has capacity for 403 homes over the next 5 years. The regeneration strategy sets out plans for longer term regeneration and £455,000 has been included in the business plan for 2022-23 with £450,000 included in each of the following years for the life of the plan.

The carbon reduction strategy sets out plans for the business to reduce its carbon footprint and the first stage of this is to invest in homes which have a lower energy performance rating. In order to meet the government's target of all homes having a minimum EPC (energy performance certificate) rating of C by 2035, in 2022-23 the business plan makes provision for £406,000 of investment in our homes to improve their energy performance rating and for the following 6 years £500,000 is included for this purpose, each year.

To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. We were re-accredited as Investors in People Platinum in 2020, we have a robust training and development policy and work life balance policy and in 2021-22 we introduced an agile working policy. The VFM strategy sets out how we continually seek to improve quality and performance and, where possible, reduce costs and create efficiencies.

Risk Management

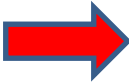
We recognise that risks happen and in order to thrive and achieve our objectives we need to take a managed degree of risk.

We have a risk framework in place which manages our risks, closely monitors them, and ensures that the way we manage them is appropriate to the reward and opportunities they will deliver. We operate in a constant changing environment and our risk owners review their risk each month to ensure that they are still appropriate.

Any changes to our strategic risks are reported to our Audit Committee and Board on a quarterly basis. We support this with an assurance programme monitoring our performance via our scorecard, a robust internal audit programme and by undertaking internal assurance reviews into business processes. Our resident led scrutiny panel undertakes reviews of our service areas from a resident perspective and any identified areas for improvement are fed directly back to our Board.

During the year, our Board considered several emerging risks including the impact of the wider geopolitical landscape, changes to the Shared Ownership programme, the availability and cost of materials for repairs and maintenance and the long-term impact of COVID-19.

Our top risks during the year were:

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
COVID-19		A global pandemic: impact on our staff, our services, and our stakeholders	Throughout the pandemic we have followed government guidance to ensure our plans protect our staff, our residents, and our business. We maintained our COVID-19 Communications team to ensure that our residents and staff were fully informed of our plans throughout the pandemic. Our recovery team met fortnightly throughout the lockdowns and continues to meet monthly to monitor our services.
Service unable to deal with the increasing complexity of vulnerable people		This risk reflects the impact of dealing with third parties (statutory & voluntary sector) who are finding resources stretched and finding cases more challenging. This has the potential to affect the delivery of our Housing services. With more pressure on support agencies, we find ourselves supporting residents and households with more complex needs.	Our Housing strategy delivers a Housing management service equipped to manage more complex cases. We have an established Head Start service which is structured to assist people through the start of their tenancy and then a Tenancy Sustainment service in place to support throughout the life of the tenancy.
Welfare reform has adverse impact on customers, arrears, and tenancy turnover		The impact of COVID19 saw a sharp increase in residents transferring onto Universal Credit	We have a well-established rents team who know our client base and proactively engage with them. We redirected resources to ensure we had ability to advise and support residents.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Rental income is less than forecast		Rental income provides us with the resources to deliver our services and to provide new homes. The increasing number of people affected by COVID19 could have affected the amount of rent we were receiving.	We closely monitor our rent collection performance. We have a well-established rents team, and a team of head start advisors who have a good relationship with our residents, and we were able to provide support at this difficult time.
Planned surplus from sales of home ownership properties or asset disposals is not achieved.		Uncertainty over the home ownership market as a result of COVID19. Potential delays in the delivery of new homes available.	Our business plan was reviewed regularly throughout the pandemic. We followed Government guidance and resumed work on our new builds as soon as it was safe to do so.
Loss of key staff, high turnover and / or inability to recruit to key roles		The inability to predict how COVID19 would affect staffing levels. We aim to retain and develop our staff	Our recovery team met regularly to ensure continuity of service. We have reviewed succession planning across the organisation. We delivered more training to our leadership team.
Failure to manage property assets appropriately		This risk encompasses both our aims to meet environmental targets and also maintain high levels of service throughout the pandemic.	We undertake regular stock condition surveys, and we maintain high levels of Health & Safety compliance. This year the Board approved our carbon reduction Strategy.
Failure to meet consumer regulatory standards		This is linked to our overall governance and our aim of putting our customer first.	This year our Board approved our new Complaints Policy & Procedure. We have a Resolutions Manager dedicated to helping residents resolve any complaints and dissatisfaction. During the next twelve months we will see the roll -out of our new resident involvement platform which will help us better understand our tenants and their views.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to demonstrate effective governance in setting and operating an appropriate strategic direction		We have a number of Board members reaching the end of their term and wanted to ensure that maintain a high level of skill, experience and expertise at Board level whilst being representative of our residents	We began our Board recruitment exercise early to ensure that we had smooth handovers.

Value for Money Statement

The Value for Money (VfM) strategy was approved by the Board in July 2021 and reflects both the value for money standard issued by the regulator in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation and these are presented below.

		Group		Association		Budget FY22	Target FY21	Sector Metrics
		2021/22	2020/21	2021/22	2020/21	2022/23	2021/22	2020/21
Metric 1	Reinvestment %	7.4%	5.7%	7.4%	5.7%	8.8%	6.3%	5.68%
Metric 2	A New supply delivered SH %	1.1%	1.2%	1.1%	1.2%	2.2%	1.1%	1.01%
	B New supply delivered NSH %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%
Metric 3	Gearing %	28.1%	25.2%	28.1%	25.4%	36.2%	34.3%	44.65%
Metric 4	EBITDA MRI Interest Cover %	156.7%	186.6%	155.9%	186.6%	166.6%	90.7%	147.2%
Metric 5	Social housing cost per unit £	£ 4,023	£ 3,709	£ 4,023	£ 3,700	£ 4,300	£ 4,140	£ 3,486
Metric 6	A Operating margin SH %	20.0%	28.6%	19.7%	28.0%	26.0%	18.6%	28.94%
	B Operating margin overall %	21.8%	28.7%	21.6%	28.7%	24.7%	26.1%	29.8%
Metric 7	ROCE %	2.6%	4.0%	2.6%	4.0%	3.1%	2.3%	3.9%

The group's metrics presented above compare favourably against the sector average in some areas, but less favourably in others.

The group's re-investment of 7.4% has increased from last year and the sector, however development had been delayed slightly due to the effects of the pandemic still being felt at the start of the year and issues with the supply of some materials. The latest sector metrics relate to 2020-21 and as such it is difficult to compare with this benchmark as it does not reflect the include delays that other Housing Associations may have experienced. Even with the initial delays, the development programme has performed well with significant investment into new properties and capital improvements. In 2021-22 we bid on 50 schemes and were successful in securing 5 schemes with a total of 62 homes.

We have a strong development pipeline through both the purchase of section 106 schemes and smaller land led developments, both within the Teignbridge District and further afield in neighbouring authority areas. Because of this we are seeing a forecast increase in re-investment from the 7.4% achieved this year to a budgeted 8.8% next year.

New supply delivered is a calculation based on units completed in 2021-22. We have achieved the 1.1% target of new supply through delivering 45 units. We are just above the sector average on this metric.

New supply is forecasted to increase by a further 83 units in 2022-23 including 50 affordable rent, 1 social rent and 32 shared ownership properties. We will continue to seek new opportunities to achieve our development aspirations and have capacity to deliver 403 homes over the next 5 years. This capacity has increased slightly from 400 homes in the previous business plan and continues to be made possible the through refinancing and increase in our loan facilities completed in April 2021.

Gearing has increased from 2020-21, this is due to the refinancing and increased loan facilities. At 28.1%, this is well below the sector average and gives us scope to increase this.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) has reduced as the operating surplus has decreased from 2020-21 by £1,920,000. This is due to increased operational expenditure across areas such as planned maintenance, regeneration, voids, independent living, and finance. The operating surplus did underachieve marginally against the budget. This is due largely to the costs incurred by the cessation event triggered by leaving the LGPS Pension Scheme. Interest Cover is forecast to recover next year and remain well within target as the cessation fees are a one-off event.

The social housing cost per unit has increased from £3,709 last year to £4,023 this year. This is due to an increase in the planned maintenance compliance spending, an improved void standard and major regeneration works continuing at Kingsway during 2021-22. Although an increase compared to the prior year, we had targeted a social housing cost per unit of £4,140. This £117 favourable variance highlights various underspends when compared against that budgeted for the year. These largely relate to previously mentioned underspends across planned maintenance compliance, regeneration, and internal fabric, in addition to various service costs, all of which have in part been impacted by the lockdowns during the year.

The operating margin has reduced from last year due to the pension cessation event of £1,178,000, however a reduction in operating surplus was anticipated with the drive to improve our service delivered to tenants. Increased expenditure on a significantly upgraded void standard and further regeneration are examples of this as well as increasing the frequency of compliance checks.

The return on capital employed has reduced, again, due to the reduced operating surplus compared to last year. This metric still exceeds target yet is below the sector average. It is forecasted to recover next year in the absence of the pension cessation event.

We continue to be committed to providing good levels of customer service in, what continues to be, a changing environment. Amplified by the impact of COVID-19 lockdowns, significant investment has again been made in 2021-22 into improving our digital services and this process is ongoing. This is in order to create a better, more effective service offered to tenants as well as to help reduce costs over the long term and generating efficiencies.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it in order to make informed choices about how resources are effectively channelled towards the delivery of services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality as well as stakeholder benefit, reasonable customer expectations, organisational benefits, and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan includes the delivery of 403 homes over the next 5 years.

The Board scrutinise financial and service delivery performance at each meeting, through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps being taken to deliver improvements.

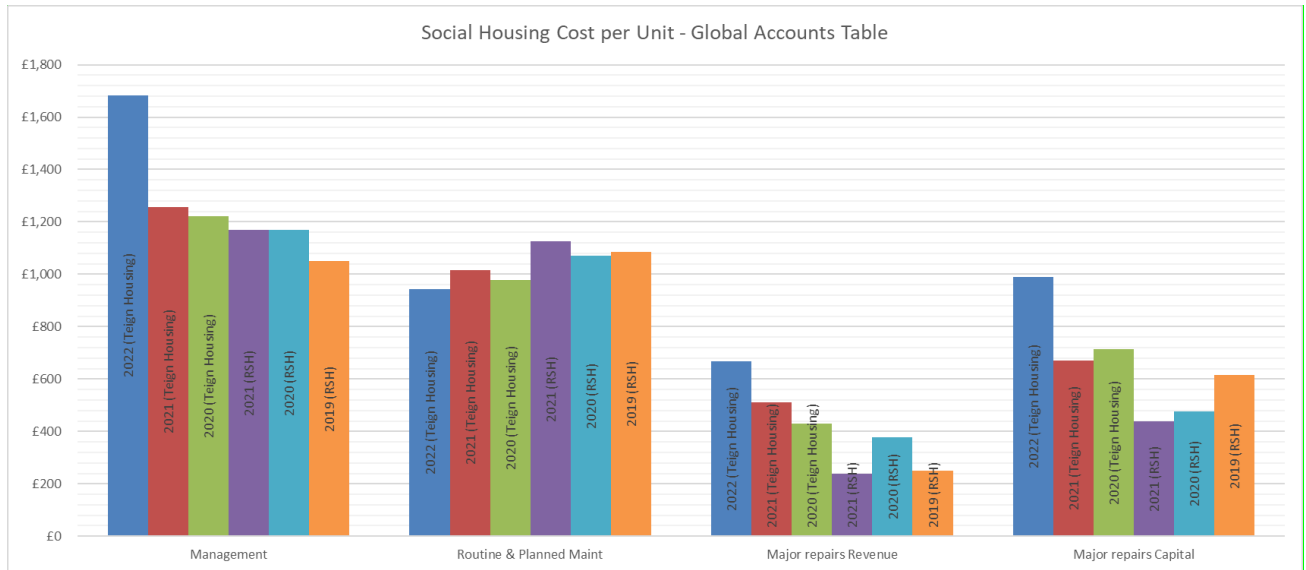
These include:

- Value for Money Metrics – details of value for money achievements
- The balanced scorecard including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly treasury report – details of cash flow performance, loans, investments, and forecasts
- Quarterly financial framework report - details of financial performance
- Annual report – report sent annually to our tenants
- Quarterly development report – progress of development schemes, comparison to business plan, development cash flows

An evaluation of our costs in comparison to the global accounts is presented below and the figures for Teign Housing have been re-stated in line with the current global accounts format. The latest figures available as a sector comparative are the year ending March 2021.

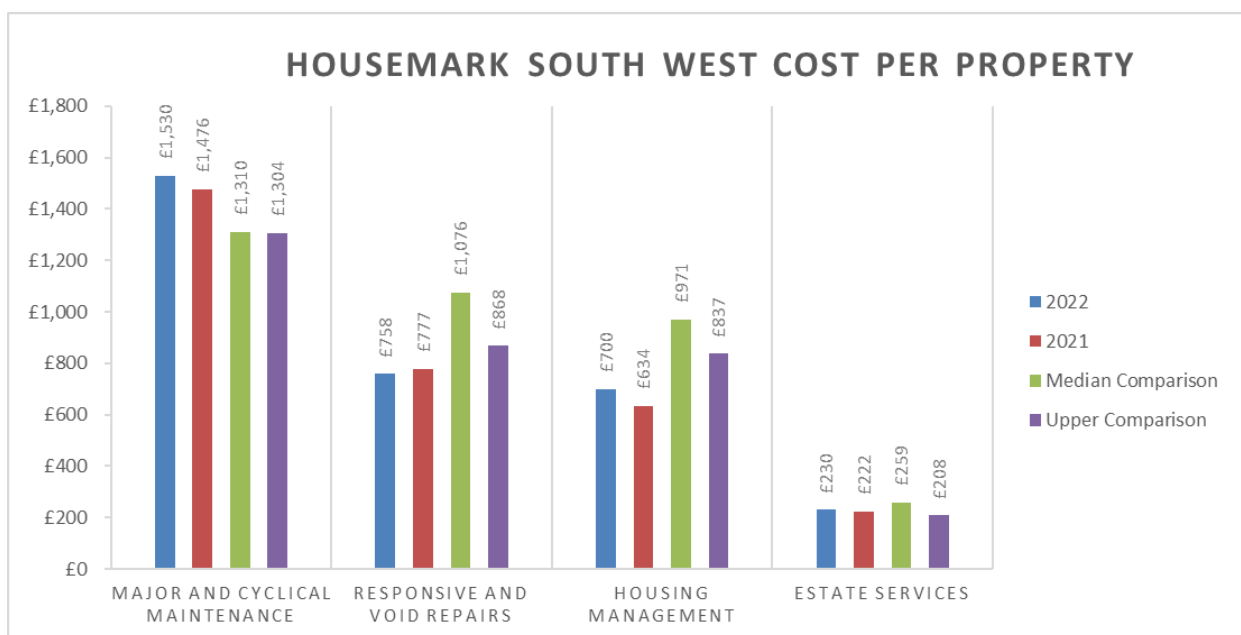
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2021-22 £	2020-21 £	2019-20 £	2021 £	2020 £	2019 £
<i>Expenditure – per Social Housing Property</i>						
Management	1,684	1,257	1,222	1,169	1,169	1,050
Routine & Planned Maintenance	942	1,017	978	1,125	1,072	1,086
Major repairs – Total	1,656	1,182	1,142	677	855	866
Major repairs – Revenue	666	512	429	240	378	251
Major repairs – Capital	990	670	713	438	477	615



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing	Teign Housing	Comparison Group	Comparison Group
			Median	Upper
	2021-22	2020-21	2019-20	2019-20
Department	£	£	£	£
Major and Cyclical Maintenance	1,530	1,476	1,310	1,304
Responsive and Void Repairs	758	777	1,076	868
Housing Management	700	634	971	837
Estate Services	230	222	259	208
No of Properties	3,743	3,714	3,235	1,187



As expected, these two comparisons against RSH global accounts and the Housemark South West Housing peer group show similar findings. The global accounts figures show costs per unit in 2021-22 were above that for 2020-21 by an average of 28% and the Housemark cost per property shows a 3.5% increase, with there being differences in how these are calculated.

Management cost per unit has seen a significant rise from last year and continues to be above the sector average. This is again due to the costs of the pension cessation event being included in the Global Accounts calculations.

Routine and Cyclical Maintenance have increased marginally from last year and are above the sector average but as the sector averages are relating to 2019-20 data this is to be expected as the pandemic situation has improved, and operations have begun to return to normal activity levels. Again, this finding is similar to the Housemark data. Teign's responsive and void costs have decreased slightly on last year and are well below that of the comparative. We continue to provide the improved void standard which was launched last year. The improved void standard included the provision of carpets in flats to help reduce noise levels, more electrical sockets being installed, painting the property throughout, tiling more areas in the kitchen and bathroom, and sometimes supplying white goods if the tenant is facing particular hardship. It was anticipated that by investing more initially and by providing a better quality property from the outset will help to preserve the standard of the property and reduce the repair and maintenance costs over the life of the tenancy and result in a lower turnover of tenants. It is very difficult to measure the success of this in the short term, but we are monitoring this and initial results appear favourable.

Major repairs, both capital and revenue remain above the RSH sector average. Both revenue and capital expenditure has increased over the last couple of years. Similar figures are shown in the Housemark data. The increased major revenue cost per unit is due to regeneration spend at the Kingsway blocks. Although this element of the spend is treated as a revenue cost, it relates to the project as a whole and therefore contributes to the longer-term improved stock quality. In addition to this there has been increased expenditure on compliance, including asbestos and health and safety works. It is important to spend in these areas, in part to avoid longer term more expensive non-conformance related costs and to keep our residents safe.

This year has seen an increase to capital major repairs cost per unit. There is some fluctuation in capital expenditure year on year due to the planning of the maintenance programme in order to make the most efficient use of resources and as we return to normal activity levels without social restrictions expenditure was anticipated to increase.

We will ensure that we maintain tight budgetary control going forward to provide optimum value to our tenants. We have a strong commitment to invest in our housing stock for the future and we maintain a 5 year rolling stock condition survey to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes; this has been reflected in the recent

Business Plan approved by the Board in May 2022. We continue to look for opportunities to invest in renewable energy solutions for both our new build and existing homes.

The carbon reduction strategy was approved by the Board in January 2022. This 3 year strategy will be predominantly about raising awareness, trials, and testing. In the first 2 years of the strategy our approach will be to test and trial existing and new technologies, the outcomes of which will provide us with a menu of agreed options that we can then begin to deploy across the stock from year 3. We will also explore how to use and access existing and future funding streams and working collaboratively with the ASW Procurement Consortium for long term support to develop our investment plans. This strategy commits us to progressively ensure all our homes have a positive impact on health and wellbeing and are affordable to run, with specific actions to continue to deliver investment in energy efficiency works. We will also try to ensure that new developments, where we have an influence, are designed to reduce climate impacts, and meet high standards of energy efficiency, by addressing energy consumption and generation. Our aims are to:

- Implement a 5 year plan of improvement works to bring all our homes to EPC Band C by 2030 to meet Government targets.
- Develop a menu of agreed options that sets out an action plan for investment in our homes and business that will help Teign Housing to be Carbon Neutral by 2050
- Reduce fuel poverty through energy advice enabling customers to save money and carbon
- Develop new highly energy efficient homes and retrofit our existing homes
- Provide opportunities for customer engagement
- Improved customer service and satisfaction through more energy efficient homes

Our aims are linked to the national legally-binding carbon reduction targets, alongside regional aspirations.

The Asset Management Strategy was reviewed and updated for a 12 month period and approved by the Board in April 2022. This provides us with further opportunity to consider in more detail the potential implications of Decent Homes 2 and to ensure that the investment implications of this can be reflected more fully. The strategy defines the Teign Standard which continues to be above the current Decent Homes Standard whilst we await the publication of Decent Homes 2 and allows us to proactively manage our planned maintenance programme to drive out maximum cost efficiency and value for money. When we dispose of properties that have been assessed as not suitable or unsustainable as affordable housing, the proceeds are used to support the development of new homes.

We continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable these are now included within the future development programme.
- Review key assets for potential opportunities.

- Assess the requirements and resources needed for progress towards EPC Band C by 2035 and Net Zero Carbon by 2050.
- Use the asset management software tool to improve knowledge of our housing stock, including neighbourhood mapping and allows us to model the various options to determine the future of the asset.

Below is an extract from the scorecard which presents the company's performance against targets set internally and against targets taken from Housemark data in for the year ended 31 March 2022. Areas have been selected which we believe represents current VFM significance.

Area	2021-22	2020-21	2019-20	Housemark 2020-21 Benchmark	Target 2021-22
Customer satisfaction					
Repairs	97.6%	96.1%	96.4%	-	95.0%
Standard of property at re-let	94.0%	91.0%	-	-	95.0%
Satisfaction with complaints process	95.0%	50.0%	71.0%	84.0%	75.0%
Rent collection & arrears					
Rent collection	100.1%	100.9%	99.6%	100.7%	100.0%
Rent arrears (% of annual debit)	2.3%	2.5%	2.9%	2.3%	3.2%
Void loss & turnaround					
Void losses	0.50%	0.38%	0.33%	0.55%	0.50%
Void turnaround time	22.6	25.5 days	20.5 days	24.08	25
Digital agenda					
Total number of tenant portal registrations	603	487	295	-	667
Inbound communication by Webchat	1.6%	7.7%	1.5%	-	-

Customer satisfaction with repairs has increased from last year by 1.5% and we continue to exceed our target for the year and against the Housemark average. This is the second year of collecting more data around satisfaction of the property at the point of re-let but we have seen an increase of 3% and are now just below our 95% satisfaction target. Satisfaction of the complaints process has increased to 95%. The number of complaints and respondents to this metric increased greatly over the past year, we believe this is predominantly due to the increased awareness by tenants of the new consumer standards. In order to provide greater satisfaction to tenants moving forward, a number of new steps have been taken. Continued investment has been put into the void standard in 2021-22, we therefore would expect for this to improve over time. We now have a resolutions manager to help manage the complaints process. With greater dedication in this area, and awareness across the organisation of everyone's role in providing a better service to our tenants, it is hoped that further investigation and analysis of complaints can lead to improving systems in place, ways of doing things and dealing with the root causes.

Rent collection decreased marginally however arrears reduced from the prior year. The current economic uncertainty and cost of living increases are beginning to be seen, it is expected that as these continue the rent collection rate will fall due to individuals struggling to pay bills. Although the government has introduced a number of policies to mitigate this, Teign has also provided a hardship fund in 2022-23 for those facing extreme financial difficulties. We will continue to monitor this area closely and look to ways that we can best support our tenants during this difficult time.

Void losses have increased marginally, however the void turnaround time has decreased. This has not yet returned to pre-pandemic levels, but we are below the sector benchmark for void losses.

Across the organisation we have a strong focus on VfM, and many departments have specific VfM targets. An updated VfM strategy was presented to the Board for approval in July 2021. In 2021-22 our VfM focus was on:

Digital

The opportunity to further enhance the digital offering to customers and staff continues to be a vital part of our approach to Value for Money into the future. Our Corporate plan has a digital focus and the Digital Strategy approved by the Board in March 2021 sets out our plans and ambitions for the following 3 years.

The periods of lock down, which forced people to work at home where possible has prompted us to evaluate the way that we work. In consultation with the employees, we have introduced an agile working policy which allows continued working from home as well as in our offices, to suit both the needs of the business and the individual employees. For this to be possible we have implemented new software including MS Teams and Office 365. We migrated our files and folders to SharePoint utilising more of our capabilities within our Microsoft 365 licencing fees. We extended the use of web chat to our Income Team enabling time savings for the Business Support Team and another option for our customers to communicate with us.

During the year we decommissioned our Intranet and replaced it with our SharePoint intranet site resulting in £5,000 saving on annual support and maintenance fees and providing an easier way of sharing information between employees.

We implemented digital document signing software called Signable to save our staff and customers time obtaining physical signatures and reducing the risk of error or fraud.

We integrated our Microsoft Teams with Templer HomeBuild to enable employees in both organisations to seamlessly communicate, enabling time savings across the group and migrated our email security to Office 365 from our on-premises solution resulting in £6,000 annual support & maintenance fees.

We decommissioned our email archiving system and moved this function into Office 365 which resulted in a £1,500 saving and by moving our mobile device management software to Microsoft Intune we save a further £7,000 in annual support & maintenance costs.

During the year there has been a focus on further developing the Civica Cx housing management system. We are heavily involved in the user group which drives forward product enhancements and are a flagship site for the software. This has allowed us to negotiate additional support and training days, free of charge in exchange for sharing our experiences with potential customers. We continue to see benefits such as improved accuracy of our data, communications and record keeping.

There continues to be a drive to enhance use of the CX tenant portal. Registrations has increased by 24% from last year.

Development

In March 2022 we signed up to a new consortium 'Affordable Homes South West' led by LiveWest. The consortium has signed up to grant agreement with Homes England and this will enable us to apply for development grant funding. Being part of the consortium demonstrates value for money as we pay a modest fee and the team at LiveWest administer our grant applications and liaise with Homes England on our behalf.

Improvement of skills and behaviours of staff

Teign Housing Academy is now in place with a new evaluation process. We have improved and increased our coaching offer and have 15 qualified coaches in place. We have agreed to move away from 3 yearly staff survey to 6-month internal staff surveys.

Welfare Reform

We continue to work with our customers to support them with issues surrounding Universal Credit. We have 3 Head Start Advisors who support our customers with issues such as Universal Credit claims and any grants that they may be entitled to. With a clear focus on tenancy sustainment, they consider affordability assessments and checks prior to sign up and then continue to monitor the tenant's payment behaviours during the first 12 months of their tenancy, offering additional support as and when required. This year we opened 112 support cases and have helped over 400 tenants and since the service started, we have supported our tenants in achieving over £71k this year of financial gains from charitable payments, discretionary housing benefit and employment support allowance.

Asset Management

Our continued use of Active Asset Management Sustainability software allows us to identify and to dispose of inappropriate and high value assets. During the year we identified an old cottage which was not proving efficient in terms of the rent received against the cost of maintaining it. This was placed on the market and was sold in March 2022.

Procurement

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and improves value for money for its members. In 2021-22 the savings delivered through the membership of this consortium total £186,660 which is an increase of 23.7% on last year's savings bringing the total savings since we joined in 2010 to £1,833,539 with a further £679,889 in RPI avoidance.

Templer HomeBuild

The wholly owned subsidiary, Templer HomeBuild continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on 'right first time' generating progressive efficiencies and cost savings. The VAT savings to be realised from Templer HomeBuild in 2021-22 were £399,800. The 2022-23 budget includes a further VAT saving of £413,017.

Voids

In 2021-22 we continue to see a rise in the number properties that are being returned to us in a poor state of repair or that need extensive clearance work. We recognise that some earlier intervention and some support for the tenants living in these properties may help to prevent these issues. We analyse the voids properties and their tenants on monthly basis to identify any trends or patterns in order to mitigate these issues.

We expected to see a significant increase in the costs of repairing our void properties due to the enhanced void standard that we are offering and whilst the number of voids was as expected we have seen a decline in the standard in which they have been returned. The new void standard which has been in place for 2 years resulted in an increase to the void cost per unit and a recent review of the standard found that where we have invested in providing properties to a better standard for customers and the trend information that indicated that voids costs are falling when properties become due for re-letting again showing that the investment will deliver better VfM over time.

Customers

The Business Support Team engaged in Call Quality and Monitoring Coaching to improve the way we interact with our customers.

Our Business Support Advisors are scored on set criteria centered around tone of voice and active listening. This process has increased baseline scores by an average of 20% per call handler thereby significantly improving our customers experience and, hopefully, improving their expectations of our service.

For a subscription costing £800 per year, we have introduced a noise application. This reduces the time spent by employees collating and gathering evidence of noise nuisance by at least 66%. The cloud-based system also builds a chronology of reports and evidence submitted by the complainant meaning

a further reduction in administration. We no longer sending paper copies of diary sheets improving our environmental footprint as well as cutting costs of postage, paper, and printing.

Homemaker South West support people with debt problems across the region. We have been working alongside them since 2019 at a cost of £17,000 since that time. They have supported our tenants to maximise their income with total gains of around £200,000. Some of this income supports tenants to ensure they are paying their rent which in-turn benefits the company. We see this as an efficient service, directly benefiting our tenants.

We have worked tenaciously, in partnership with THB, to achieve 100% compliance on gas and electrical safety testing this year, employing various different strategies, resulting in us not incurring legal costs.

During the year we have focused on visiting all residents in their homes bi-annually to ascertain if there are any property condition concerns. Referring residents to Templer HomeBuild for a property MOT during visits creates savings by grouping repairs together and identifying them early to avoid the issues escalating into higher cost repairs.

The introduction of agile working has allowed us to deliver a more efficient service whilst reducing our carbon footprint and cutting down travel time. This is demonstrated by the introduction of virtual property viewings, telephone sign ups and more communication with residents via other mediums such as WhatsApp.

Employees have also been using the drop-down zones, which are offices in the local areas to locate themselves on site in the community which they serve which saves time and money and makes them more accessible to our tenants.

We have moved the Remainder of our in house processed direct debits to a third party to process. This has reduced the processing time in house for the direct debits but more importantly offered a better service to customers with TeignCare alarms by offering over the phone setup, reduced mandate implementation time and also a greater variety of payment plans as we can amend schedules more easily.

Payment by direct debit take up is the highest it has ever been, and we will continue to have this as an objective for this coming year.as this is the cheapest way to collect rent.

Rents team have completed more DHP applications on behalf of tenants, which whilst initially it takes more time this does prove VFM when the applications are awarded as the debt is cleared quicker than us chasing a tenant for payment and the cost of the tenant making payments to us

A review of the lettings process in CX was due last year as per the road map however that has been postponed – the current system in CX doesn't provide VFM and this will be reviewed this year.

Independence and Wellbeing

The Independent Living service was overhauled with the new Independence and Wellbeing service and Teign were able to give an enhanced offer with no extra costs to our residents.

The new service is aimed at keeping people living independently longer as well as improving their quality of life – resulting, in time, in fewer hospital admissions/stays, less likelihood of them going into residential/nursing care etc. The residents get a regular visit to check on their welfare.

The team have achieved a great deal in their first 6 months, the new service has enabled the organisation of events in the community. The Winters Warmer campaign provided information as to how to reduce fuel consumption and understand benefit entitlements and avoiding fuel poverty.

The company provided a hot meal to residents every 2 weeks and took place in three of our community rooms. This will be continuing and has been renamed Spring Kitchen and will be also expanding into other community rooms in the area. The company was successful in being awarded funding from Western Power of £400 which was used to partially fund the scheme. There have also been craft sessions provided for tenants and look to further advance these in other community rooms. These all encourage the community to get together, aiming to build relationships and combat loneliness and improve wellbeing and have been very well received. The feedback has been positive about the new service, as to how this has made a difference to them, to have someone knock at their door on a regular basis is appreciated.

We have begun to capture the needs of our most vulnerable customers by setting goal plans and during the year 15% of customers living in our sheltered accommodation have received a plan since the new service began in September 2021.

ALRT (Assisted Lifting Response Team)

The company has begun to work in partnership with Torbay and South Devon NHS and Appello to offer this service. Customers who benefit from this service will get the Torbay ALRT team to attend to assist a non-injured faller with lifting. The team has specialist lifting equipment and training, meaning they can get customers up quickly and help advise on preventing further accidents.

It also means a shorter wait time than if they were waiting for an ambulance, as paramedics have to prioritise emergency cases over someone who is unable to get up, but unhurt.

This service has benefited 64 customers this year which has prevented them not waiting for the ambulance and then being admitted into hospital unnecessarily thus helping to reduce the time that emergency services attend to much higher priority cases.

Tenant Involvement

We continue to actively engage with our tenants and the wider community. We have a Resident Involvement Manager who co-ordinates this and helps us to gauge what it is that tenants' value and what they expect from us. We have a Tenants' Forum which during the year have met via Zoom every

6 weeks and in 2022-23 will have the option of joining meetings by zoom or in person. We continue to consult on changes to services and processes as well as tenant related policies, procedures, and strategies. We also have a Scrutiny Panel who undertake regular reviews of our services, from a tenant point of view and provide critical feedback and recommendations for service improvement. Thirdly, a tenant Service Board supports Teign Housing's strong ethos towards co-regulation and at their quarterly meetings they focus on areas in relation to the Regulator of Social Housing's Consumer Standards. These all help to keep Teign Housing connected with its tenants.

Refinancing

The project which began in 2019-20 was completed in June 2021. We incurred significant break costs of £4.219m, however both the new revolving credit facility (RCF) and the long term debt are at significantly lower interest rates and carry lower administration costs, meaning that we have borrowed an additional £18m with very little change in the costs. The covenants that are attached to these loans are also more favourable than the previous debt, as they do not require major repairs to be included in any interest cover calculations, which gives us greater financial capacity. The RCF was extended for another year in March 2022 at minimal cost. with the option to extend for one more year, until 2028 in March 2023.

Improve cash flow by increasing the collection of non-rent debt

We have made some modest investments in our credit control function in order to improve the performance and the collection rates, as well as providing a better quality service to our customers. During the year we reduced the non-rent debt by over 10%

Provide quality repairs

During the year there was 97.6% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

During the year there 99.3% of all repairs were resolved on the first visit

Work efficiently and respectfully in customers' homes

During the year there 100% of all planned work was completed on time

In 2022-23 as well as the projects above which will continue, our focus will also be on:

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

During the year we have collected feedback from residents and monitored communal areas where energy improvements have been made. We have set targets for properties to be improved to an EPC

C rating or above over the next 7 years and have now budget for this and it is included in the current business plan.

Improve skills and behaviours of staff

Through learning and development, we will continue to facilitate a culture of respect and exceptional customer service.

Further Improve our complaints process

The aim of the investment in a dedicated Resolutions Officer is for the organisation to be able to deliver a better service to our customers. We will further enhance our approach to complaints and co-develop processes with our customers. A new Complaints Policy has been implemented which directly mirrors the Ombudsman's recommendations. Full results are published quarterly to the Board and Tenants' Forum.

Ensure our property assets remain sustainable

We will start investment work on our less efficient properties with the aim that every home will reach a minimum of EPC band C by 2030. We will identify suitable void properties to invest in, to act as a pilot and monitor these to determine if they are less costly to maintain and reduce fuel bills for customers.

Develop more affordable homes

We aim to increase the scale of the development programme, whilst ensuring that homes remain affordable for people living in our local communities. This may be through the purchase of section 106 developments or through smaller land led schemes. We have a target of delivering 85 new homes in 2022-23. We continue to review our land and properties for redevelopment opportunities. Ultimately this will lead to an increase in rental income, which in turn can be re-invested in our existing stock or to build more new homes.

Reduce our carbon emissions and improve the environment and reduce the costs of living in our homes

We will strive to deliver the actions which have been set out in the Carbon Reduction strategy and we will create an action plan which will be frequently reviewed, given that the Government's carbon reduction agenda is constantly changing. We will set a target for reduction in carbon emissions and cost savings based on benchmark data collected in 2021-22 and re-run carbon footprint assessment to evaluate impact of measures on assets and costs. 83 properties currently at EPC band E to be brought up to band C in 2022-23.

Improve cash flow by increasing the collection of non-rent debt

We have recently developed a new process for rechargeable repairs, and we will be more proactive rather than reactive through the debt chasing process and we aim to increase the collection of not rent debt by a further 5%.

Remain Financially Strong

In 2022-23 our operating margin is budgeted to be 24.7%

Identify opportunities to improve health and wellbeing

During 2022-23 we aim to complete a goal plan for a further 40% of our sheltered customers, bring the total to 55%.

Improving the service to our customers

The repairs call handling service is currently managed by a third party and the service levels have not been acceptable over the past 12 months, so during 2022-23 this will be brought in house. This will give us more control over the service levels provided and will be delivered by staff who have a knowledge of our homes, customers and communities.

Engaging with our community

The neighbourhood team over the next year we will continue to focus on engaging with our communities over the digital platforms that we have available to us. We are also intending to train all of our frontline staff in mediation and develop a specialist inhouse mediator to save the cost of outsourcing this service.

Increase financial Capacity

There is the option to extend the RCF for one more year in March 2023 until 2028 and this will be considered and actioned if deemed VfM at the time.

Improve our complaints process

There is some additional work required to fully roll-out "Lessons Learned" and in 2022-23 we aim to achieve 85% resident satisfaction with the complaints process.

Ensure our residents are happy with their repairs

Next year we aim to exceed 96% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

Next year we aim to exceed 90% of repairs requiring only one visit.

Work efficiently and respectfully in customers' homes

Next year we plan to complete at least 96% of all planned works on time.

Health and Safety

A full audit of the company's health and safety practices, processes and procedures will be carried out during 2022-23. This will help us to identify anything that can be improved or made more efficient.

Digital

In 2022-23 we plan to introduce Civica Involve changing the way the company conducts surveys and consultations, consolidating them all in to one piece of software. This will mean all data is in one place and the results can easily be accessed by a wider number of employees and enable us to conduct more customer satisfaction surveys on a monthly basis by undertaking them online for those who have internet access. This will help to support the work that we are doing on the new Tenant satisfaction measures

The Consumer and the Social Housing White Paper

During 2022-23 two of the Heads of Service will be conducting training for the whole company on these subjects. If we were to use a consultant to do this the costs would be in excess of £6,000 and would not be as individual to Teign or as personal as our own staff members delivering the training. This is important information given the heightened importance now placed on the customer and the new standards which are being put in place.

All of this continues to allow us to have a strong business plan that can manage the impact of costs increases which have resulted from the strategic decisions made to improve the quality of our homes and services and to keep our customers safe. We also continue to deliver new homes and improve the overall capacity of the plan whilst still delivering the aims and aspirations of the company.

Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that the risks which threaten the achievement of the company's objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness, and takes any steps it considers necessary to maintain or improve their effectiveness.

Teign Housing's system of internal controls includes the measures set out below

Policy and strategy – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

Prevention and detection of fraud

The system of internal control includes measures designed to prevent or detect fraud.

The Board has established a policy on the prevention, detection and investigation of fraud which includes a whistle blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud which include but are not limited to:

- A Risk Management Framework
- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Authorisation controls
- Access controls
- Exception reports
- Financial Regulations

Board's assessment of assurance and internal control

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 30 June 2022. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.

The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2022 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 30 June 2022 and signed on its behalf by:



Andrew Jones

Chair of the Board

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Directors Report

The Directors present their report for the year ending 31 March 2022.

Directors

The directors who served the company during the year are shown on page 1.

Information for auditors

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

Statement of Compliance

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Statement of Directors Responsibilities

The directors are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period.

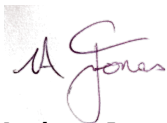
In preparing these financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial

position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Directors on 30 June 2022 and signed on its behalf by:



Andrew Jones
Chair of the Board

Independent Auditor's Report to the Members of Teign Housing

Opinion

We have audited the financial statements of Teign Housing (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2022 which comprise the Consolidated and parent Company Statement of Comprehensive Income, the Consolidated and parent Company Statement of Financial Position, the Consolidated and parent Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's income and expenditure and the parent Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the

parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 29, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Company, 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 Companies Act 2006, 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 2019, NHF Code of Governance 2020, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

St George's House

215-219 Chester Road

Manchester

M15 4JE

Date: 10 August 2022

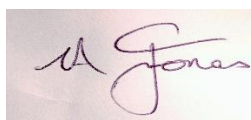
Statement of Comprehensive Income

	Note	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Turnover	2	20,479	19,864	20,567	19,820
Cost of sales	2	(994)	(632)	(994)	(632)
Operating expenditure	2	(15,467)	(13,525)	(15,566)	(13,493)
Gain on disposal of property, plant and equipment	2	225	262	225	262
Movement of investments property value	2	(10)	180	(10)	180
Operating surplus	2	4,233	6,149	4,222	6,137
Interest receivable	4	6	6	17	18
Interest and financing costs	5	(5,900)	(2,684)	(5,900)	(2,684)
(Deficit)/Surplus before tax		(1,661)	3,471	(1,661)	3,471
Taxation	7	-	-	-	-
(Deficit)/Surplus after tax		(1,661)	3,471	(1,661)	3,471
		(1,661)	3,471	(1,661)	3,471
Other Comprehensive Income					
SHPS - Actuarial gain/(loss) in respect of pension schemes	19	637	(850)	637	(850)
LGPS - Actuarial gain in respect of pension schemes	19	796	86	796	86
Total		1,433	(764)	1,433	(764)
Total comprehensive income for the year		(228)	2,707	(228)	2,707

The financial statements on pages 36 to 79 were approved and authorised for issue by the Board on 30 June 2022 and were signed on its behalf by:



Helen Hilditch
Company Secretary



Andrew Jones
Chair of the Board



Angela Edwards Jones
Director

The results relate wholly to continuing activities and the notes on pages 40 to 79 form an integral part of these accounts.

Statement of Financial Position

		Group	Restated Group	Association	Restated Association
		At	At	At	At
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible Assets	8	337	472	337	472
Tangible Assets	9	149,113	142,492	149,113	142,492
Investment Properties	10	570	580	570	580
		150,020	143,544	150,020	143,544
Current Assets					
Stock	11	788	743	788	743
Debtors due in less than one year	12	801	1,476	1,319	1,962
Debtors due in greater than one year		965	-	965	-
Cash and cash equivalents	13	16,373	11,421	16,011	11,195
		18,927	13,640	19,083	13,900
Less creditors: amounts falling due within one year	14	(3,968)	(5,046)	(4,124)	(5,306)
Net Current Assets		14,959	8,594	14,959	8,594
Total assets less current liabilities		164,979	152,138	164,979	152,138
Creditors: amounts falling due after more than one year	15	(68,081)	(53,805)	(68,081)	(53,805)
Provisions for Liabilities					
Pension Liability	19	(572)	(1,779)	(572)	(1,779)
Total Net Assets		96,326	96,554	96,326	96,554
Reserves					
Income and Expenditure reserve		64,397	64,507	64,397	64,507
Revaluation reserve		31,929	32,047	31,929	32,047
Total Reserves		96,326	96,554	96,326	96,554

These financial statements on pages 36 to 79 were approved and authorised for issue by the Board 30 June 2022 and were signed on its behalf by:



Helen Hilditch
Company Secretary



Andrew Jones
Chair of the Board



Angela Edwards-Jones
Director

The notes on pages 40 to 79 form an integral part of these accounts

Statement of Changes in Reserves

Group:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2020 restated	61,506	32,341	93,847
Surplus from Statement of Comprehensive Income	3,471	-	3,471
Actuarial (loss) relating to the year	(764)	-	(764)
Transfer from revaluation reserve to income and expenditure reserve restated	294	(294)	-
Balance at 31st March 2021 restated	64,507	32,047	96,554
Deficit from Statement of Comprehensive Income	(1,661)	-	(1,661)
Actuarial gain relating to the year	1,433	-	1,433
Transfer from income and expenditure reserve to revaluation reserve	118	(118)	-
Balance at 31st March 2022	64,397	31,929	96,326

Association:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2020 restated	61,506	32,341	93,847
Surplus from Statement of Comprehensive Income	3,471	-	3,471
Actuarial (loss) relating to the year	(764)	-	(764)
Transfer from revaluation reserve to income and expenditure reserve restated	294	(294)	-
Balance at 31st March 2021 restated	64,507	32,047	96,554
Deficit from Statement of Comprehensive Income	(1,661)	-	(1,661)
Actuarial gain relating to the year	1,433	-	1,433
Transfer from income and expenditure reserve to revaluation reserve	118	(118)	-
Balance at 31st March 2022	64,397	31,929	96,326

The notes on pages 40 to 79 form an integral part of these accounts

Consolidated Statement of Cash Flows

	Group 2022 £'000	Group 2021 £'000
Cash flows from operating activities		
(Deficit)/Surplus for the year after tax	(1,661)	3,471
Adjustments for investing or financing activities		
(Gain) on sale of fixed assets	(225)	(262)
Interest receivable	(6)	(6)
Interest and financing costs	5,900	2,684
	5,669	2,416
Adjustments for non-cash items:		
Depreciation	2,566	2,162
Impairment of Fixed assets	-	-
Government grant utilised in the year	(70)	(74)
(Decrease)/Increase in stock	(45)	180
Decrease/(Increase) in Investment properties	10	(180)
(Increase)/Decrease in trade and other debtors	(290)	277
(Increase)/Decrease in trade and other creditors	(1,064)	1,252
Pension costs less contributions payable	25	(88)
	1,132	3,529
Net cash generated from operating activities	5,141	9,416
Cash flow from investing activities		
Capital expenditure on housing properties	(9,523)	(7,119)
Net proceeds on sale of housing properties	1,003	980
Purchase of other fixed assets and intangible assets	(116)	(252)
Government grant received	92	278
Interest received	6	6
Net cash used in investing activities	(8,538)	(6,107)
Cashflow from financing activities		
Interest paid	(2,355)	(3,245)
Loan Break Fees	(4,219)	-
Interest element of finance lease rental payment	-	-
Loans received	36,423	-
Loans repaid	(21,500)	-
Net cash used in financing activities	8,349	(3,245)
Net change in cash and cash equivalents	4,952	64
Cash and cash equivalents at beginning of year	11,421	11,357
Cash and cash equivalents at year end	16,373	11,421

The notes on pages 40 to 79 form an integral part of these accounts.

Notes to the financial statements

Legal Status

Teign Housing is a company limited by guarantee incorporated in England and Wales under the Companies Act 2006, it is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Millwood House, Collett Way, Newton Abbot, Devon TQ12 4PH.

1 Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers (2018). The Group is required under the Companies Act (Group Accounts) Regulations 2006 to prepare consolidated Group accounts.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The financial statements have been prepared in compliance with FRS102. The financial statements are prepared on the historical cost basis of accounting as modified by the valuation of the transferred rented housing stock to deemed cost on transition to FRS 102 and are presented in £000's. Investment properties are included in the financial statements at valuation.

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Group financial statements consolidate the financial statements of Teign Housing (the parent) and its subsidiary undertaking Templer HomeBuild for the year ended 31 March 2022.

Parent company disclosure exemptions

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

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Teign Housing and entities controlled by the Group (its subsidiary). Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany transactions and balances between group entities are eliminated in full upon consolidation.

Going Concern

The company's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The impact of the Covid-19 pandemic continues to be monitored and the company has adapted to various new ways of working. The future budget and business plans have been constructed with this in mind and no significant concerns were noted.

The business plan was stress tested and assessed for any imminent or likely future breach in borrowing covenants. No significant concerns have been noted, we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

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

- a. Development expenditure.** The company capitalises development expenditure when the Board approve the agreement for contract. 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. Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the company has considered if the asset is held for social benefit or to earn commercial rentals.
- c. Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as

technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d. Pension and other post-employment benefits. The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

e. Impairment of non-financial 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.

A review of void losses in the year has been carried out and no properties have been identified as impaired.

A review of the schemes in development has been carried out and no properties have been identified as impaired.

Following the assessment of impairment, no impairment losses were identified in the reporting period.

f. Provision for bad debts. A provision is made for bad debts based on the age of the debt. The rates of the provision increase from 10% for debts over 13 weeks to 50% for debts over 52 weeks. Former tenant arrears are provided for at 100%.

g. Valuation of investment properties. Investment properties are included at the fair value each year and a professional revaluation has been undertaken. The revaluation has shown an increase in the market value of £28k. However, we have converted one property into office use by Teign Housing, this has resulted in a reduction of £38k, giving an overall decrease of £10k from the value held in the accounts at 31 March 2021. This decreased value has been reflected in the value of the fixed assets and the reserves balance.

Turnover and revenue recognition

Turnover comprises primarily of rental income receivable from tenants and leaseholders. The following items are also included within the Turnover figure:

- other services supplied excluding VAT,
- Income from property sales, including Shared Ownership and tenants exercising their “Right to Buy” their home
- Amortised capital grant

Income is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accruals basis. The company operates variable service charges on a scheme by scheme basis in full consultation with residents.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Capitalised Interest

Interest on our development schemes is capitalised from the point the Board approves the project and the company begins to incur development costs.

Categorisation of Debt

The Group's debt has been treated as “basic” in accordance with paragraphs 11.8 and 11.9 of FRS 102.

Corporation Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Value Added Tax

The company charges VAT on some of its income and can 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 company and not recoverable.

Intangible Assets

Intangible assets are for IT software. They are stated at cost less accumulated depreciation. The useful economic life is 3 to 5 years.

Tangible Assets

Properties for social rent transferred from the Local Authority are stated at deemed cost less accumulated depreciation, all other properties and tangible fixed assets are stated at historic cost less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e., local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties, on practical completion of construction. Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period. Staff costs and overheads directly attributable to bringing housing properties into working condition for their intended use are capitalised.

Freehold land is not depreciated.

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

The company depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELS for identified components are as follows:

Structure	100 Years
Cornish Units	50 Years
Kitchens	20 Years
Bathrooms	30 Years

Wiring	30 Years
Heating/boilers	15 Years
Windows and Doors	30 Years
Pitched Roof	70 Years
Flat Roof	20 Years
Disabled adaptations	10 Years

Low Cost Home Ownership

The costs of low-cost home ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets. Interest on loans used to finance the development of new housing properties is capitalised during the construction period.

Finance Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term, this is generally equivalent to the original cost of the assets. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and finance cost elements and the finance costs are charged to the Statement of Comprehensive Income.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Leased assets are depreciated over the life of the lease if this is shorter than their useful economic life. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their useful economic lives as follows:

IT equipment	3 to 5 years
Leasehold Improvements	5 to 10 years
Office premises	90 years
Office fixtures and fittings	3 to 5 years
Teigncare Alarm Equipment	3 to 10 years
Motor Vehicles	4 years
Electrical works	40 years
New technology	15 years
Gas installations	25 years

Investment Property

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

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Social Housing Grant (SHG)

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 (excluding land), under the accruals model.

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

SHG must be recycled by the company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of transferred social housing properties and their historical cost carrying value, where deemed cost transitional relief was taken.

2 Turnover, cost of sales, operating expenditure, and operating surplus

Group	Turnover	Cost of sales	Operating expenditure	2022 Operating surplus	Turnover	Cost of sales	Operating expenditure	2021 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	18,505	-	(14,962)	3,543	18,063	-	(12,906)	5,157
Other social housing activities								
Teigncare alarm services	193	-	(176)	17	203	-	(154)	49
Other services	177	-	(189)	(12)	300	-	(320)	(20)
First tranche low cost home ownership sales	1,251	(994)	-	257	955	(632)	-	323
Activities other than social housing								
Other activities (note 2b)	353	-	(140)	213	343	-	(145)	198
Total	20,479	(994)	(15,467)	4,018	19,864	(632)	(13,525)	5,707
Gain on disposal of property, plant and equipment (note 2c)				225				262
(Decrease)/Increase in value of investment properties				(10)				180
Operating surplus				4,233				6,149

2 Turnover, cost of sales, operating expenditure, and operating surplus cont'd.

Association	Turnover	Cost of sales	Operating expenditure	2022 Operating surplus	Turnover	Cost of sales	Operating expenditure	2021 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	18,506	-	(15,073)	3,433	18,063	-	(13,002)	5,061
Other social housing activities								
Teigncare alarm services	193	-	(176)	17	204	-	(154)	50
Other services	208	-	(177)	31	214	-	(192)	22
First tranche low cost home ownership sales	1,251	(994)	-	257	955	(632)	-	323
Activities other than social housing								
Other activities (note 2b)	409	-	(140)	269	384	-	(145)	239
Total	20,567	(994)	(15,566)	4,007	19,820	(632)	(13,493)	5,695
Gain on disposal of property, plant and equipment (note 2c)				225				262
(Decrease)/Increase in value of investment properties				(10)				180
Operating surplus				4,222				6,137

2a Income and expenditure from social housing lettings

Group	General needs £'000	Housing for older people £'000	Low cost home ownership £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
Income						
Rent receivable, net of identifiable service charge and voids	12,413	4,270	398	9	17,090	16,677
Service charge income	427	592	16	52	1,087	1,025
Amortised government grants	70	-	-	-	70	74
Furlough income	-	-	-	-	-	29
Other income from social housing lettings	103	154	-	1	258	258
Turnover from social housing lettings	13,013	5,016	414	62	18,505	18,063
Operating expenditure						
Management	(4,282)	(1,931)	(15)	(24)	(6,252)	(4,672)
Service charge costs	(283)	(187)	(5)	(20)	(495)	(561)
Routine maintenance	(1,978)	(780)	(44)	(99)	(2,901)	(2,946)
Planned maintenance	(365)	(123)	(18)	(13)	(519)	(758)
Major repairs expenditure	(1,643)	(659)	(48)	(94)	(2,444)	(1,877)
Bad debts	(33)	(9)	-	(1)	(43)	(33)
Depreciation of housing properties	(1,427)	(552)	(57)	(112)	(2,148)	(1,926)
Amortisation	(107)	(41)	(4)	(8)	(160)	(133)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(10,118)	(4,282)	(191)	(371)	(14,962)	(12,906)
Operating surplus on social housing lettings	2,895	734	223	(309)	3,543	5,157
Void losses	(58)	(28)	-	-	(86)	(85)

2a Income and expenditure from social housing lettings cont'd.

Association	General needs	Housing for older people	Low cost home ownership	Other	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	12,413	4,270	398	9	17,090	16,677
Service charge income	427	592	16	52	1,087	1,025
Amortised government grants	70	-	-	-	70	74
Furlough income	-	-	-	-	-	29
Other income from social housing lettings	103	154	-	1	259	258
Turnover from social housing lettings	13,013	5,016	415	62	18,506	18,063
Operating expenditure						
Management	(4,282)	(1,931)	(15)	(24)	(6,252)	(4,670)
Service charge costs	(284)	(187)	(5)	(20)	(496)	(561)
Routine maintenance	(2,025)	(798)	(45)	(102)	(2,970)	(3,010)
Planned maintenance	(372)	(126)	(18)	(14)	(530)	(767)
Major repairs expenditure	(1,669)	(662)	(48)	(95)	(2,474)	(1,902)
Bad debts	(33)	(9)	-	(1)	(43)	(33)
Depreciation of housing properties	(1,427)	(552)	(57)	(112)	(2,148)	(1,926)
Amortisation	(107)	(41)	(4)	(8)	(160)	(133)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(10,199)	(4,306)	(192)	(376)	(15,073)	(13,002)
Operating surplus on social housing lettings	2,812	710	222	(314)	3,430	5,061
Void losses	(58)	(28)	-	-	(86)	(85)

2b Turnover from activities other than social housing

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Garage lettings	311	299	311	299
Commercial property lettings	42	44	42	44
Gift Aid Donation	-	-	57	41
	353	344	410	384

2c Gain on disposal of assets

Group and Association	Right to Buy Sales	Low Cost Home Ownership	Open Market Sales	Other Disposals	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Proceeds of sales	1,178	703	200	(189)	1,892	1,814
Less: Costs of sales	(371)	(457)	(34)	-	(862)	(757)
Amount payable to Teignbridge District Council	(759)	-	(46)	-	(805)	(796)
Gain/(Loss)	48	246	120	(189)	225	262

3 Directors' emoluments, key management personnel & employee information

	2022 £'000	2021 £'000
The aggregate emoluments paid to or receivable by non-executive Directors and former Directors	32	33
The aggregate emoluments paid to or receivable by executive Directors and former Directors	141	136
	173	169
The emoluments paid to the highest paid Director excluding pension contributions	133	129
The aggregate amount of Directors or past Directors' pensions, excluding amounts payable under a property funded pension scheme	-	-

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
The number of full time equivalent staff whose remuneration payable fell within bands of:				
£60,000 to £69,999	-	2	-	2
£70,000 to £79,999	4	3	3	2
£80,000 to £89,999	1	-	1	-
£90,000 to £99,999	-	-	-	-
£100,000 to £109,999	-	-	-	-
£110,000 to £119,999	-	-	-	-
£120,000 to £129,999	-	-	-	-
£130,000 to £139,999	-	1	-	1
£140,000 to £149,999	1	-	1	-

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a final salary scheme funded by annual contributions by the employee, and the employer. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £7,742 (2020/21: £7,627) was paid in addition to the personal contributions of the Chief Executive. Directors (key management personnel) are defined as the members of the Board and the Chief Executive.

Employee information

	Group	Group	Association	Association
	2022	2021	2022	2021
The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:				
Office staff	92	88	80	77
Wardens, caretakers and cleaners	17	16	17	16
Maintenance staff	46	45	-	-
	155	149	97	93

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Staff costs (for the above employees)				
Wages and salaries	4,847	4,566	3,070	2,895
Social Security costs	457	441	283	265
Other Pension costs	298	268	249	221
LGPS Cessation Costs	1,178	-	1,178	
Non Executive Director Wages and salaries	33	33	33	33
	6,813	5,308	4,813	3,414

4 Finance income and other income

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank finance income	6	6	6	6
Interest received from Group entities	-	-	11	12
	6	6	17	18

5 Finance costs and similar charges

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Lease finance costs	5	6	5	6
Interest payable to Group entities	-	-	-	-
On loans repayable within 5 years	-	-	-	-
On loans wholly or partly repayable in more than five years	2,397	2,158	2,397	2,158
FRS 102 fair value adjustment	(584)	18	(584)	18
Costs associated with financing	15	643	15	643
Refinancing break away costs	4,219	-	4,219	-
Net interest on the defined liability	37	23	37	23
Less finance costs capitalised on housing properties under construction	(190)	(164)	(190)	(164)
Other interest charges	1	-	1	-
Charged to income and expenditure account	5,900	2,684	5,900	2,684

6 Surplus on ordinary activities before taxation

Is stated after charging/(crediting)	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Depreciation of housing properties	2,271	1,926	2,271	1,926
Depreciation of other fixed assets	121	103	121	103
Amortisation of intangible fixed assets	161	133	161	133
Operating lease rentals (land and buildings)	-	-	-	-
Operating lease rentals (other)	-	-	-	-
Auditors remuneration (excluding VAT)				
- Audit of the Group financial statements	22	26	22	26
- Audit of subsidiaries	2	1	-	-
- Other service	-	3	-	2
Amortisation of government grant	(70)	(74)	(70)	(74)

7 Taxation on surplus on ordinary activities

Teign Housing is a registered charity. Charitable activities of the Company are exempt from United Kingdom Corporation Tax.

Analysis of charge/(credit) for the year	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Current tax				
UK corporation tax at 19% (2020/21: 19%)	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Total current tax charge/(credit)	-	-	-	-
Deferred tax				
Total deferred tax charge/(credit)	-	-	-	-
Tax on surplus on ordinary activities	-	-	-	-
Reconciliation of tax charge				
Deficit on ordinary activities before taxation	(1,661)	3,471	(1,661)	3,471
Tax on surplus at standard corporation tax rate of 19% (2020/21: 19%)	(316)	659	(316)	659
Effects of:				
Non-taxable surplus on charitable activities	316	(659)	316	(659)
Expenses not deductible for tax purposes	-	-	-	-
Non trade charges utilised in period	-	-	-	-
Tax charge/(credit) for the year	-	-	-	-

8 Intangible assets – IT software

	2022
	£'000
Cost	
At 1st April 2021	1,003
Additions	26
Disposals	-
At 31st March 2022	1,029
Amortisation	
At 1st April 2021	(531)
Charge for year	(161)
Disposals	-
At 31st March 2022	(692)
Net book value	
At 31st March 2022	337
At 1st April 2021	472

Of the £337,000 NBV, £281,000 relates to the Housing Management Software.

9 Tangible fixed assets

	Social Housing Properties for Letting Completed £'000	Social Housing Properties for Letting Under Construction £'000	Low Cost Home Ownership Properties Completed £'000	Low Cost Home Ownership Properties Under Construction £'000	Total Housing Properties £'000	Land £'000	IT Equipment £'000	Office £'000	Supported Housing Equipment £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Total Fixed Assets £'000
Cost												
At 1st April 2021	138,133	4,898	8,771	721	152,523	65	283	1,176	222	268	102	154,639
Additions	5,150	3,292	(1,047)	3,312	10,707	-	57	-	12	17	23	10,816
AUC Transfers	2,443	(2,443)	1,915	(1,915)	-	-	-	-	-	-	-	-
Transfer to Current Assets	-	-	-	(994)	(994)	-	-	-	-	-	-	(994)
Disposals	(661)	-	(321)	-	(982)	-	(141)	-	-	-	(18)	(1,141)
At 31st March 2022	145,065	5,747	9,318	1,124	161,254	65	199	1,176	234	285	107	163,320
Depreciation & Impairment												
At 1st April 2021	(11,040)	(139)	(256)	-	(11,435)	-	(179)	(107)	(173)	(192)	(61)	(12,147)
Charge for the year	(2,215)	-	(67)	-	(2,282)	-	(46)	(15)	(26)	(16)	(19)	(2,404)
Disposals	186	-	17	-	203	-	123	-	-	-	18	344
At 31st March 2022	(13,069)	(139)	(306)	-	(13,514)	-	(102)	(122)	(199)	(208)	(62)	(14,207)
Net book Value												
At 31st March 2022	131,997	5,608	9,012	1,124	147,740	65	97	1,054	35	77	45	149,113
At 1st April 2021	127,093	4,759	8,515	721	141,088	65	104	1,069	49	76	41	142,492

9 Tangible fixed assets cont'd

Number of units owned and managed

Group and Association

Social Housing Accommodation	Opening Balance	Started in Year	Completed in Year	Closing Balance
Under development				
General needs housing	33	85	28	90
<i>Social Rent</i>	8	30	10	28
<i>Affordable Rent</i>	25	55	18	62
Supported housing and housing for older people	3	-	3	-
Low cost home ownership	14	37	14	37
	50	122	45	127
	Opening Balance	Completed in Year	Disposed in Year	Closing Balance
Under management at end of year				
General needs housing	2,613	28	11	2,630
<i>Social Rent</i>	2,382	10	11	2,381
<i>Affordable Rent</i>	231	18	-	249
Supported housing and housing for older people	996	3	-	999
Low cost home ownership	105	14	5	114
	3,714	45	16	3,743
	3,764			3,870
Social Housing Accommodation				
Managed for others at end of year	29	3	-	32
	29			32

The value of property additions includes £190,000 of capitalised finance costs (2020-21: £164,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £1,252,000 (2020-21: £1,063,000). The average rate of finance costs is 4.06% (2020-21: 4.22%).

Housing properties were valued by Jones Lang LaSalle in accordance with Royal Institute of Chartered Surveyors procedures. Properties valued annually for funding commitments at 31 March 2022 equated to £50.6m (1,113 properties), there were 418 properties valued on 14th April 2021 equating to £24.7m and 754 properties valued on 17th June 2021 with a value of £73m.

There are 1,458 properties that have not been valued for funding commitments.

The total expenditure on repairs and maintenance to existing properties in the year was £8,979,020 (2020-21: £8,152,000). Of this £3,025,404 was capitalised under the SORP 2018 (2020-21: £2,488,000).

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2022 was £34,561,400 (2020-21: £34,391,400).

10 Investment properties held for letting

Group and Association	2022 £'000
Cost	
At 1st April 2021	580
Additions	-
Reclassification of use	(38)
Gain from adjustment in value	28
At 31st March 2022	570

Investment properties were re-valued at 31 March 2022 by Jones Lang Lasalle, professionally qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Global Standards. These properties were part of the original stock transfer from Teignbridge District Council and transferred with a nil value. The shops have been valued on the basis of Market Value. During the year, one shop was converted into an office for the use by Teign Housing, which resulted in a reduction of £37,500 in Investment properties.

11 Stock

Group and Association	2022 £'000	2021 £'000
Properties held for sale		
Low cost home ownership properties		
Completed	95	58
Under construction	693	685
	788 	743

There are 37 low cost home ownership properties under construction and 2 properties completed and available for sale at 31 March 2022.

12 Trade and other debtors

Amounts falling due in less than one year

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Arrears of rent and service charges	579	617	579	617
Provision for bad and doubtful debts	(304)	(318)	(304)	(318)
	275	299	275	299
Prepayments and accrued income	239	977	354	1,074
Other trade receivables	287	200	290	189
Amounts owed by subsidiary undertakings	-	-	400	400
Amounts due in less than one year	801	1,476	1,319	1,962

Amounts falling due in greater than one year

	Group	Group	Association	Association
	2022	2021	2,022	2021
	£'000	£'000	£'000	£'000
THFC loan interest paid in advance	965	-	965	-
Amounts due in greater than one year	965	-	965	-

13 Cash and cash equivalents

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Short term deposits	1,013	1,012	1,013	1,012
Cash at bank	15,360	10,409	14,998	10,183
	16,373	11,421	16,011	11,195

The Cash at bank figure includes £355k restricted funds that are held as a pension bond. These funds are held in a separate bank account and are not available as working capital for the company.

14 Creditors: amounts falling due within one year

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade payables	301	1,149	346	1,178
Accruals and deferred income	1,478	1,134	1,478	1,132
Rent and service charges paid in advance	842	806	842	806
Right to Buy sharing agreement (see below)	957	796	957	796
Amounts owed to subsidiary	-	-	184	289
Other creditors	190	930	170	914
Deferred capital grant (note 15b)	70	76	70	76
VAT creditor	5	6	5	6
Income Tax (PAYE) and National Insurance	125	111	72	71
Lease obligations	-	38	-	38
	3,968	5,046	4,124	5,306

The Right to Buy sharing agreement is part of the inventory transfer agreement and requires Teign Housing to pay a share of the proceeds from property sales to Teignbridge District Council.

15 Creditors: amounts falling due after more than one year

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans (note 15a)	57,471	46,942	57,471	46,942
Loan Premium	3,711	-	3,711	-
Lease obligations	-	-	-	-
Deferred capital grant (note 15b)	6,824	6,833	6,824	6,833
Recycled Capital Grant Fund (note 15c)	43	6	43	6
Sinking Fund (Haldon)	32	24	32	24
	68,081	53,805	68,081	53,805

15a Bank loans

The Group and Association loans are repayable in the following periods:

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Fixed rate loans				
Within one year	-	-	-	-
2 to 5 years	-	-	-	-
In 5 years or more	57,471	39,942	57,471	39,942
Variable rate loans				
Within one year	-	-	-	-
2 to 5 years	-	3,500	-	3,500
In 5 years or more	-	3,500	-	3,500
	57,471	46,942	57,471	46,942

The refinancing process concluded in quarter one of 2021-22. £21.5m of Barclays debt was repaid and the revolving credit facility, of £13.5m which was undrawn was rescinded.

The £25m loan from GBSH remains in place.

A £33m loan from bLEND PLC was drawn down in June, with a 33 year term, resulting in a total drawn debt of £58m.

A revolving credit facility was put in place with Nationwide for £20m, for 5 years, which has since been extended to 6 years, so currently comes to an end in 2027 and this remains undrawn.

All loans are secured by specific charges on the Company's housing properties and are repayable at varying rates of finance costs, from 2.92% to 5.39%.

The average rates of finance costs on the loans outstanding at 31 March 2022 were:

Fixed rate loans 3.98% (2020-221: 6.21%)

At 31 March, the Group and Association also had the following undrawn loan facilities:

	2022	2021
	£'000	£'000
Undrawn facilities (Barclays)	-	13,500
Undrawn facilities (Nationwide)	20,000	-
	20,000	13,500

The Barclays Revolving Credit facility (£13.5m) was rescinded in April 2021 and was replaced with a £20m Revolving credit facility with the Nationwide which remains undrawn.

15b Deferred capital grant

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At start of the year	6,909	6,710	6,909	6,710
Received during the year	92	278	92	278
Grants recycled on disposals to RCGF	(37)	(5)	(37)	(5)
Released to income during the year	(70)	(74)	(70)	(74)
	6,894	6,909	6,894	6,909
Amount due to be released < 1 year	(70)	(76)	(70)	(76)
Amount due to be released > 1 year	6,824	6,833	6,824	6,833

The total accumulated government grant and financial assistance received or receivable at 31 March 2022 is £7,569k (2020-21: £7,558k), of which, £6,894k (2020-21: £6,909k) is included as deferred capital grant and £720k (2020-21: £649k) has been recognised as income through the Statement of Comprehensive Income to date.

15c Recycled capital grant fund

	Group	Group	Association	Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At 1 April 2021	6	1	6	1
Inputs to RCGF:				
Grants recycled	37	5	37	5
At 31 March 2022	43	6	43	6
Due in more than one year	43	6	43	6
	43	6	43	6

All balances relate to Homes England.

16 Operating leases

The Group and Association no longer have any operating leases.

17 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2022, the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

18 Capital commitments

	2022	2021
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	18,405	8,358
Capital expenditure that has been authorised by the Board but has not yet been contracted for	2,990	13,525
	21,395	21,883

The company expects these commitments to be financed over the life of the committed development program over a period of 3 years with:

	2022	2021
	£'000	£'000
Proceeds from sale of shared ownership properties	1,947	2,460
Uncommitted loan facilities	19,448	19,423
	21,395	21,883

The new revolving credit facility provided by Nationwide (£20,000,000), which was secured on 18 April 2021, will fund the £19,448,000 of committed development expenditure.

19 Pensions Liability

Total Pensions Liability	2022	2021
	£'000	£'000
SHPS	572	1,268
LGPS	-	511
Total	572	1,779

(a) Social Housing Pension Scheme

During the year, the company participated in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK and is accounted for as such.

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

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

The scheme was closed to new members and on 31st March 2022 the company closed the scheme to the remaining two members.

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

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	2022	2021
	£'000	£'000
Fair value of plan assets	4,661	4,094
Present value of defined benefit obligation	(5,233)	(5,362)
(Deficit) in plan	(572)	(1,268)
Unrecognised surplus	-	-
Defined benefit (liability)	(572)	(1,268)

Reconciliation of opening and closing balances of the defined benefit obligation

	2022	2021
	£'000	£'000
Defined benefit obligation at start of period	5,362	4,026
Current service cost	28	20
Expenses	4	5
Interest expense	118	95
Member contributions	23	38
Actuarial (gains) losses due to scheme experience	315	(82)
Actuarial losses (gains) due to changes in demographic assumptions	(78)	19
Actuarial losses (gains) due to changes in financial assumptions	(477)	1,303
Benefits paid and expenses	(62)	(62)
Defined benefit obligation at end of period	5,233	5,362

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

	2022	2021
	£'000	£'000
Fair value of plan assets at start of period	4,094	3,504
Interest income	91	84
Experience on plan assets (excluding amounts included in interest income) - gain	398	390
Employer contributions	118	140
Member contributions	23	38
Benefits paid and expenses	(62)	(62)
Fair value of plan assets at end of period	4,662	4,094

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £489,000 (2021: £474,000).

Defined benefit costs recognised in statement of comprehensive income (SOCl)

	2022	2021
	£'000	£'000
Current service cost	28	20
Expenses	4	5
Net interest expense	27	11
Defined benefit costs recognised in Statement of Comprehensive Income (SoCl)	59	36

Defined benefit costs recognised in other comprehensive income (OCI)

	2022	2021
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - gain	398	390
Experience gains and losses arising on the plan liabilities - gain (loss)	(316)	82
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss) gain	78	(19)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss) gain	477	(1,303)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss) gain	637	(850)
Total amount recognised in Other Comprehensive Income - (loss) gain	637	(850)

Assets

	2022	2021
	£'000	£'000
Global Equity	894	653
Absolute Return	187	226
Distressed Opportunities	167	118
Credit Relative Value	155	129
Alternative Risk Premia	154	154
Fund of Hedge Funds	-	-
Emerging Markets Debt	136	165
Risk Sharing	153	149
Insurance-Linked Securities	109	98
Property	126	85
Infrastructure	332	273
Private Debt	119	98
Opportunistic Illiquid Credit	157	104
High Yield	40	123
Opportunistic Credit	17	112
Cash	16	-
Corporate Bond Fund	311	242
Liquid Credit	-	49
Long Lease Property	120	80
Secured Income	174	170
Liability Driven Investment	1,300	1,041
Currency Hedging	(18)	-
Net Current Assets	13	25
Total assets	<u>4,662</u>	<u>4,094</u>

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

Key assumptions

	2022	2021
	£'000	£'000
Discount Rate	2.78%	2.21%
Inflation (RPI)	3.47%	3.22%
Inflation (CPI)	3.14%	2.87%
Salary Growth	4.14%	3.87%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	2022	2021
	Life	Life
	expectancy	expectancy at
	at age 65	age 65
	(Years)	(Years)
Male retiring in 2022 (2021)	21.1	21.6
Female retiring in 2022 (2021)	23.7	23.5
Male retiring in 2042 (2041)	22.4	22.9
Female retiring in 2042 (2041)	25.2	25.1

(b) Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Devon County Council. The total contributions made for the year ended 31 March 2022 were £53,514, of which employer's contributions totalled £43,284 and employees' contributions totalled £10,281.

The company withdrew from the LGPS on 31st March 2022, this triggered a cessation event and the liability of this, accounted for in 2021-22 is £1,178,000. This is the final settlement for all liabilities.

Principal Actuarial Assumptions

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

	At 31 March 2022	At 31 March 2021
Rate of increase in salaries	4.35%	3.90%
Rate of increase for pensions in payment / inflation	3.35%	2.90%
Discount rate for scheme liabilities	2.60%	1.95%
Inflation assumption (CPI)	3.35%	2.90%

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

	At 31 March 2022 Years	At 31 March 2021 Years
Retiring today		
Males	22.7	22.6
Females	24.0	23.9
Retiring in 20 years		
Males	24.0	24.0
Females	25.4	25.4

Analysis of the amount charged to operating expenditure in the Statement of Total Comprehensive Income

	2022	2021
	£'000	£'000
Employer service cost (net of employee contributions)	(142)	(62)
Administration expenses	(5)	(5)
Total operating charge	(147)	(67)
Analysis of pension finance costs		
Net Interest on the defined liability	(9)	(12)
Amounts charged to financing costs	(9)	(12)
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Total loss / (profit)	156	79

	2022	2021
	£'000	£'000
Return on Fund Assets	484	1,570
Change in financial assumptions	325	(1,662)
Change in demographic assumptions	-	79
Experience gain / (loss) on defined benefit obligation	(13)	99
Changes in effect of asset ceiling	-	-
Actuarial gain / (loss)	796	86

Cessation event disclosure

	2022
	£'000
Active members	1,779
Deferred members	1,256
Pensioners	6,905
Total	9,940
Assets	8,762
(Deficit)	(1,178)

Movement in (deficit) during year

	2022	2021
	£'000	£'000
Deficit in scheme at 1 April	(511)	(558)
Movement in year:		
Employer service cost (net of employee contributions)	(142)	(62)
Employer contributions	35	40
Net interest/return on assets	475	1,558
Re-measurements	325	(1,662)
Change in demographic assumptions	-	79
Other actuarial gains	(13)	99
Administration expenses	(5)	(5)
Movement on Cessation	(1,342)	-
Deficit in scheme at 31 March	<u>(1,178)</u>	<u>(511)</u>

Asset and Liability Reconciliation

	2022	2021
	£'000	£'000
Reconciliation of liabilities		
Liabilities at start of period	8,928	7,439
Service cost	68	62
Interest cost	171	172
Employee contributions	10	12
Re-measurements	(325)	1,662
Change in demographic assumptions	-	(79)
Experience gains on defined benefit obligation	13	(99)
Past Service costs including curtailments	74	-
Benefits paid	(301)	(241)
Movement on Cessation	1,302	-
Liabilities at end of period	9,940	8,928

	2022	2021
	£'000	£'000
Reconciliation of assets		
Assets at start of period	8,417	6,881
Return on plan assets less interest	484	1,570
Interest on Assets	162	160
Other actuarial gains	-	-
Administration expenses	(5)	(5)
Employer contributions	35	40
Employee contributions	10	12
Benefits paid	(301)	(241)
Movement on cessation	(40)	-
Assets at end of period	8,762	8,417

20 Related parties

Transactions with regulated and non-regulated elements of the business

The company provides management services, other services, and loans to its subsidiary.

The company also receives charges from its subsidiary for labour services provided for property maintenance and compliance.

Gift aid from the subsidiary is recognised at year end on receivable basis and is calculated based on the profit for the year end.

Payable to the company from non-regulated subsidiaries

	2022	2021
	£'000	£'000
Transactions with Templer HomeBuild Limited		
Gift aid distribution	57	41
Management & administration	38	38
Loan interest	11	12
Loan repayments received	800	900
	906	991

Payable to non-regulated subsidiaries from the company

	2022	2021
	£'000	£'000
Transactions with Templer HomeBuild Limited		
Property services provided	2,150	1,880
Loans to Subsidiary	800	800
	2,950	2,680

Statement of Financial Position balances between Parent and Subsidiary

	Creditors	Debtors
	£'000	£'000
Teign Housing	126	965
Templar HomeBuild	460	126
	586	1091

Balances held in respect of the Parent/Subsidiary relationship are eliminated on consolidation.

21 Consolidated structure and investment

On 17 October 2005 Teign Development Limited was formed as a wholly owned subsidiary of Teign Housing. Teign Development Limited changed its name to Templer HomeBuild Limited on 11 April 2017 and commenced trading on the 1 July 2017. The principal activity of Templer HomeBuild is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale. Templer HomeBuild profit for the year was £57,000 (2021: £41,000) and had net assets of nil (2021: nil).

22 Low cost home ownership – buyback liability

Teign Housing has two low cost home ownership properties that have mandatory buy back clauses, this means that in the event of the owner being unable to sell their property we are obliged to purchase their share. These will be noted as contingent liabilities in the accounts. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event.

10 Lonsee Gardens

Sale date – 23rd November 2010

Share percentage bought – 35%

Price of percentage bought - £53,235

Original 100% market value as stated in the Lease - £152,100

The property/shares were transferred to a new shared owner on 21st November 2013.

The 100% market value on 21st November 2013 was £145,000

12 Lonsee Gardens

Sale date – 1st October 2010

Share percentage bought – 25%

Price of percentage bought - £37,537.50

Original 100% market value as stated in the Lease – £150,150

23 Change in Net Debt

Group

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	11,421	4,952	-	16,373
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(46,942)	(11,212)	683	(57,471)
	(35,521)	(6,260)	683	(41,098)

Association

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	11,195	4,816	-	16,011
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(46,942)	(11,212)	683	(57,471)
	(35,747)	(6,396)	683	(41,460)

24 Prior Period Adjustment

	At 1 April 2020 £'000	Surplus for the year ended 31 March 2021 £'000	Actuarial loss for the year ended 31 March 2021 £'000	Transfer from revaluation reserve to income and expenditure reserve £'000	At 31 March 2021 £'000
Income and expenditure reserve					
As previously stated	62,061	3,471	(764)	1,377	66,145
Correction of transfer from revaluation reserve	(555)	-	-	(1,083)	(1,638)
As restated	61,506	3,471	764	294	64,507
Revaluation reserve					
As previously stated	31,786	-	-	(1,377)	30,409
Correction of transfer from revaluation reserve	555	-	-	1,083	1,638
As restated	32,341	-	-	(294)	32,047
Total reserves (previously stated and restated)	93,847	3,471	(764)	-	96,554

The transfer between the Income and Expenditure Reserve and the Revaluation Reserve to reflect excess depreciation on revalued assets has formerly included the land element of each asset. In 2021/22 the accounting treatment has been reconsidered to exclude the land element and as a result the reserves for the year ended 31 March 2021 have been impacted, with the revaluation reserve increasing and the income and expenditure reserve decreasing by £1,638,000.

TEIGN HOUSING

England & Wales - Charity number 1112196

Accounts



Teign Housing

Report and financial statements

Reporting date 31 March 2021

Registered company number 04619035

Registered charity number 1112196

Regulator of Social Housing

registration number LH4403

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Teign Housing – company information

Board of Management

Non-Executive Directors

Meeting Attendance (6 meetings)

Andrew Jones (Chair of Board)	6
Angie Edwards-Jones (Chair of Audit from 26/11/2020)	6
Maureen Robinson	6
James O'Dwyer	6
Mary Bennell (Resigned 12/05/2021)	6
Stephen Cook	6
Stuart Davies (Appointed 28/01/2021)	2
Alan Soper (Chair of Audit until retired on 26/11/2020)	4

Executive Director

Jo Reece (Chief Executive)	6

Auditors

External Auditor

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

Internal Auditor

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

Solicitors

Housing Management

Capsticks Solicitors LLP
1 George Street
London
SW19 4DR

Human Resources

Tozers
Southernhay West
Exeter
EX1 1UA

Governance and Development

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

Bankers and Funders

Barclays Bank

PO Box 1015
3 Windsor Place
Cardiff
CF10 3ZL

GB Social Housing

5 Great St Helen's
London
EC3A 6AP

Company Secretary

Lisa Maunder (resigned 08/02/2021)
Helen Hilditch (appointed 08/02/2021)

Registered Office

Millwood House
Collett Way
Newton Abbot
Devon
TQ12 4PH

Strategic Report

The Directors present their Strategic Report incorporating the Value for Money Statement for the year ending 31 March 2021.

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

Overview of the Business

Teign Housing is a registered charity, a company limited by guarantee, and is registered with the Regulator of Social Housing. Our focus is on the core activity of the company which is the provision of low cost rented accommodation. The organisation has a wholly owned subsidiary, Templer HomeBuild Limited. Its purpose is to provide property maintenance and construction services to the Social Housing sector. Consolidated accounts for the Group are also reported along with those of Teign Housing, the parent organisation.

Vision

We dedicate ourselves to providing good quality homes and tailored housing support. Working with our diverse customers and trusted partners we provide effective services that bring long term benefits to all. We are sustainable in a fast-changing environment and reinvest our surpluses to grow our communities.

Values

Respectful

We treat people with empathy, respect diversity and provide quality customer service. We appreciate the relationships we build, and with our customers, contractors and partners, we are proud to be *Team Teign*.

Resourceful

We maximise our resources through innovation and by using our money in efficient ways. We look for opportunities to expand our business by building new homes and creating and growing valuable services. We recognise our role in supporting the local economy.

Ethical

We value our responsibility as a charity providing homes and services for those who need them and as an employer. We are an organisation with heart and strive to offer an empowering workplace and the personal service our communities want.

Governance

The Articles stipulate that there are up to 10 Board Members consisting of 7 non-executive and up to 3 executive members. The Board currently consists of 6 non-executive members and 1 executive member. The members of the Board are legally the directors of the company and the Board is Teign Housing's governing body.

The Board is committed to and complies with the standards of the National Housing Federation's Code of Governance 2015 with one exception. The Code states that no Board member should serve more than 9 years. We are committed to a maximum nine years of service, however, one member reached 9 years of service on 24 March 2020. Due to the delays in recruitment caused by the pandemic, this member did not retire until November 2020. In addition, there is a member who is due to retire at the Annual General Meeting (AGM) in 2021; however, we no longer have AGM's and the Board have agreed a retirement date of November 2021. From April 2021 the Board will be adopting the NHF Code of Governance 2020 and so will be reviewed against the new code next year.

We aim to recruit Board members 6 months ahead of any vacancy. They join the Board as unpaid co-optees and are trained and inducted during this period before being formally appointed to the Board. Further training is carried out throughout their term of office. We conduct triannual pay benchmarking for all staff and Board posts and benchmark any vacancies for advertising. We have a schedule of standing orders and financial regulations which set out delegated authorities from the Board to its committees and the senior management team.

The Board is supported in its governance by two committees:

- Audit Committee
- Remuneration Committee

The key governing documents are the Articles, the Standing Orders and the Financial Regulations, with a range of policies that guide the operational activities of the company.

All Board members are paid a fee for their services. Payments during the year were:

Andrew Jones	Chair of Board	£8,469
Alan Soper	Chair of Audit (retired 26/11/2020)	£3,435
Angie Edwards-Jones	Chair of Audit (from 26/11/2020)	£4,044
James O'Dwyer	Board Member	£3,210
Maureen Robinson	Board Member	£5,000
Mary Bennell	Board Member	£3,210
Stephen Cook	Board Member	£3,210
Stuart Davies	Board Member (appointed 28/01/2021)	£559

Kevin Fairman	Co-optee to the Board (resigned 04/11/2020)	£1,208
Steve Higginson	Independent Audit Committee Member	£710

For the year ending 31 March 2021 the Board met on 6 occasions. There was 100% attendance at Board meetings.

Public Benefit Entity

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. Teign Housing also pays due regard to the guidance published by the Charity Commission on public benefit.

We provide homes for rent at lower than market prices; homes designated for older people with additional needs and shared ownership properties. For our tenants and the wider community, we provide a personal alarm and home visit service under the brand Teigncare and through our commitment to building new homes we are helping to address the shortage of good quality affordable housing.

Financial Performance

Teign Housing Group has made a surplus after tax for the year of £3,470,000 (2019-20: £4,431,000). Full details of our financial results can be found on pages 31 - 72.

Financial performance is monitored through the annual budget, which is set by the Board. The annual budget is based on the business plan and the Board receives a report, at each meeting, assessing the company's performance against the budget.

Operational Performance

The current 3-year corporate plan was agreed by Board in March 2021. The Board have established a range of key performance indicators to assess the company's performance in relation to the corporate plan objectives. The Board monitors quarterly through the Balanced Scorecard, Financial Framework, and the Development Report.

Further details of our operational performance including value for money can be found on pages 11 – 23.

Business Plan

The 30-year Business Plan reflects the strategic direction of the company and its future aspirations. The focus for the coming years will be to continue to maintain the housing stock to an appropriate level, deliver further new homes and manage services. The Business Plan has been thoroughly stress tested and the key risks to the organisation identified and appropriate mitigation arrangements are in place.

Treasury Management

At 31 March 2021 Teign Housing was funded by a £35m loan facility with Barclays Bank and a £25m bond with GB Social Housing and had a loan balance of £46.9m (2019-20: £47.4m) and an undrawn facility of £13.5m (2019-20: £13.5m). The funding agreements both contain three financial covenants. Teign Housing did not breach any of its loan covenants. Finance costs on loans were £2.583m (2019-20: £2.591m) which equates to an average rate of 4.22% (2019-20: 4.27%). Finance costs of £164,000 were capitalised during the year (2019-20: £179,000). At 31 March 2021 Templer HomeBuild had loan balance with Teign Housing of £400,000 (2019-20: £500,000). There was £8.36m of capital committed to the development programme which was in contract at 31 March 2021 (2019-20: £9.38m) and there was a cash and cash equivalents balance of £11.421m (2019-20: £11.357m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

During 2021-22 the refinancing process, which begun in 2020-21, will be concluded. From 18 April 2021 there was a new revolving credit facility (RCF) in place with the Nationwide (£20m) which replaced the previous facility with Barclays (£13.5m). During quarter one of 2021-22, new funding was sourced from The Housing Finance Corporation (THFC) via their bLEND product. The transition took place on 23 April 2021 when the pricing was secured. It is anticipated that security will be in place by the end of quarter 1, at which time the loan of £33m will be drawn and the remaining £21.5m of Barclays debt will be repaid, leaving a total of drawn debt of £58m made up of £33m bond with bLEND and a £25m bond with GB Social Housing and a total facility of £78m.

Reserves Policy

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives and provide the new homes and services that the reserves are intended to support, whilst managing the risks associated with long term expenditure plans.

A budget is set each year along with a 30 year business plan including a forecast for reserves, allowing the company to achieve these objectives. This is monitored throughout the year and is reported quarterly through the management accounts to the Board.

The level held in the income and expenditure reserve at 31 March 2021 was £66,145,000 (2019-20 £62,061,000) and in the revaluation reserves £30,409,000 (2019-20 £31,786,000).

Unrestricted reserves excluding tangible fixed assets net of grant were £-70,490 at 31 March 2021 (2019-20 £-69,938) and can only be released by disposing of tangible fixed assets.

Property Sales

During the year 23 properties were sold (2019-20: 27 properties) of which 11 properties were under the Right to Buy scheme (2019-20: 10 properties). Teign Housing received proceeds of £1,815,000 of which

£1,043,100 were from right to buy sales (2019-20: £968,300). Under the terms of the transfer agreement, £795,551 (2019-20: £600,338) of the right to buy sale proceeds were paid to Teignbridge District Council and the remainder was retained by Teign Housing in recognition of future income foregone and this will be invested in future development.

Staff

The average number of employees for the year ending 31 March 2021 was 149 (2019-20:142 employees). The Board recognises the contribution made by all staff and is committed to the continued development of its staff. During the year the company spent £98,000 on staff training and development (2019-20: £52,000).

Development

During 2020-21 we entered into no new development contracts but were successful in bidding on 4 section 106 schemes, which are preceeding to contract. The schemes in progress at the reporting date will deliver a total of 14 shared ownership and 36 rented properties.

The table below summarises the development program by tenure.

	Social Rental Units	Low Cost Home Ownership	Total Units
Under construction 31/03/2020	99	38	137
Started in the year	0	0	0
Completed in the year	31	14	45
Delayed	32	10	42
Transfer in the year	0	0	0
Under construction 31/03/2021	36	14	50

We currently have contractual agreements to develop a further 19 homes over the next 12 months. We are in the process of securing planning approval to build a further 147 homes on land that we own or have an option to purchase.

The 42 homes which have been delayed are due to the reprofiling of the development programme, a consequence of the COVID-19 pandemic.

Future Direction

To achieve the Corporate Vision and Values, we focus on the core of our business and the Board has committed to the following strategic aims:

- **Excellent Services** – We will deliver high quality services to all our customers and partners. We will provide considerate customer services, empowering housing services and effective repairs.
- **Quality Homes** – We will invest in new and existing homes by maintaining high standards of repairs and improvements to our current homes and develop new homes to meet the needs of the local people.
- **Sustainable Business** – We will strengthen our business by continually improving our governance, increasing the value of our work, seeking ways of joint working with our partners, and investing in our staff.

Performance against these aims is monitored as part of a three-year Corporate Plan for 2021 to 2024.

We are committed to maintaining our financial performance and our delivery of good homes and customer services. We achieve this by focusing on maintaining our operational performance, maximising our income and effectively driving down costs.

To support our strategic aims we have several strategies in place. The neighbourhood services strategy gives the direction to provide excellent services and the ageing well strategy to focus on our older customers.

The asset management strategy focuses on the quality of our homes and ensures that they are of a good standard and maintained appropriately. The development strategy sets out the aspirations for future development, along with the business plan which currently has capacity for 400 homes over the next 5 years. The regeneration strategy sets out plans for longer term regeneration and £344,000 has been included in the business plan for 2021-22 with £500,000 included in each of the following years for the life of the plan.

To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. Following our Platinum Investors in People Re-Accreditation in 2020, an action plan was drawn up focusing on areas for improvement. We have a robust training and development policy and work life balance policy and in 2021-22 will introduce an agile working policy. The VFM strategy sets out how we continually seek to improve quality and performance and, where possible, reduce costs and create efficiencies.

Risk Management

Teign Housing understands that to be a thriving and growing housing association we need to recognise that risks happen, and that we need to take a managed degree of risk in order to achieve our objectives. Our risk framework ensures that the way we manage these risks is appropriate to the reward they will deliver and minimises any impact they might have on the organisation.

The constantly changing environment of a global pandemic led to us reviewing our risk registers on a fortnightly basis and we will continue to do so until we see the situation return to more normal levels. During the year we introduced new risk software which allows our leadership team to amend operational risks easily and as frequently as they need. The software also allows our Audit Committee and Board more visibility of our risk registers and the ability to view them regularly.

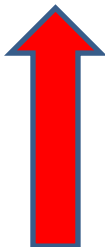
Any changes to our strategic risks are reported to our Audit Committee and Board on a quarterly basis. We support this with an assurance programme monitoring our performance via our scorecard, a robust internal audit programme and by undertaking internal assurance reviews into business processes. Our resident led scrutiny panel undertakes reviews of our service areas from a resident perspective and any identified areas for improvement are fed directly back to our Board.

During the year our Board considered several emerging risks including the impact of Brexit, changes to the Shared Ownership programme, the increasing complexity of vulnerable tenants, the availability and cost of materials for repairs and maintenance and the long-term impact of COVID-19.

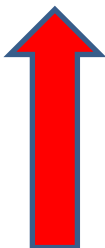
Our top risks during the year were:

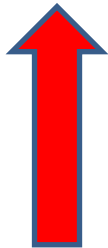
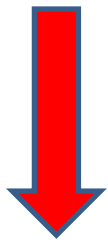
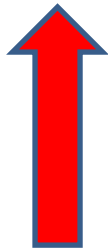
Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
COVID-19		A global pandemic: impact on our staff, our services and our stakeholders	Throughout the pandemic we have followed government guidance to ensure our plans protect our staff, our residents and our business. Our staff remain largely home based. We maintained our COVID-19 Communications team to ensure that our residents and staff were fully informed of our plans throughout the pandemic. Our Housing and Asset Management teams utilised

Cont'd			technology to introduce remote viewings and inspections. Our recovery team continues to meet fortnightly to steer the organisation as we start to come out of the third lockdown. Our roadmap to recovery mirrors the roadmap announcements by the Government.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to meet consumer regulatory standards		This is linked to our overall governance and our aim of putting our customer first. External pressures resulting from the pandemic presented challenges to delivering the high service standards	We formed a response team focused on maintaining light levels of service during periods of lockdown. We put processes in place to ensure that we had early notice of any potential issues and could direct resources accordingly

Welfare reform has adverse impact on customers, arrears, and tenancy turnover		The impact of COVID19 saw a sharp increase in residents transferring onto Universal Credit	We have a well-established rents team who know our client base and proactively engage with them. We redirected resources to ensure we had ability to advise and support residents.

Loss of key staff, high turnover and / or inability to recruit to key roles		The inability to predict how COVID19 would affect staffing levels	Introduction of COVID19 specific risk assessments. Moved all office based staff to home working in line with Government guidance. Introduced a programme of welfare checks on our staff.
		We aim to retain and develop our staff	We have reviewed succession planning across the organisation. We delivered more training to our leadership team.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Planned surplus from sales of home ownership properties or asset disposals is not achieved.		Uncertainty over the home ownership market as a result of COVID19. Potential delays in the delivery of new homes available.	Our business plan was reviewed regularly throughout the pandemic. We followed Government guidance and resumed work on our new builds as soon as it was safe to do so.
Failure to provide a safe environment in accordance with Health & Safety legislation		Ensuring the safety of our homes, our residents and our staff has always been and will always remain our main priority.	This year we continued to implement our Health & safety strategy which saw us introducing more controls, more reviews, and more processes to better monitor our Health & Safety
Rental income is less than forecast		Rental income provides us with the resources to deliver our services and to provide new homes. The increasing number of people affected by COVID19 could have affected the amount of rent we were receiving.	We closely monitor our rent collection performance. We have a well-established rents team and a team of head start advisors who have a good relationship with our residents, and we were able to provide support at this difficult time.

Value for Money Statement

The Value for Money (VfM) strategy was approved by the Board in June 2018 and reflects both the changes to the value for money standard issued by the regulator in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation and these are presented below.

		Group		Association		Budget FY22	Target FY21	Sector Metrics
		2020/21	2019/20	2020/21	2019/20	2021/22	2020/21	2019/20
Metric 1	Reinvestment %	5.7%	9.1%	5.7%	9.1%	7.7%	6.4%	7.0%
Metric 2	A New supply delivered SH %	1.2%	1.9%	1.2%	1.9%	1.5%	1.4%	1.8%
	B New supply delivered NSH %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Metric 3	Gearing %	25.2%	26.5%	25.4%	26.6%	31.4%	28.0%	50.8%
Metric 4	EBITDA MRI Interest cover %	186.6%	207.8%	186.6%	207.8%	133.5%	131.7%	151.6%
Metric 5	Social housing cost per unit £	3,709	3,564	3,700	3,595	4,142	3,924	3,836
Metric 6	A Operating margin SH %	28.6%	30.0%	28.0%	29.4%	24.6%	22.0%	33.4%
	B Operating margin overall %	28.7%	31.4%	28.7%	31.2%	21.5%	18.8%	30.1%
Metric 7	ROCE %	4.0%	4.6%	4.0%	4.6%	2.8%	2.7%	3.4%

The group's metrics presented above compare favourably against the sector average in some areas, but less favourably in others.

The group's re-investment of 5.7% has reduced when compared against last year and the sector, however development had been delayed slightly due to lockdown restrictions at the start of the year. The latest sector metrics relate to 2019-20 and as such it is difficult to compare with this benchmark as it does not include delays that other Housing Associations may have experienced. Our targets were also set prior to lockdown restrictions and as such it has been difficult to achieve these early targets. Even with the initial delays from the first lockdown, the development programme has performed well with significant investment into new properties and capital improvements. In 2020-21 we bid on 13 section 106 schemes and were successful in securing 4 schemes with a total of 66 homes. We were also granted planning permission to build 8 homes within Dartmoor National Park.

We have a strong development pipeline through both the purchase of section 106 schemes and smaller land led developments, both within the Teignbridge District and further afield in neighbouring authority areas. Because of this we are seeing an increase in re-investment from the 5.7% achieved this year to 7.7% next year.

New supply delivered is a calculation based on units completed in 2020-21. We have achieved 1.2% new supply through delivering 45 units, this compares to a target of 1.4%. This difference is due to the Glebelands development being delayed over year end as a result of issues with the original contractor. It is anticipated that these homes will be completed in October 2021.

We are below the sector average on this metric however the benchmark relates to 2019-20 data which is not a true like for like comparison as most of the year was not impacted by the pandemic.

New supply is forecasted to increase by a further 58 units in 2021-22 including 31 affordable rent, 11 social rent and 16 shared ownership properties. We will continue to seek new opportunities to achieve our development aspirations and have capacity to deliver 400 homes over the next 5 years. This capacity has increased from 237 homes in the previous business plan and this has been possible through refinancing and an increase in our loan facilities which will be available in the first quarter of 2021-22.

Gearing has decreased marginally from 2019-20, this is due to long term loans remaining static, whilst we have increased investment into new homes and regeneration, reducing the ratio. At 25.2%, this is well below the sector average and gives us scope to increase this. Through re-financing, we forecast an increase in 2021-22 to gearing with the additional loan debt. This will allow us to further invest into new homes and regeneration, the financial capacity to meet the decarbonisation targets from 2022-2030 and develop our extensive digitalisation agenda. All of which aims to improve the effectiveness of our service to tenants, improve efficiencies and achieve savings for both tenants and Teign Housing. This can be achieved whilst keeping our interest cover well within sustainable levels due to more favourable terms of the new loan.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) has reduced as the operating surplus has decreased from 2019-20 by £685,000. This is due to increased operational expenditure across areas such as planned maintenance, regeneration, voids, independent living, and finance. The operating surplus did however overachieve considerably against the budget. This is due largely to underspends across repairs and maintenance, as well as some service costs, impacted in part by the lockdown. As a result of this, the interest cover ratio compares favourably against our target. Interest Cover is expected to fall further next year as we continue to invest in new and existing properties. As described on page 21, new covenant terms mean that this reduction is sustainable and well above thresholds.

The social housing cost per unit has increased from £3,564 last year to £3,709 this year. This has been due to an increase in the planned maintenance compliance spending, an improved void standard and major regeneration works at Kingsway during 2020-21. Although an increase compared to the prior year, we had targeted a social housing cost per unit of £3,924. This £215 favourable variance highlights various underspends when compared against that budgeted for the year. These largely relate to previously mentioned underspends across planned maintenance compliance, regeneration and internal fabric, in addition to various service costs, all of which have in part been impacted by the lockdown at the beginning of the year. Overall, whilst we have seen a cost per property increase compared to the prior year, this brings us more aligned to sector average spending per unit.

The operating margin has reduced from last year however a reduction in operating surplus was anticipated with the drive to improve our service delivered to tenants. Increased expenditure on a significantly upgraded void standard and further regeneration are examples of this. The loss of service

charge income from COVID-19 disruptions has been relatively minor but has further reduced this metric. Although we have managed to achieve target and our budgeted metrics.

The return on capital employed has reduced, again, due to a reduced operating surplus compared to last year. This metric still exceeds target and is in line with the sector. It is forecasted to decrease as it will take time for the investments into new homes and services to be realised and generate greater turnover and cost savings.

We continue to be committed to providing good levels of customer service in, what continues to be, a changing environment. Amplified by the impact of COVID-19 lockdowns, significant investment has already been made in 2020/21 into improving our digital services. This is in order to create a better, more effective service offered to tenants as well as to help reduce costs over the long term and generating efficiencies.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it in order to make informed choices about how resources are effectively channelled towards the delivery of services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality as well as stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan including the financial position after refinancing, includes the delivery of 400 homes over the next 5 years.

The Board scrutinise financial and service delivery performance at each meeting, through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps being taken to deliver improvements.

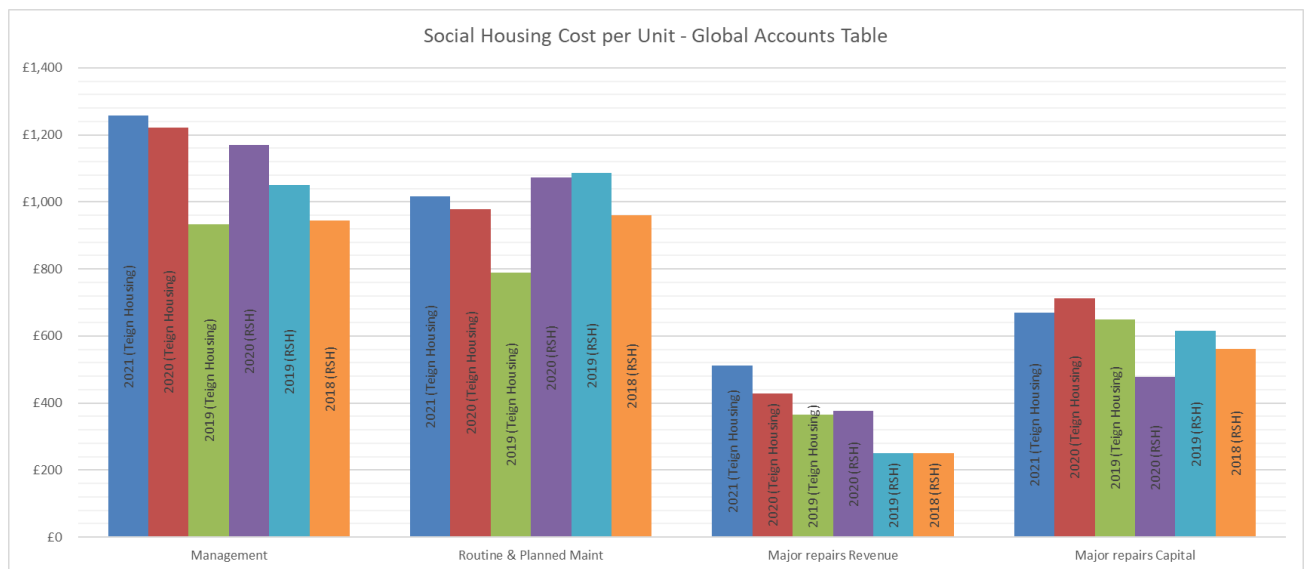
These include:

- Value for Money Metrics – full details of value for money achievements
- The balanced scorecard including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly treasury report – details of cash flow performance, loans, investments and forecasts
- Quarterly financial framework report - details of financial performance
- Annual report – report sent annually to our tenants
- Quarterly development report – progress of development schemes, comparison to business plan, development cash flows

An evaluation of our costs in comparison to the global accounts is presented below and the figures for Teign Housing have been re-stated in line with the current global accounts format. The latest figures available as a sector comparative are the year ending March 2020.

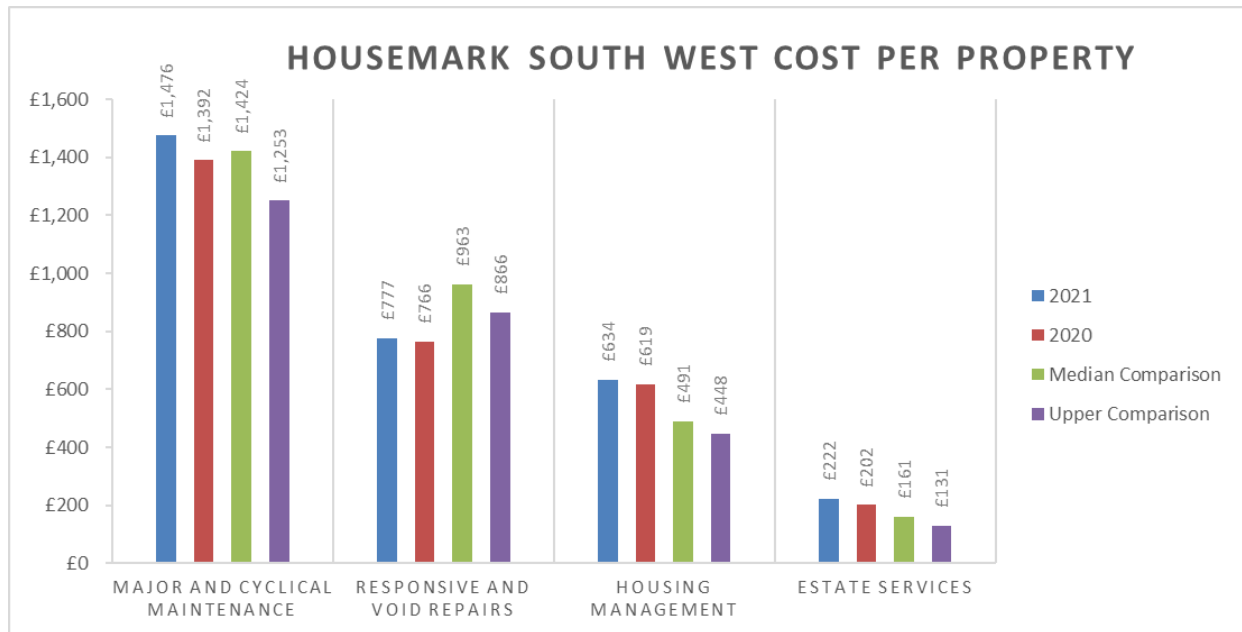
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2020-21 £	2019-20 £	2018-19 £	2020 £	2019 £	2018 £
Expenditure – per Social Housing Property						
Management	1,257	1,222	934	1,169	1,050	944
Routine & Planned Maintenance	1,017	978	790	1,072	1,086	960
Major repairs – Total	1,182	1,142	1,014	855	866	813
Major repairs – Revenue	512	429	365	378	251	251
Major repairs – Capital	670	713	649	477	615	562



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing	Teign Housing	Comparison Group	Comparison Group
			Median	Upper
	2020-21	2019-20	2019-20	2019-20
Department	£	£	£	£
Major and Cyclical Maintenance	1,476	1,392	1,424	1,253
Responsive and Void Repairs	777	766	963	866
Housing Management	634	619	491	448
Estate Services	222	202	161	131
No of Properties	3,714	3,691	3,235	1,187



As expected, these two comparisons against RSH global accounts and the Housemark South West Housing peer group show similar findings. The global accounts figures show costs per unit in 2020-21 were above that for 2019-20 by an average of 3.4% and the Housemark cost per property shows a 4.4% increase, with there being slight differences in how these are calculated.

Management cost per unit has seen a slight rise from last year and continues to be above the sector average. There are a few areas which have impacted this including an increase in Health & Safety costs. The Health & Safety team was increased from one to two staff members in 2020/21 and in addition to this there has been a large amount of expenditure on PPE due to COVID-19. There have also been general salary cost increases across the company from last year and increase spend on IT largely to help drive our digital agenda. Continued scrutiny of management costs and tight budgetary control will ensure the overall efficiency of the organisation.

Routine and Cyclical Maintenance have increased from last year and towards the sector average. Again, this finding is similar to the Housemark data, with Teign responsive and void costs increasing but below that of the comparative. This is in part due to the decision to improve the void standard this year, demonstrating our commitment to improve the quality of our stock and providing tenants with an enhanced service. The improved void standard included the provision of carpets in flats to help reduce noise levels, more electrical sockets being installed, painting the property throughout, tiling more areas in the kitchen and bathroom and sometimes supplying white goods if the tenant is facing particular hardship. It is anticipated that by investing more initially and by providing a better quality property from the outset will help to preserve the standard of the property and reduce the repair and maintenance costs over the life of the tenancy and result in a lower turnover of tenants. It is very difficult to measure the success of this in the short term, but we are monitoring this to do some analysis in the future.

Major repairs, both capital and revenue remain above the RSH sector average. Revenue expenditure has increased over the last couple of years, whereas capital spend has reduced in comparison to last year. Similar figures are shown in the Housemark data. The increased major revenue cost per unit is due to regeneration spend at the Rowan Kingsway block. Although this element of the spend is treated as a revenue cost, it relates to the project as a whole and therefore contributes to the longer-term improved stock quality. In addition to this there has been increased expenditure on compliance, including asbestos and health and safety works. It is important to spend in these areas, in part to avoid longer term more expensive non-conformance related costs and to keep our residents safe.

This year has seen a decrease to capital major repairs cost per unit. There is some fluctuation in capital expenditure year on year due to the planning of the maintenance programme in order to make the most efficient use of resources.

We will ensure that we maintain tight budgetary control going forward to provide optimum value to our tenants. We have a strong commitment to invest in our housing stock for the future and we maintain a 5 year rolling stock condition survey to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes; this has been reflected in the recent Business Plan approved by the Board in May 2021. We continue to look for opportunities to invest in renewable energy solutions for both our new build and existing homes.

The Asset Management Strategy was reviewed and updated for a 12 month period and approved by the Board in March 2021. A further updated Asset Management and Carbon Reduction Strategy is being developed and will provide us with a clear focus and direction about the future use and energy efficiency of our assets such as continued use, redesignation, redevelopment or disposal. It defines the Teign Standard which continues to be above the current Decent Homes Standard whilst we await the publication of Decent Homes 2 and allows us to proactively manage our planned maintenance programme to drive out maximum cost efficiency and value for money. When we dispose of properties that have been assessed as not suitable or unsustainable as affordable housing, the proceeds are used to support the development of new homes.

We continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable these are now included within the future development programme.
- Review key assets for potential opportunities.
- Assess the requirements and resources needed for progress towards EPC Band C by 2030 and Net Zero Carbon by 2050.
- The asset management software tool continues to improve the knowledge of our housing stock, including neighbourhood mapping and allows us to model the various options to determine the future of the asset.

Below is an extract from the scorecard which presents the company's performance against targets set internally and against targets taken from Housemark data in for the year ended 31 March 2021. Areas have been selected which we believe represents current VFM significance.

Area	2020-21	2019-20	2018-19	Housemark 2019-20 Benchmark	Target 2020-21
Customer satisfaction					
Repairs	96.1%	96.4%	97.4%	94.2%	95.0%
Standard of property at re-let	91.0%	-	-	-	95.0%
Satisfaction with complaints process	50.0%	71.0%	80.0%	55.0%	75.0%
Rent collection & arrears					
Rent collection	100.9%	99.6%	100.0%	100.7%	100.0%
Rent arrears (% of annual debit)	2.5%	2.9%	2.3%	2.3%	3.2%
Void loss & turnaround					
Void losses	0.38%	0.33%	0.44%	0.55%	0.50%
Void turnaround time	25.5 days	20.5 days	20.5 days	22.4 days	23.0 days
Digital agenda					
Total number of tenant portal registrations	487	295	-	-	475
Inbound communication by Webchat	7.7%	1.5%	-	-	-

Although customer satisfaction with repairs has fallen marginally from last year by 0.3%, we do continue to exceed our target for the year and against the Housemark average. We have recently begun collecting more data around satisfaction of the property at the point of re-let. There is little to compare against this year, but we are below our 95% satisfaction target. Satisfaction of the complaints process has fallen to 50%, however this is based on a sample of just 2 respondents and therefore is an unreliable indicator. The number of complaints and respondents to this metric reduced greatly over the past year, we believe this is predominantly due to the lockdown. In order to provide greater satisfaction to tenants moving forward, a number of new steps have been taken. Further investment has been put into the void standard in 2020/21 and into the 2021/22 budget, we therefore would expect for this to improve over time. We have also recruited a resolutions manager to help manage the complaints process. With greater dedication in this area, it is hoped that further investigation and analysis of complaints can lead to improving systems in place, ways of doing things and dealing with the root causes.

Rent collection increased and arrears reduced from the prior year. This is a positive to take forward as there were some expectations that lockdowns and various external factors might negatively affect both of these metrics. We do perform less favourably against the 2019-20 benchmark however this does not take any impact from COVID-19 into account and therefore is not a fair comparison. We have continued to support tenants over the last year, through the process of applying for universal credit and working

with them where possible to manage their rent payments. This has helped us to improve performance from last year and exceed our internal targets.

Void losses have increased marginally, likely as a result of an increased void turnaround time. By improving the void standard, this has had an impact on the turnaround time.

Across the organisation we have a strong focus on VfM, and many departments have specific VfM targets. These will be reviewed when an updated VfM strategy is presented to the Board for approval in July 2021. In 2020-21 our VfM focus was on:

Digital

The opportunity to further enhance the digital offering to customers and staff continues to be a vital part of our approach to Value for Money into the future. Our Corporate plan has a digital focus and the Digital Strategy approved by the Board in March 2021 sets out our plans and ambitions for the next 3 years.

The periods of lock down, which forced people to work at home where possible has prompted us to evaluate the way that we work. In consultation with the employees, we are introducing an agile working policy which will allow continued working from home as well as in the offices, to suit both the needs of the business and the individual employees.

During the year there has been a focus on further developing the Civica Cx housing management system, phase 2 of the project. This has seen the successful introduction of the ASB and Estate modules and enhancements in many other work streams including development, compliance, caretaking and finance. We are heavily involved in the user group which drives forward product enhancements and are a flagship site for the software. This has allowed us to negotiate additional support and training days, free of charge in exchange for sharing our experiences with potential customers. As we are still developing the software, we cannot yet measure the cost savings from using the new software confidently, but we have seen benefits such as the improved accuracy of our data, communications and record keeping.

The senior management team completed a digital leadership course to empower them to develop the strategy, which was presented and approved by the Board in March 2021. Towards the end of the year, the IT team issued new equipment to all employees to allow them to work efficiently at home. Following this the team were then able to begin the Microsoft modernisation program which will give IT users a whole suite of Microsoft products.

There continues to be a drive to enhance use of the Webchat service and use of the CX tenant portal. The webchat service now represents around 8% of inbound communication (up from 2% last year) and the number of tenant portal registrations has increased by 65% from last year.

Health and Safety

The Board approved increased expenditure for Health and Safety over the next two years from 2020-21, totalling £200,000. This includes replacement of fire doors, reviewing evacuation procedures, notices and signage improvements and this work has commenced during the year. This will ensure that we keep customers safe and informed.

There has been an increase in the Health and Safety team with the appointment of a Health and Safety advisor and we have introduced a new software package, SHE Assure to manage health and safety in the organisation.

Welfare Reform

We continue to work with our customers to support them with issues surrounding Universal Credit. The Welfare Reform Action Group continue to meet regularly to share knowledge and best practice to allow us to develop our knowledge and support customers through the changes. We have 3 Head Start Advisors who support our customers with issues such as Universal Credit claims and any grants that they may be entitled to. With a clear focus on tenancy sustainment they consider affordability assessments and checks prior to sign up and then continue to monitor the tenant's payment behaviours during the first 12 months of their tenancy, offering additional support as and when required. This year we supported over 400 tenants and since the service started, we have supported our tenants in achieving over of £200k of financial gains from charitable payments, discretionary housing benefit, income support, employment support allowance and Universal Credit.

Asset Management

Our continued use of Active Asset Management Sustainability software allows us to identify and to dispose of inappropriate and high value assets. We identified a large old, listed property comprising of 9 homes which was not proving efficient in terms of the rent received against the cost of maintaining it. This was placed on the market in early 2020 and was sold in August 2020.

Procurement

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and improves value for money for its members. In 2020-21 the savings delivered through the membership of this consortium total £150,836 and a further £117,518 of RPI avoidance.

Templer HomeBuild

The wholly owned subsidiary, Templer HomeBuild continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on 'right first time' generating progressive efficiencies and cost savings. The VAT savings to be realised from Templer HomeBuild in 2020-21 were £357,000. The 2021-22 budget includes a further VAT saving of £430,000.

Voids

In 2020-21 we continue to see a rise in the number properties that are being returned to us in a poor state of repair or that need extensive clearance work. We expected to see a significant increase in the costs of repairing our void properties due to the enhanced void standard that we are offering and whilst the number of voids was lower than expected we have seen a decline in the standard in which they have been returned. The total expenditure was under budget, but we recognise that some earlier intervention and some support for the tenants living in these properties may help to prevent these issues. We analyse the voids properties and their tenants on monthly basis to identify any trends or patterns in order to mitigate these issues.

The new void standard which has been implemented this year has resulted in an increase to the void cost per unit. This, however, includes the property being fully decorated, the installation of more power sockets, enhanced tiling in the kitchen and bathrooms and in some cases floor coverings, curtains or blinds being provided. We also provide some white goods for those most in need. The success of this additional investment in our properties is difficult to gauge after the first year however it is hoped that in the longer term, we will see less tenancy turnover and the properties that are being handed back being in better condition.

Tenants

We continue to actively engage with our tenants and the wider community. We have a Resident Involvement Manager who co-ordinates this and helps us to gauge what it is that tenants' value and what they expect from us. We have a Tenants' Forum which due to the pandemic currently meet via Zoom every 6 weeks. We continue to consult on changes to services and processes as well as tenant related policies, procedures, and strategies. We also have a Scrutiny Panel who undertake regular reviews of our services, from a tenant point of view and provide critical feedback and recommendations for service improvement. Thirdly, a tenant Service Board supports Teign Housing's strong ethos towards co-regulation and at their quarterly meetings they focus on areas in relation to the Regulator of Social Housing's Consumer Standards. These all help to keep Teign Housing connected with its tenants.

Towards the end of the year we appointed a Resolution Officer to coordinate, manage and record any dissatisfaction or complaint about the service we are providing. New policies and procedures have been developed to help employees navigate through the complaints process and deal with any issues

efficiently, the data is all now held in the housing management system all of which should provide a higher quality service for our customers.

In 2021-22 as well as the projects above which will continue, our focus will also be on:

Refinancing

The project which began in 2019-20 will be completed in the first quarter of 2021-22. Whilst we will incur significant break costs of £4.13m, both the new revolving credit facility and the long debt are at significantly lower interest rates and carry lower administration costs, meaning that we can borrow an additional £18m with very little change in the costs. The covenants that are attached to these loans are also more favourable than the previous debt, as they do not require major repairs to be included in any interest cover calculations, which gives us greater financial capacity.

Further Improving both our customer and employee experience via digital transactions

We will continue to enhance our digital offering to staff by progressing the Microsoft modernisation project with completion expected in the autumn, we will then begin to plan the next stage of development for the Cx housing management system.

Using data intelligence, we hope to develop customer personas to enable us to communicate with our customers more effectively and to further grow our webchat and portal users. During 2021-22 we will move all our IT infrastructure to the Cloud. Across the organisation we aim to reduce reliance on paper-based systems, looking for opportunities to automate processes and improve efficiency and data accuracy.

Improve our complaints process

The aim of the investment in a dedicated Resolutions Officer is for the organisation to be able to deliver a better service to our customers. We will further enhance our approach to complaints and co-develop processes with our customers.

Develop more affordable homes

We aim to increase the scale of the development programme, whilst ensuring that homes remain affordable for people living in our local communities. This may be through the purchase of section 106 developments or through smaller land led schemes. We continue to review our land and properties for redevelopment opportunities. Ultimately this will lead to an increase in rental income, which in turn can be re-invested in our existing stock or to build more new homes.

Reduce our carbon emissions and improve the environment and reduce the costs of living in our homes

We will strive to deliver the actions which have been set out in the Carbon Reduction strategy, we will create an action plan which will be frequently reviewed, given that the Government's carbon reduction agenda is constantly changing. We will begin to work towards our target of reducing carbon emissions by 20% over the next 3 years.

Improve cash flow by increasing the collection of non-rent debt

We will be making some modest investments in our credit control function in order to improve the performance and the collection rates, as well as providing a better quality service to our customers. We have recently developed a new process for rechargeable repairs, and we will be more proactive rather than reactive through the debt chasing process.

Teigncare

We aim to make the financial administration of the Teigncare service more efficient by firstly managing all the customer accounts on the housing management system and secondly by introducing a managed direct debit service. As well as this saving on processing time and making our data more accurate, it will also give the customer access to their account online and the choice of which day to pay their direct debit, as this is currently restricted. It will also be possible to set up a direct debit over the phone, which is not currently possible.

All of this continues to allow us to have a strong business plan that can manage the impact of costs increases which have resulted from the strategic decisions made to improve the quality of our homes and services and to keep our customers safe. We also continue to deliver new homes and improve the overall capacity of the plan whilst still delivering the aims and aspirations of the company.

Regulatory Judgement

During the year Teign was subject to an In Depth Assessment by the Regulator of Social Housing and on 31st March 2021 the results were published with the company maintaining the rating of G1,V1.

Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that the risks which threaten the achievement of the company's objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness and takes any steps it considers necessary to maintain or improve their effectiveness.

Teign Housing's system of internal controls includes the measures set out below

Policy and strategy – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

Prevention and detection of fraud

The system of internal control includes measures designed to prevent or detect fraud.

The Board has established a policy on the prevention, detection and investigation of fraud which includes a whistle blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud which include but are not limited to:

- A Risk Management Framework
- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Financial Regulations
- Authorisation controls
- Access controls
- Exception reports
- Cash receipting procedures

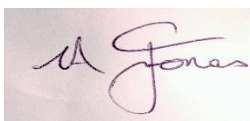
Board's assessment of assurance and internal control

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 24 June 2021. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.

The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2021 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 24 June 2021 and signed on its behalf by:



Andrew Jones

Chair of the Board

Directors Report

The Directors present their Directors report for the year ending 31 March 2021.

Directors

The directors who served the company during the year are shown on page 1.

Information for auditors

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

Statement of Compliance

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Statement of Directors Responsibilities

The directors are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period.

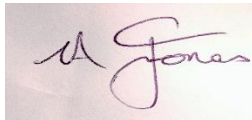
In preparing these financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial

position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Directors on 24 June 2021 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'A Jones', on a light-colored background.

Andrew Jones
Chair of the Board

Independent Auditor's Report to the Members of Teign Housing

Opinion

We have audited the financial statements of Teign Housing (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated and parent Company Statement of Comprehensive Income, the Consolidated and parent Company Statement of Financial Position, the Consolidated and parent Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's income and expenditure and the parent Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Company, 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 Companies Act 2006, 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 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

St George's House

215-219 Chester Road

Manchester

M15 4JE

Date: 25 August 2021

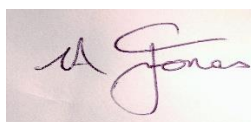
Statement of Comprehensive Income

	Note	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Turnover	2	19,864	19,905	19,820	20,007
Cost of sales	2	(632)	(954)	(632)	(954)
Operating expenditure	2	(13,525)	(12,694)	(13,493)	(12,806)
Gain on disposal of property, plant and equipment	2	262	577	262	577
Gain on revaluation of investment properties	2	180	-	180	-
Operating surplus	2	6,149	6,834	6,137	6,824
Interest receivable	4	6	63	18	73
Interest and financing costs	5	(2,684)	(2,466)	(2,684)	(2,466)
Surplus before tax		3,471	4,431	3,471	4,431
Taxation	7	-	-	-	-
Surplus for the year after tax		3,471	4,431	3,471	4,431
		3,471	4,431	3,471	4,431
Other Comprehensive Income					
SHPS - Actuarial (loss)/gain in respect of pension schemes	19	(850)	622	(850)	622
LGPS - Actuarial gain in respect of pension schemes	19	86	65	86	65
Total		(764)	687	(764)	687
Total comprehensive income for the year		2,707	5,118	2,707	5,118

The financial statements on pages 31 to 72 were approved and authorised for issue by the Board on 24 June 2021 and were signed on its behalf by:



Helen Hilditch
Company Secretary



Andrew Jones
Chair of the Board



Angela Edwards Jones
Director

The results relate wholly to continuing activities and the notes on pages 35 to 72 form an integral part of these accounts.

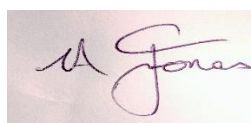
Statement of Financial Position

		Group At 31-Mar-21 £'000	Group At 31-Mar-20 £'000	Association At 31-Mar-21 £'000	Association At 31-Mar-20 £'000
	Note				
Fixed Assets					
Intangible Assets	8	472	509	472	509
Tangible Assets	9	142,492	137,800	142,492	137,800
Investment Properties	10	580	400	580	400
		<u>143,544</u>	<u>138,709</u>	<u>143,544</u>	<u>138,709</u>
Current Assets					
Stock	11	743	923	743	923
Trade and other debtors	12	1,476	1,753	1,962	2,312
Cash and cash equivalents	13	11,421	11,357	11,195	11,146
		<u>13,640</u>	<u>14,033</u>	<u>13,900</u>	<u>14,381</u>
Less creditors: amounts falling due within one year	14	(5,046)	(3,769)	(5,306)	(4,117)
Net Current Assets		<u>8,594</u>	<u>10,264</u>	<u>8,594</u>	<u>10,264</u>
Total assets less current liabilities		<u>152,138</u>	<u>148,973</u>	<u>152,138</u>	<u>148,973</u>
Creditors: amounts falling due after more than one year	15	(53,805)	(54,046)	(53,805)	(54,046)
Provisions for Liabilities					
Pension Liability	19	(1,779)	(1,080)	(1,779)	(1,080)
Total Net Assets		<u>96,554</u>	<u>93,847</u>	<u>96,554</u>	<u>93,847</u>
Reserves					
Income and Expenditure reserve		66,145	62,061	66,145	62,061
Revaluation reserve		30,409	31,786	30,409	31,786
Total Reserves		<u>96,554</u>	<u>93,847</u>	<u>96,554</u>	<u>93,847</u>

These financial statements on pages 31 to 72 were approved and authorised for issue by the Board 24 June 2021 and were signed on its behalf by:



Helen Hilditch
Company Secretary



Andrew Jones
Chair of the Board



Angela Edwards-Jones
Director

The notes on pages 35 to 72 form an integral part of these accounts.

Statement of Changes in Reserves

Group:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2019	56,849	31,849	88,698
Surplus from Statement of Comprehensive Income	4,431	-	4,431
Actuarial gain relating to the year	687	-	687
Transfer from revaluation reserve to income and expenditure reserve	94	(94)	-
Revaluation Reserve Adjustment	-	31	31
Balance at 31st March 2020	62,061	31,786	93,847
Surplus from Statement of Comprehensive Income	3,471	-	3,471
Actuarial (loss) relating to the year	(764)	-	(764)
Transfer from revaluation reserve to income and expenditure reserve	1,377	(1,377)	-
Balance at 31st March 2021	66,145	30,409	96,554

Association:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2019	56,849	31,849	88,698
Surplus from Statement of Comprehensive Income	4,431	-	4,431
Actuarial gain relating to the year	687	-	687
Transfer from revaluation reserve to income and expenditure reserve	94	(94)	-
Revaluation Reserve Adjustment	-	31	31
Balance at 31st March 2020	62,061	31,786	93,847
Surplus from Statement of Comprehensive Income	3,471	-	3,471
Actuarial (loss) relating to the year	(764)	-	(764)
Transfer from revaluation reserve to income and expenditure reserve	1,377	(1,377)	-
Balance at 31st March 2021	66,145	30,409	96,554

The notes on pages 35 to 72 form an integral part of these accounts.

Consolidated Statement of Cash Flows

	2021 £'000	2020 £'000
Cash flows from operating activities		
Surplus for the year after tax	3,471	4,431
Adjustments for investing or financing activities		
(Gain) on sale of fixed assets	(262)	(577)
Interest receivable	(6)	(63)
Interest and financing costs	2,684	2,466
	2,416	1,826
Adjustments for non-cash items:		
Depreciation	2,162	1,886
Impairment of Fixed assets	-	139
Government grant utilised in the year	(74)	(71)
Decrease in stock	180	186
(Increase) in Investment properties	(180)	-
Decrease/(Increase) in trade and other debtors	277	(1,001)
Increase in trade and other creditors	1,252	591
Pension costs less contributions payable	(88)	(39)
	3,529	1,690
Net cash generated from operating activities	9,416	7,948
Cash flow from investing activities		
Capital expenditure on housing properties	(7,119)	(11,376)
Net proceeds on sale of housing properties	980	1,029
Purchase of other fixed assets and intangible assets	(252)	(119)
Government grant received	278	299
Interest received	6	63
Net cash used in investing activities	(6,107)	(10,104)
Cashflow from financing activities		
Interest paid	(3,245)	(2,666)
Net cash used in financing activities	(3,245)	(2,666)
Net change in cash and cash equivalents	64	(4,822)
Cash and cash equivalents at beginning of year	11,357	16,179
Cash and cash equivalents at year end	11,421	11,357

The notes on pages 35 to 72 form an integral part of these accounts.

Notes to the financial statements

Legal Status

Teign Housing is a company limited by guarantee incorporated in England and Wales under the Companies Act 2006, it is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Millwood House, Collett Way, Newton Abbot, Devon TQ12 4PH.

1 Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers (2018). The Group is required under the Companies Act (Group Accounts) Regulations 2006 to prepare consolidated Group accounts.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The financial statements have been prepared in compliance with FRS102. The financial statements are prepared on the historical cost basis of accounting as modified by the valuation of the transferred rented housing stock to deemed cost on transition to FRS 102 and are presented in £000's. Investment properties are included in the financial statements at valuation.

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Group financial statements consolidate the financial statements of Teign Housing (the parent) and its subsidiary undertaking Templer HomeBuild for the year ended 31 March 2021.

Parent company disclosure exemptions

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

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

1 Principal Accounting Policies cont'd

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Teign Housing and entities controlled by the Group (its subsidiary). Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany transactions and balances between group entities are eliminated in full upon consolidation.

Going Concern

The company's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The impact of the Covid-19 pandemic continues to be monitored and the company has adapted to various new ways of working. The future budget and business plans have been constructed with this in mind and no significant concerns were noted.

The business plan was stress tested and assessed for any imminent or likely future breach in borrowing covenants. No significant concerns have been noted, we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

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

- a. Development expenditure.** The company capitalises development expenditure when the Board approve the agreement for contract. 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. Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the company has considered if the asset is held for social benefit or to earn commercial rentals.

- c. Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- d. Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.
- e. Impairment of non-financial 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.
- A review of void losses in the year has been carried out and no properties have been identified as impaired.
- A review of the schemes in development has been carried out and no properties have been identified as impaired.
- Following the assessment of impairment, no impairment losses were identified in the reporting period.
- f. Provision for bad debts.** A provision is made for bad debts based on the age of the debt. The rates of the provision increase from 10% for debts over 13 weeks to 50% for debts over 52 weeks. Former tenant arrears are provided for at 100%.

1 Principal Accounting Policies cont'd

- g. Valuation of investment properties.** Investment properties are included at the fair value each year and a professional revaluation has been undertaken. The revaluation has shown an increase in the market value of £180k from the value held in the accounts at 31 March 2020. This increased value has been reflected in the value of the fixed assets and the reserves balance.

Turnover and revenue recognition

Turnover comprises primarily of rental income receivable from tenants and leaseholders. The following items are also included within the Turnover figure:

- other services supplied excluding VAT,
- Income from property sales, including Shared Ownership and tenants exercising their "Right to Buy" their home
- Amortised capital grant

Income is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accrual's basis. The company operates variable service charges on a scheme by scheme basis in full consultation with residents.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Capitalised Interest

Interest on our development schemes is capitalised from the point the Board approves the project and the company begins to incur development costs.

Categorisation of Debt

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102.

Corporation Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Value Added Tax

The company charges VAT on some of its income and can 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 company and not recoverable.

Intangible Assets

Intangible assets are for IT software. They are stated at cost less accumulated depreciation.

The useful economic life is 3 to 5 years.

Tangible Assets

Properties for social rent transferred from the Local Authority are stated at deemed cost less accumulated depreciation, all other properties and tangible fixed assets are stated at historic cost less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties, on practical completion of construction. Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period. Staff costs and overheads directly attributable to bringing housing properties into working condition for their intended use are capitalised.

Freehold land is not depreciated.

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

The company depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Structure	100 Years
Cornish Units	50 Years
Kitchens	20 Years
Bathrooms	30 Years
Wiring	30 Years
Heating/boilers	15 Years
Windows and Doors	30 Years
Pitched Roof	70 Years
Flat Roof	20 Years
Disabled adaptations	10 Years

Low Cost Home Ownership

The costs of low-cost home ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets. Interest on loans used to finance the development of new housing properties is capitalised during the construction period.

Finance Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term, this is generally equivalent to the original cost of the assets. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and finance cost elements and the finance costs are charged to the Statement of Comprehensive Income.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Leased assets are depreciated over the life of the lease if this is shorter than their useful economic life. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their useful economic lives as follows:

IT equipment	3 to 5 years
Leasehold Improvements	5 to 10 years
Office premises	90 years
Office fixtures and fittings	3 to 5 years
Teigncare Alarm Equipment	3 to 10 years
Motor Vehicles	4 years
Electrical works	40 years
New technology	15 years
Gas installations	25 years

Investment Property

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

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1 Principle Accounting Policies cont'd.

Social Housing Grant (SHG)

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 (excluding land), under the accruals model.

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

SHG must be recycled by the company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of transfer rented social housing properties and their historical cost carrying value, where deemed cost transitional relief was taken.

2 Turnover, cost of sales, operating expenditure and operating surplus

Group	Turnover	Cost of sales	Operating expenditure	2021 Operating surplus	Turnover	Cost of sales	Operating expenditure	2020 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	18,063	-	(12,906)	5,157	17,549	-	(12,279)	5,270
Other social housing activities								
Teigncare alarm services	203	-	(154)	49	206	-	(180)	26
Other services	300	-	(320)	(20)	168	-	(111)	57
First tranche low cost home ownership sales	955	(632)	-	323	1,618	(954)	-	664
Activities other than social housing								
Other activities (note 2b)	343	-	(145)	198	364	-	(124)	240
Total	19,864	(632)	(13,525)	5,707	19,905	(954)	(12,694)	6,257
Gain on disposal of property, plant and equipment (note 2c)				262				577
Gain on revaluation of investment properties				180				-
Operating surplus				6,149				6,834

2 Turnover, cost of sales, operating expenditure and operating surplus cont'd.

Association	Turnover	Cost of sales	Operating expenditure	2021 Operating surplus	Turnover	Cost of sales	Operating expenditure	2020 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	18,063	-	(13,002)	5,061	17,549	-	(12,382)	5,167
Other social housing activities								
Teigncare alarm services	203	-	(154)	50	206	-	(180)	26
Other services	214	-	(192)	22	270	-	(120)	150
First tranche low cost home ownership sales	955	(632)	-	323	1,618	(954)	-	664
Activities other than social housing								
Other activities (note 2b)	384	-	(145)	239	364	-	(124)	240
Total	19,820	(632)	(13,493)	5,695	20,007	(954)	(12,806)	6,247
Gain on disposal of property, plant and equipment (note 2c)				262				577
Gain on revaluation of investment properties				180				-
Operating surplus				6,137				6,824

2a Income and expenditure from social housing lettings

Group	General needs £'000	Housing for older people £'000	Low cost home ownership £'000	Other £'000	Total 2021 £'000	Total 2020 £'000
Income						
Rent receivable, net of identifiable service charge and voids	12,062	4,256	358	1	16,677	16,218
Service charge income	380	585	14	46	1,025	1,038
Amortised government grants	74	-	-	-	74	70
Furlough income	20	8	-	1	29	-
Other income from social housing lettings	86	147	-	25	258	223
Turnover from social housing lettings	12,622	4,996	372	73	18,063	17,549
Operating expenditure						
Management	(3,142)	(1,499)	(11)	(20)	(4,672)	(4,512)
Service charge costs	(313)	(205)	(17)	(26)	(561)	(614)
Routine maintenance	(1,982)	(800)	(33)	(131)	(2,946)	(2,730)
Planned maintenance	(507)	(193)	(18)	(40)	(758)	(814)
Major repairs expenditure	(1,305)	(439)	(39)	(94)	(1,877)	(1,550)
Bad debts	(24)	(9)	-	-	(33)	(137)
Depreciation of housing properties	(1,280)	(495)	(51)	(100)	(1,926)	(1,652)
Amortisation	(88)	(34)	(4)	(7)	(133)	(131)
Impairment of housing properties	-	-	-	-	-	(139)
Operating expenditure on social housing lettings	(8,641)	(3,674)	(173)	(418)	(12,906)	(12,279)
Operating surplus on social housing lettings	3,981	1,322	199	(345)	5,157	5,270
Void losses	(58)	(27)	-	-	(85)	(66)

2a Income and expenditure from social housing lettings cont'd.

Association	General needs	Housing for older people	Low cost home ownership	Other	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	12,062	4,256	358	1	16,677	16,218
Service charge income	380	585	14	46	1,025	1,038
Amortised government grants	74	-	-	-	74	70
Furlough income	20	8	-	1	29	-
Other income from social housing lettings	86	147	-	25	258	223
Turnover from social housing lettings	12,622	4,996	372	73	18,063	17,549
Operating expenditure						
Management	(3,142)	(1,499)	(11)	(18)	(4,670)	(4,512)
Service charge costs	(313)	(205)	(17)	(26)	(561)	(617)
Routine maintenance	(2,024)	(818)	(34)	(134)	(3,010)	(2,787)
Planned maintenance	(513)	(195)	(18)	(41)	(767)	(824)
Major repairs expenditure	(1,327)	(441)	(39)	(95)	(1,902)	(1,582)
Bad debts	(24)	(9)	-	-	(33)	(138)
Depreciation of housing properties	(1,280)	(495)	(51)	(100)	(1,926)	(1,652)
Amortisation	(88)	(34)	(4)	(7)	(133)	(131)
Impairment of housing properties	-	-	-	-	-	(139)
Operating expenditure on social housing lettings	(8,711)	(3,696)	(174)	(421)	(13,002)	(12,382)
Operating surplus on social housing lettings	3,911	1,300	198	(348)	5,061	5,167
Void losses	(58)	(27)	-	-	(85)	(66)

2b Turnover from activities other than social housing

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Garage lettings	299	319	299	319
Commercial property lettings	44	45	44	45
Gift Aid Donation	-	-	41	-
	<u>343</u>	<u>364</u>	<u>384</u>	<u>364</u>

2c Gain on disposal of assets

Group and Association	Right to Buy Sales £'000	Low Cost Home Ownership £'000	Open Market Sales £'000	Other Disposals £'000	Total 2021 £'000	Total 2020 £'000
Proceeds of sales	1,042	124	650	(1)	1,814	1,597
Less: Costs of sales	(362)	(81)	(314)	-	(757)	(419)
Amount payable to Teignbridge District Council	(796)	-	-	-	(796)	(601)
Gain/(Loss)	(116)	43	336	(1)	262	577

3 Directors' emoluments, key management personnel & employee information

	2021	2020
	£'000	£'000
The aggregate emoluments paid to or receivable by non executive Directors and former Directors	33	35
The aggregate emoluments paid to or receivable by executive Directors and former Directors	136	132
	169	167
The emoluments paid to the highest paid Director excluding pension contributions	129	126
The aggregate amount of Directors or past Directors' pensions, excluding amounts payable under a property funded pension scheme	-	-

The number of full time equivalent staff whose remuneration payable fell within bands of:	Group	Group	Association	Association
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
£60,000 to £69,999	2	2	2	2
£70,000 to £79,999	3	2	2	2
£80,000 to £89,999	-	1	-	-
£90,000 to £99,999	-	-	-	-
£100,000 to £109,999	-	-	-	-
£110,000 to £119,999	-	-	-	-
£120,000 to £129,999	-	-	-	-
£130,000 to £139,999	1	1	1	1

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a final salary scheme funded by annual contributions by the employee, and the employer. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £7,627 (2019/20: £5,945) was paid in addition to the personal contributions of the Chief Executive. Directors (key management personnel) are defined as the members of the Board and the Chief Executive.

Employee Information

	Group	Group	Association	Association
	2021	2020	2021	2020
The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:				
Office staff	88	87	77	75
Wardens, caretakers and cleaners	16	13	16	13
Maintenance staff	45	42	-	-
	149	142	93	88
	Group	Group	Association	Association
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Staff costs (for the above employees)				
Wages and salaries	4,566	4,230	2,895	2,608
Social Security costs	441	404	265	238
Other Pension costs	268	232	221	189
Non Executive Director Wages and salaries	33	35	33	35
	5,308	4,901	3,414	3,070

4 Finance income and other income

	Group	Group	Association	Association
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank finance income	6	63	6	63
Interest received from Group entities	-	-	12	10
	6	63	18	73

5 Finance costs and similar charges

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Lease finance costs	6	6	6	6
On loans wholly or partly repayable in more than five years	2,158	2,565	2,158	2,565
FRS 102 fair value adjustment	18	26	18	26
Costs associated with financing	643	8	643	8
Net interest on the defined liability	23	40	23	40
Less finance costs capitalised on housing properties under construction	(164)	(179)	(164)	(179)
Charged to income and expenditure account	<u>2,684</u>	<u>2,466</u>	<u>2,684</u>	<u>2,466</u>

6 Surplus on ordinary activities before taxation

Is stated after charging/(crediting)	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Depreciation of housing properties	1,926	1,648	1,926	1,648
Depreciation of other fixed assets	103	107	103	107
Amortisation of intangible fixed assets	133	131	133	131
Operating lease rentals (land and buildings)	-	-	-	-
Operating lease rentals (other)	-	2	-	2
Auditors remuneration (excluding VAT)				
- Audit of the Group financial statements	26	16	26	16
- Audit of subsidiaries	1	1	-	-
- Other service	3	2	2	2
Amortisation of government grant	(74)	(70)	(74)	(70)

7 Taxation on surplus on ordinary activities

Teign Housing is a registered charity. Charitable activities of the Company are exempt from United Kingdom Corporation Tax.

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Analysis of charge/(credit) for the year				
Current tax				
UK corporation tax at 19% (2019/20: 19%)	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Total current tax charge/(credit)	-	-	-	-
Deferred tax				
Total deferred tax charge/(credit)	-	-	-	-
Tax on surplus on ordinary activities	-	-	-	-
Reconciliation of tax charge				
Surplus on ordinary activities before taxation	3,471	4,431	3,471	4,431
Tax on surplus at standard corporation tax rate of 19% (2019/20: 19%)	659	842	659	842
Effects of:				
Non-taxable surplus on charitable activities	(659)	(842)	(659)	(842)
Expenses not deductible for tax purposes	-	-	-	-
Non trade charges utilised in period	-	-	-	-
Tax charge/(credit) for the year	-	-	-	-

8 Intangible assets - IT software

	2021
	£'000
Cost	
At 1st April 2020	907
Additions	96
Disposals	-
At 31st March 2021	1,003
Amortisation	
At 1st April 2020	(398)
Charge for year	(133)
Disposals	-
At 31st March 2021	(531)
Net book value	
At 31st March 2021	472
At 31st March 2020	509

9 Tangible fixed assets

	Social Housing Properties for Letting Completed	Social Housing Properties for letting under construction	Low cost home ownership properties completed	Low cost home ownership properties under construction	Total housing properties	Land	IT equipment	Office	Supported Housing equipment	Fixtures, fittings & other equipment	Motor Vehicles	Total fixed assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost												
At 1st April 2020	132,518	5,154	6,990	1,332	145,994	65	193	1,176	222	234	81	147,966
Additions	2,488	3,542	-	1,943	7,972	-	92	-	-	34	30	8,129
AUC Transfers	3,798	(3,798)	1,864	(1,864)	-	-	-	-	-	-	-	-
Transfer to Current Assets	-	-	-	(690)	(690)	-	-	-	-	-	-	(690)
Disposals	(671)	-	(83)	-	(754)	-	(2)	-	-	-	(9)	(766)
At 31st March 2021	138,133	4,898	8,771	721	152,523	65	283	1,176	222	268	102	154,639
Depreciation & Impairment												
At 1st April 2020	(9,209)	(139)	(203)	-	(9,551)	-	(150)	(92)	(144)	(179)	(50)	(10,166)
Charge for the year	(1,871)	-	(55)	-	(1,926)	-	(29)	(15)	(29)	(13)	(17)	(2,029)
Disposals	40	-	2	-	42	-	-	-	-	-	6	48
At 31st March 2021	(11,040)	(139)	(256)	-	(11,435)	-	(179)	(107)	(173)	(192)	(61)	(12,147)
Net book Value												
At 31st March 2021	127,093	4,759	8,515	721	141,088	65	104	1,069	49	76	41	142,492
At 31st March 2020	123,309	5,015	6,787	1,332	136,443	65	43	1,084	78	55	32	137,800

9 Tangible fixed assets cont'd

Number of units owned and managed

Group and Association	2020 Opening Balance	Started in Year	Completed in Year	Delayed	2021 Closing Balance
Social Housing Accommodation					
Under development					
General needs housing	99	-	31	32	36
<i>Social Rent</i>	17	-	6	-	11
<i>Affordable Rent</i>	82	-	25	32	25
Low cost home ownership	38	-	14	10	14
	137	-	45	42	50
	2020 Opening Balance	Completed in Year	Disposed in Year		2021 Closing Balance
Under management at end of year					
General needs housing	2,602	31	20		2,613
<i>Social Rent</i>	2,396	6	20		2,382
<i>Affordable Rent</i>	206	25	-		231
Supported housing and housing for older people	996	-	-		996
Low cost home ownership	93	14	2		105
	3,691	45	22		3,714
	3,828				3,764
Social Housing Accommodation					
Managed for others at end of year	32	0	3		29
	32				29

The value of property additions includes £164,000 of capitalised finance costs (2019-20: £179,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £1,063,000 (2019-20: £899,000). The average rate of finance costs is 4.22% (2019-20: 4.27%).

Housing properties were valued by Jones Lang LaSalle in accordance with Royal Institute of Chartered Surveyors procedures. Properties valued annually for funding commitments at 31 March 2021 equated to £71.9m (1,533 properties) and properties valued triennially for funding commitments at 31 March 2021 equated to £61.7m (1,916 properties) in total 3,449 properties. There are 265 properties that have not been valued for funding commitments.

The total expenditure on repairs and maintenance to existing properties in the year was £8,152,000 (2019-20: £7,964,000). Of this £2,488,000 was capitalised under the SORP 2018 (2019-20 £2,571,000).

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2021 was £34,391,400 (2019-20: £34,281,000).

10 Investment properties held for letting

Group and Association	2021 £'000
Cost	
At 1st April 2020	400
Gain from adjustment in value	180
At 31st March 2021	580

Investment properties were re-valued at 31 March 2021 by Jones Lang Lasalle, professionally qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Global Standards. These properties were part of the original stock transfer from Teignbridge District Council and transferred with a nil value. The shops have been valued on the basis of Market Value.

11 Stock

Group and Association	2021 £'000	2020 £'000
Properties held for sale		
Low cost home ownership properties		
Completed	58	31
Under construction	685	892
	743	923

There are 14 low cost home ownership properties under construction and 2 properties completed and available for sale at 31 March 2021.

12 Trade and other debtors

	Group	Group	Association	Association
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Arrears of rent and service charges	617	774	617	774
Provision for bad and doubtful debts	(318)	(331)	(318)	(331)
	299	443	299	443
Prepayments and accrued income	977	678	1,074	731
Other trade receivables	200	632	189	638
Amounts owed by subsidiary undertakings	-	-	400	500
Amounts due in less than one year	1,476	1,753	1,962	2,312

13 Cash and cash equivalents

	Group	Group	Association	Association
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Short term deposits	1,012	1,012	1,012	1,012
Cash at bank	10,409	10,345	10,183	10,134
	11,421	11,357	11,195	11,146

The Cash at bank figure includes £355k restricted funds that are held as a pension bond. These funds are held in a separate bank account and are not available as working capital for the company.

14 Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Trade payables	1,149	173	1,178	158
Accruals and deferred income	1,134	903	1,132	903
Rent and service charges paid in advance	806	699	806	699
Right to Buy sharing agreement (see below)	796	600	796	600
Amounts owed to subsidiary	-	-	289	431
Other creditors	930	1,122	914	1,095
Deferred capital grant (note 15b)	76	73	76	73
VAT creditor	6	10	6	10
Income Tax (PAYE) and National Insurance	111	109	71	68
Lease obligations	38	80	38	80
	5,046	3,769	5,306	4,117

The Right to Buy sharing agreement is part of the inventory transfer agreement and requires Teign Housing to pay a share of the proceeds from property sales to Teignbridge District Council.

15 Creditors: amounts falling due after more than one year

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Bank loans (note 15a)	46,942	47,358	46,942	47,358
Lease obligations	-	34	-	34
Deferred capital grant (note 15b)	6,833	6,637	6,833	6,637
Recycled Capital Grant Fund (note 15c)	6	1	6	1
Sinking Fund (Haldon)	24	16	24	16
	53,805	54,046	53,805	54,046

15a Bank loans

The Group and Association loans are repayable in the following periods:

	Group	Group	Association	Association
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Fixed rate loans				
Within one year	-	-	-	-
2 to 5 years	-	-	-	-
In 5 years or more	39,942	40,358	39,942	40,358
Variable rate loans				
Within one year	-	-	-	-
2 to 5 years	3,500	3,500	3,500	3,500
In 5 years or more	3,500	3,500	3,500	3,500
	46,942	47,358	46,942	47,358

All loans are secured by specific charges on the Company's housing properties and are repayable at varying rates of finance costs, from 1.99% to 6.77%.

The average rates of finance costs on the loans outstanding at 31 March 2021 were:

Fixed rate loans	6.21% (2019-20: 6.21%)
Variable rate loans	2.00% (2019-20: 2.57%)

At 31 March the Group and Association also had the following undrawn loan facilities:

	2021	2020
	£'000	£'000
Undrawn facilities (Barclays)	13,500	13,500
	13,500	13,500

The Barclays Revolving Credit facility (£13.5m) was rescinded in April 2021 and was replaced with a £20m Revolving credit facility with the Nationwide which remains undrawn. The remainder of the Barclays debt (£21.5m) will be repaid in early 2021-22 and replaced with a £33m loan issued by bLEND PLC.

15b Deferred capital grant

	Group	Group	Association	Association
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
At start of the year	6,710	6,436	6,710	6,436
Received during the year	278	344	278	344
Grants recycled on disposals to RCGF	(5)	-	(5)	-
Released to income during the year	(74)	(70)	(74)	(70)
	6,909	6,710	6,909	6,710
Amount due to be released < 1 year	(76)	(73)	(76)	(73)
Amount due to be released > 1 year	6,833	6,637	6,833	6,637

The total accumulated government grant and financial assistance received or receivable at 31 March 2021 is £7,558k (2019-20: £7,285k), of which, £6,909k (2019-20: £6,710k) is included as deferred capital grant and £649k (2019-20: £575k) has been recognised as income through the Statement of Comprehensive Income to date.

15c Recycled capital grant fund

	Group	Group	Association	Association
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
At 1 April 2020	1	47	1	47
Inputs to RCGF:				
Grants recycled	5	(46)	5	(46)
At 31 March 2021	6	1	6	1
Due in more than one year	6	1	6	1
	6	1	6	1

All balances relate to Homes England.

16 Operating leases

The Group and Association no longer have any operating leases. Compared to last year, the photocopier lease is now treated as a finance lease and the water cooler contract has now ended.

	2021	2020
	£'000	£'000
Land and buildings:		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Others:		
Not later than one year	-	2
Later than one year and not later than five years	-	1
	<u>-</u>	<u>3</u>
	<u>-</u>	<u>3</u>

The lease agreements do not include any contingent rent or restrictions

17 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2021 the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

18 Capital commitments

	2021	2020
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	8,358	9,376
Capital expenditure that has been authorised by the Board but has not yet been contracted for	13,525	5,872
	<u>21,883</u>	<u>15,248</u>

The company expects these commitments to be financed over the life of the committed development program over a period of 3 years with:

	2021	2020
	£'000	£'000
Proceeds from sale of shared ownership properties	2,460	1,749
Uncommitted loan facilities	19,423	13,499
	21,883	15,248

The new revolving credit facility provided by Nationwide (£20,000,000), which was secured on 18 April 2021, will fund the £19,423,000 of committed development expenditure.

19 Pensions Liability

Total Pensions Liability	2021	2020
	£'000	£'000
SHPS	1,268	522
LGPS	511	558
Total	1,779	1,080

(a) Social Housing Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK and is accounted for as such.

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

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

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	2021	2020
	£'000	£'000
Fair value of plan assets	4,094	3,504
Present value of defined benefit obligation	(5,362)	(4,026)
(Deficit) in plan	(1,268)	(522)
Unrecognised surplus	-	-
Defined benefit (liability)	(1,268)	(522)

Reconciliation of opening and closing balances of the defined benefit obligation

	2021	2020
	£'000	£'000
Defined benefit obligation at start of period	4,026	4,524
Current service cost	20	31
Expenses	5	4
Interest expense	95	107
Member contributions	38	32
Actuarial (gains) losses due to scheme experience	(82)	60
Actuarial losses (gains) due to changes in demographic assumptions	19	(39)
Actuarial losses (gains) due to changes in financial assumptions	1,303	(619)
Benefits paid and expenses	(62)	(74)
Defined benefit obligation at end of period	5,362	4,026

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

	2021	2020
	£'000	£'000
Fair value of plan assets at start of period	3,504	3,325
Interest income	84	80
Experience on plan assets (excluding amounts included in interest income) - gain	390	24
Employer contributions	140	117
Member contributions	38	32
Benefits paid and expenses	(62)	(74)
Fair value of plan assets at end of period	4,094	3,504

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £474,000 (2020: £104,000).

Defined benefit costs recognised in statement of comprehensive income (SoCI)

	2021	2020
	£'000	£'000
Current service cost	20	31
Expenses	5	4
Net interest expense	11	27
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	36	62

Defined benefit costs recognised in other comprehensive income (OCI)

	2021	2020
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - gain	390	24
Experience gains and losses arising on the plan liabilities - gain (loss)	82	(60)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss) gain	(19)	39
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss) gain	(1,303)	619
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss) gain	(850)	622
Total amount recognised in Other Comprehensive Income - (loss) gain	(850)	622

Assets

	2021	2020
	£'000	£'000
Global Equity	653	512
Absolute Return	226	183
Distressed Opportunities	118	67
Credit Relative Value	129	96
Alternative Risk Premia	154	245
Fund of Hedge Funds	-	2
Emerging Markets Debt	165	106
Risk Sharing	149	118
Insurance-Linked Securities	98	108
Property	85	77
Infrastructure	273	261
Private Debt	98	71
Opportunistic Illiquid Credit	104	85
High Yield	123	-
Opportunistic Credit	112	-
Corporate Bond Fund	242	200
Liquid Credit	49	1
Long Lease Property	80	61
Secured Income	170	133
Liability Driven Investment	1,041	1,163
Net Current Assets	25	15
Total assets	4,094	3,504

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

Key assumptions

	2021	2020
	£'000	£'000
Discount Rate	2.21%	2.35%
Inflation (RPI)	3.22%	2.55%
Inflation (CPI)	2.87%	1.55%
Salary Growth	3.87%	2.55%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	2021	2020
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring in 2021 (2020)	21.6	21.5
Female retiring in 2021 (2020)	23.5	23.3
Male retiring in 2041 (2040)	22.9	22.9
Female retiring in 2041 (2040)	25.1	24.5

19 Pensions cont'd

(b) Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Devon County Council. The total contributions made for the year ended 31 March 2021 were £52,385, of which employer's contributions totalled £40,202 and employees' contributions totalled £12,185. The agreed contribution rates for future years are 23% for employers and range from 6.5% to 8.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 March 2021 by a qualified independent actuary.

	At 31 March 2021	At 31 March 2020
Rate of increase in salaries	3.90%	2.95%
Rate of increase for pensions in payment / inflation	2.90%	1.95%
Discount rate for scheme liabilities	1.95%	2.35%
Inflation assumption (CPI)	2.90%	1.95%

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

	At 31 March 2021 Years	At 31 March 2020 Years
Retiring today		
Males	22.6	22.9
Females	23.9	24.1
Retiring in 20 years		
Males	24.0	24.3
Females	25.4	25.5

Analysis of the amount charged to operating expenditure in the Statement of Total Comprehensive Income

	2021	2020
	£'000	£'000
Employer service cost (net of employee contributions)	(62)	(79)
Administration expenses	(5)	(6)
Total operating charge	(67)	(85)
Analysis of pension finance costs		
Net Interest on the defined liability	(12)	(13)
Amounts charged to financing costs	(12)	(13)
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial gain recognised	86	65

Movement in (deficit) during year

	2021	2020
	£'000	£'000
Deficit in scheme at 1 April	(558)	(567)
Movement in year:		
Employer service cost (net of employee contributions)	(62)	(79)
Employer contributions	40	42
Net interest/return on assets	1,558	(784)
Re-measurements	(1,662)	672
Change in demographic assumptions	79	21
Other actuarial gains	99	143
Administration expenses	(5)	(6)
Deficit in scheme at 31 March	(511)	(558)

Asset and Liability Reconciliation

	2021	2020
	£'000	£'000
Reconciliation of liabilities		
Liabilities at start of period	7,439	8,196
Service cost	62	79
Interest cost	172	190
Employee contributions	12	14
Re-measurements	1,662	(672)
Change in demographic assumptions	(79)	(21)
Experience gain on defined benefit obligation	(99)	(127)
Benefits paid	(241)	(220)
Liabilities at end of period	8,928	7,439

Reconciliation of assets	2021	2020
	£'000	£'000
Assets at start of period	6,881	7,629
Return on plan assets less interest	1,570	(771)
Interest on Assets	160	177
Other actuarial gains	-	16
Administration expenses	(5)	(6)
Employer contributions	40	42
Employee contributions	12	14
Benefits paid	(241)	(220)
Assets at end of period	8,417	6,881

20 Related parties

Transactions with regulated and non-regulated elements of the business

The company provides management services, other services and loans to its subsidiary.

The company also receives charges from its subsidiary for labour services provided for property maintenance and compliance.

Gift aid from the subsidiary is recognised at year end on receivable basis and is calculated based on the profit for the year end.

Payable to the company from non-regulated subsidiaries

	2021	2020
Transactions with Templer HomeBuild Limited	£'000	£'000
Gift aid distribution	41	66
Management & administration	38	37
Loan interest	12	10
Loan repayments received	900	600
	991	713

Payable to non-regulated subsidiaries from the company

	2021	2020
Transactions with Templer HomeBuild Limited	£'000	£'000
Property services provided	1,880	1,961
Loans to Subsidiary	800	800
	2,680	2,761

21 Consolidated structure and investment

On 17 October 2005 Teign Development Limited was formed as a wholly owned subsidiary of Teign Housing. Teign Development Limited changed its name to Templer HomeBuild Limited on 11 April 2017 and commenced trading on the 1 July 2017. The principal activity of Templer HomeBuild is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale. Templer HomeBuild profit for the year was £41,000 (2020: £66,000) and had net assets of nil (2020: Nil).

22 Low cost home ownership – buyback liability

Teign Housing has two low cost home ownership properties that have mandatory buy back clauses, this means that in the event of the owner being unable to sell their property we are obliged to purchase their share. These will be noted as contingent liabilities in the accounts. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event.

10 Lonsee Gardens

Sale date – 23rd November 2010

Share percentage bought – 35%

Price of percentage bought - £53,235

Original 100% market value as stated in the Lease - £152,100

The property/shares were transferred to a new shared owner on 21st November 2013.

The 100% market value on 21st November 2013 was £145,000

12 Lonsee Gardens

Sale date – 1st October 2010

Share percentage bought – 25%

Price of percentage bought - £37,537.50

Original 100% market value as stated in the Lease – £150,150

23 Change in Net Debt

Group

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	11,357	64	-	11,421
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(47,358)	-	416	(46,942)
	(36,001)	64	416	(35,521)

Association

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	11,146	49	-	11,195
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(47,358)	-	416	(46,942)
	(36,212)	49	416	(35,747)