Financial Statements for the year ended 31 March 2023

Creating homes.
Building lives.

Jigsaw
Jigsaw Homes Group Limited

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Company Information

Registration number	Co-operative and Community Benefit Societies Act 2014, number 29433R
Regulator of Social Housing Registration Number	LH4345
Registered office	Cavendish 249 Cavendish Street Ashton-under-Lyne Tameside OL6 7AT
Board members	F. Selvan (chair) D. Addy (retired November 2022) R. Barker G. Brown P. Chisnell (executive member) G. Cooney (retired July 2023) B. Groarke M. Kenyon (appointed November 2022) E. Matley (appointed November 2022) B. Moran (executive member) R. O'Connell (retired November 2022) H. Roberts (executive member) T. Ryan A. Todd
Senior management team	H. Roberts, Group Chief Executive B. Moran, Deputy Chief Executive P. Chisnell, Executive Director of Finance D. Kelly, Group Director of Neighbourhoods & Support A. Marshall, Group Director of Asset Management K. Marshall, Group Director of Development & People
Company Secretary	B. Moran
Bankers	National Westminster Bank Plc. Manchester City Centre Branch PO Box 305 Spring Gardens Manchester M60 2DB
Auditors	Beever and Struthers One Express 1 George Leigh Street Manchester M4 5DL

1. Introduction

Hummingbird Project

MedEquip4Kids delivers a positive psychology project in four Tameside primary schools thanks to Jigsaw Foundation

Chair's Statement

On behalf of the board of management, I am very pleased to present the report and financial statements for Jigsaw Homes Group Limited for the 2022/23 financial year.

This document sets out a comprehensive account of our activities during 2022/23 and provides an insight into the Group's efforts to deliver on its strategic priorities:

- Caring for our customers, our assets and neighbourhoods
- Maintaining a strong corporate foundation
- Valuing staff
- Growing the business

I would like to take this opportunity to outline our position on the most pressing current and developing issues in our operating environment and to signpost some of our priorities for the future.

Our Operating Environment

The cost of living crisis remained a dominant theme throughout the year. At Jigsaw, part of our response to the crisis was to develop our own plans to voluntarily limit our rent increases for 2023/24 at well below the rate of inflation. However, before the end of the year, the government set a sector-wide cap on rent increases to no more than 7% — a move which reinforced how the sector can be subject to significant political interventions. Despite the goverment cap, our board decided to show further restraint on rent increases to help support our tenants and we will limit Affordable Rents rises for 2023/24 to 5%.

The sector's reputation was severely damaged by repeated media reports of sub-standard housing and poor customer service. Quite rightly, following the tragic death of Awaab Ishak which was caused by the prolonged exposure to mould in his Rochdale Borough Wide Housing home, the quality of homes provided by the entire sector is now under greater scrutiny. In response, we can expect to see major revisions to the Decent Homes Standard in the near future.

During the year, we continued to prepare for new consumer regulation which we expect to be fully in place by April 2024. As part of our preparatory work, we undertook a trial tenant satisfaction survey in accordance with the draft regulations. One of our learning points from this work was the importance that our tenants place on information and communication. We are committed to work with our tenants to improve the availability of information and to increase the transparency of our business. In the coming year we will therefore use our website to publish a new set of quarterly KPIs and other information prioritised by tenants. We look forward to continue deepening our accountability through reporting on the new consumer standards from April 2024 onwards.

The demand for repairs from our customers had bounced-back in 2021/22 following the removal of social contact restrictions associated with the COVID-19 pandemic. We had expected demand to return to pre-pandemic levels but, unexpectedly, requests for repairs remained at elevated levels throughout 2022/23. Unfortunately, for much of the year our repairs service was therefore unable to complete less urgent repairs within our normal timescales and this had knock-on impacts to other areas of customer service such as the performance of our contact centre. In 2023/24, the Group plans to recruit an additional 56 members of staff to its asset management teams to help meet the higher demand we are now experiencing.

At the time of writing, the UK economy is presenting real difficulties to both individual households and to companies. High inflation has had a notable impact on our cost base, and rising interest rates have also increased the cost of some of our debt. Three development contractors unfortunately went out of business during the year, causing some delays to our sites.

Notably, we can expect a cool-down in the housing market in the coming year. Nationally, the Office for Budget Responsibility is forecasting a 10% fall in values from their 2022 peak, with house prices then expected to remain below 2022/23 levels until 2028. Meanwhile, the lingering and intractable impact of both the COVID-19 pandemic and Brexit continue to pressure supply chains and the labour market.

These financial statements demonstrate that despite the challenges we face, the Group stands on a very secure financial footing. They also showcase some of the great work we have delivered during the year.

Our financial strength and proven ability to adapt give the board and myself great confidence that we not only remain well-placed to continue to deliver for our customers during uncertain times, but that we can also continue to play our part in supporting wider economic growth.

As we move closer to the next general election, it is notable that both the current Conservative government and the Labour opposition are increasingly emphasising a policy agenda centred on economic growth. Our view is that housing associations have a key role to play in delivering this agenda. Crucially, during times of economic difficulties, housing associations can — and indeed *have* — played a counter-cyclical role by keeping their investment flowing. Jigsaw Homes Group Limited's fully-funded Development Strategy envisages building 4,397 new homes by 2028 and this investment will provide significant support to an embattled construction industry, helping to maintain wider jobs in the economy at a time when other investment seems likely to retrench.

Our Future Plans

Moving forward, we will continue to focus on addressing the themes identified through 2020's *Jigsaw Conversation* — a wide-ranging consultation exercise on our future direction with our tenants, employees and board members.

The themes we identified through this work were:

- Building safety—making our homes safer places to live in.
- Our homes and spaces—reducing our carbon footprint and improving our existing homes and green spaces.
- Our tenancy offer—looking at the types of homes we offer, improving our estates and offering more support for the mental well-being of our residents.
- Our future development product—looking at how we can work to create more sustainable and energy efficient homes in the future.

As you can read in some detail in these financial statements, during the last year, we continued to make good progress in taking this clear mandate forward. There is of course much more to do however, and addressing the environmental concerns of our stakeholders and progressing the net-zero carbon agenda in particular will require concerted focus for years to come.

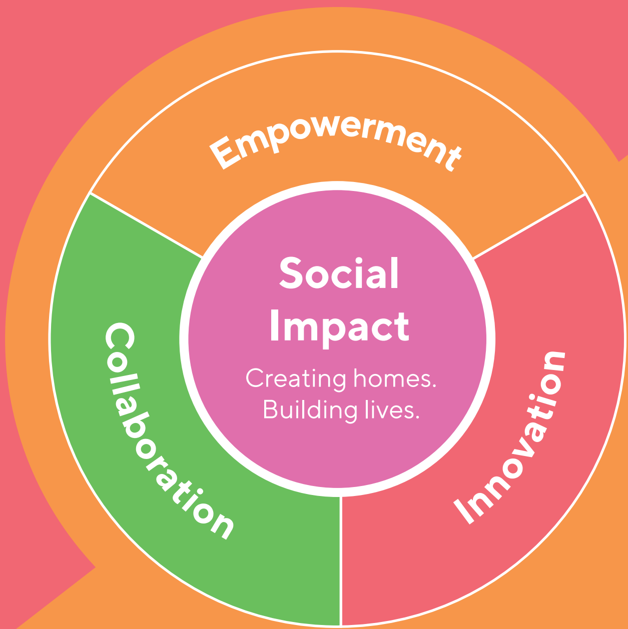
This is the final set of financial statements that I will be introducing, as 2023 is my final year as Chair. I will be really sad to leave Jigsaw in December 2023 but I do so in full confidence that we have a high quality board and executive team to lead us through the challenges ahead to deliver on our mission of:

"Creating homes. Building lives."

Fay Selvan

Group Chair

our values



Our Vision

We want everyone to live in a home they can afford.

Our Mission

Creating homes. Building lives.

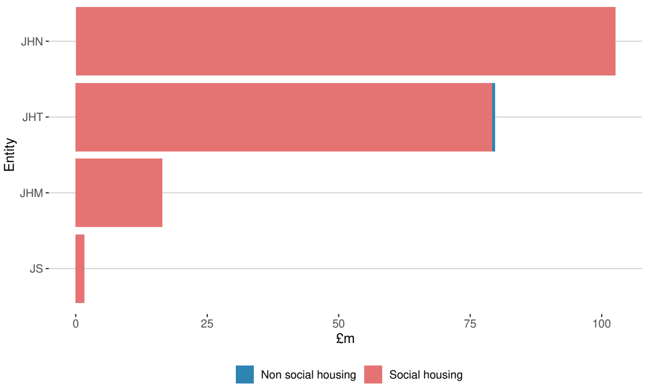
About Jigsaw Homes Group

Our Group comprises nine organisations working in unison to tackle inequality throughout the North West and East Midlands.

In addition to the parent, Jigsaw Homes Group Limited, the principal members of the Group are:

- Jigsaw Homes Midlands
- Jigsaw Homes North
- Jigsaw Homes Tameside
- Jigsaw Support

As measured by financial turnover, together we are the 33rd largest housing group in the country[1]. The turnover of the Group's principal members during 2022/23 is shown in Figure 1 on this page.



Source: financial statements 2022/23.

Figure 1: Turnover analysis — the vast majority of the Group's turnover is based on social housing activities.

Our Activities

Our members build, renovate and manage low-cost housing for rent and sale.

The core of the Group's business is centred on the management of 36,537 homes — principally social housing for rent. The location of homes managed by the Group's members is shown in Figure 2 on the current page. The Group is active in 31 local authority areas.

We work to help regenerate neighbourhoods and increase life opportunities for disadvantaged

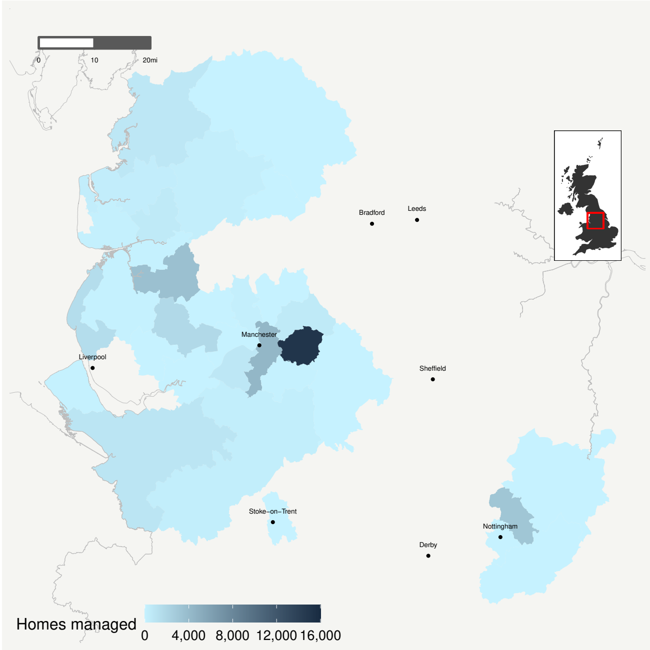


Figure 2: Location of housing stock — shading shows local authority concentrations in Greater Manchester, Lancashire, Nottinghamshire and Merseyside.

individuals and communities. Our largest members are four housing associations, regulated by the Regulator of Social Housing (RSH) and legally known as Registered Providers. The latest *Regulatory Judgement* published by the RSH confirms that Jigsaw is fully compliant with the RSH's *Regulatory Standards* — our published ratings for governance and viability are 'G1' 'V1' respectively.

The Group also provides a range of charitable and supported housing services to help people live independently and to successfully maintain their tenancies. This work is often funded through external contracts that are delivered on a commercial basis by the Group's members.

Vision, Mission and Corporate Values

Vision

Our Vision is:

> "We want everyone to live successfully in a home they can afford."

Mission

We will do this by making a social impact focused on:

[1]Source: 2022 Global Accounts of private registered providers

"Creating homes. Building lives."

Corporate Values

We will ensure that the following values are evident through our work:

- Empowerment
- Collaboration
- Innovation

Cooperation, Collaboration and Partnerships

We recognise that we can often achieve more by working together with other organisations that share our aims. Jigsaw Homes Group is an active member of the National Housing Federation, the Northern Housing Consortium and Homes for the North.

The Group is also party to two joint venture companies with other housing associations:

- JV North — focused on pooling housing association buying power to procure development work; and
- Manchester Athena — focused on housing associations working together to deliver projects on employment, skills, and health and well-being.

2. Strategic Report

Linnet View, Morecambe

£5.5m development of 32 new homes available for affordable rent and shared onwnership

Review of the Year

In this section, we review our work during 2022/23.

Delivering Value for Money

A useful definition of *Value for Money* (VFM) is provided by the National Audit Office as the:

> "optimal use of resources to achieve the intended outcomes".

It follows that a well governed and managed organisation should achieve VFM by aiming to optimally use its corporate resources to deliver its defined corporate strategy.

For regulatory purposes then, the following review of our efforts to deliver our corporate strategy together with the assessment of the Group's performance against the Regulator of Social Housing's Value for Money Metrics (on pages 28–32) comprise our *Value for Money Statement* for 2022/23.

Corporate Strategy

The Group's *Corporate Plan* provides a long-term focus for our work. The Corporate Plan is based on the achievement of four Strategic Priorities:

- Caring for our customers, our assets and neighbourhoods
- Maintaining a strong corporate foundation
- Valuing staff
- Growing the business

Each Strategic Priority is mapped to medium-term Goals. Those that were in place for 2022/23 are shown in Table 1 on the following page.

Ultimately our Strategic Priorities will be achieved by a) delivering the key projects approved each year within the Corporate Plan; and b) through a strong focus on operational performance. Below, we provide an account of the progress of both of these areas in 2022/23.

Delivery of Key Projects

During 2022/23 the delivery of the Group's Corporate Plan was supported by the following key projects:

- Asset Management Strategy
- Community Investment Strategy
- Customer Care Strategy
- Development Strategy
- Governance Plan
- IT Strategy
- Jigsaw Support Strategy
- People Strategy
- Sustainability Strategy
- Treasury Management Strategy

Asset Management Strategy

During 2022/23, the Group's asset management work continued to place a focus on delivering a programme of building safety work and on providing effective responsive and planned maintenance services.

Building safety remains a key focus of the Group and the notable successes achieved during 2022/23 were:

- the Group completed the review of over 3,000 fire doors and replaced 1,326 during the year. Overall, c. 2,500 doors have now been replaced under the Group's fire door plan which covers c. 8,000 doors group-wide.
- the Group completed the review and registration of 26 high-rise buildings under the Building Safety Act 2022.
- 62 timber balconies out of 250 were reviewed.

As building safety remains a key Corporate Plan focus, the Group has committed c. £27.8m of investment into this priority over the next five years.

Corporate Priority	Goal	Goal Target
Caring for our customers, our assets and neighbourhoods	Achieve top quartile overall customer satisfaction	31/03/2025
	Anticipate the future requirements of the revised Decent Homes Standard	31/03/2024
	Become a carbon neutral business	31/03/2050
	Provide £1.5m investment over three years into projects that benefit the social, economic or environmental fabric of our communities	31/03/2024
Maintaining a strong corporate foundation	Maintain G1 V1 ratings across the Group	Throughout
Valuing staff	Attain three star accreditation with Best Companies	31/03/2023
Growing the business	Deliver 4,000 homes in five years	31/03/2027
	Leverage external funding to deliver services to vulnerable groups	Throughout

Table 1: 2022/23 Strategic Priorities and Goals.

Figure 3: We completed a new facelift for Chartist House.

The demand for repairs from our customers had bounced-back in 2021/22 following the removal of social contact restrictions associated with the COVID-19 pandemic, but remained at elevated levels throughout 2022/23. For much of the year our repairs service was unable to complete less urgent repairs within our normal timescales. In 2023/24, we plan to recruit an additional 56 members of staff to our asset management teams to help meet the higher demand we are now experiencing.

Following the publication of a coroner's report into the tragic death of Awaab Ishak, due to mould in his Rochdale Boroughwide Housing home, 2022 saw intense public interest in and growing awareness of damp and mould as a health issue. In 2022/23 there was a notable increase in reports of damp and mould and disrepair claims recieved by the Group. We closely monitor disrepair and ensure that our board is sighted on active disrepair cases. During the last 12 months, we received reports of 25 new disrepair cases on average each month.

Housing Ombudsman investigations into service failures in the sector emphasise that both system and cultural problems can be at the root of the failure. During 2022/23, we have worked to strengthen both of these areas through Customer Care Training and revisions to our processes for responding to reports of damp and mould. In the coming year, we will work with our tenants and residents to review their customer journey through our key services to identify the risk areas for poor communication and where we may be falling short of customer expectations.

The UK's high inflationary environment during

2022/23 — particularly energy costs — placed budgetary pressure on the Group. As a result the board decided to delay some asset management programmes until the final quarter of the year.

During the year, a major stock condition and data verification exercise was completed for Jigsaw Homes North by Savills PLC.

Community Investment Strategy

A Customer Investment Strategy was introduced during 2022 to direct the Group's investment to help sustain tenancies and communities.

The strategy commits the Group to a Neighbourhood Plan model which uses data on neighbourhood deprivation to steer our resources to those communities in most need, focusing on the themes of:

- Employment & Skills
- Financial Wellbeing
- Health & Wellbeing
- Environment & Demand

The UK's cost of living crisis and specifically, the associated impact of fuel poverty on our residents, was the most urgent focus for our Community Investment Strategy in 2022/23.

In this context, we advised over 4,000 residents on how to use energy more effectively, provided 415 food bank vouchers, issued 261 winter warmer packs, 118 fuel vouchers, and delivered eight "Cooking on a Budget" courses. We gave financial support to three food pantries which served over 250 families every week with affordable food.

We also approved 231 Hardship Fund applications during the year and provided £95k of assistance to residents who found themselves in severe financial difficulties during the year.

In 2022/23, c. 1,300 referrals were made to the Jigsaw Employment & Training (JET) team to provide assistance to residents to help them gain employment. During the year, 858 residents completed JET training courses, 16 received a business start-up grant and 20 work placements were completed through the Kickstart scheme.

Meanwhile, the Jigsaw Foundation which provides access to funding for tenants and community groups working in their own neighbourhoods, supported 67 projects with funding group-wide totalling c. £440k.

Figure 4: Celebrating International Women's Day with our residents.

Customer Care Strategy

2022 proved to be a challenging year for our two contact centre sites and our responsive repairs services. During 2021, we experienced a rapid rebound in the demand for repairs from our tenants following the easing of the COVID-19 pandemic. In line with the experience of many of our peers in the housing sector, we have found that demand in 2022/23 remained at elevated levels and, unfortunately, our services were unable to meet the sustained high demand within our normal response times.

We made changes during the year to better inform tenants about the status of their repairs request and we increased capacity in our contact centres by merging the housing management teams to share calls across the two sites. We also developed our online offering to tenants to enable them to book their own appointments for repairs over the web which will launch in 2023. Finally, we plan to recruit an additional 56 posts to our maintence teams in the coming year which will better meet the demand for repairs which has been driving much of our call volume.

Development Strategy

The Group's Development Strategy supported the delivery of 701 new homes in the year. Notably this included the first scheme for the over-55s developed since the formation of Jigsaw in 2018, Stockinger House in Burton Joyce, which comprises 34 units.

Figure 5: Tom Randall MP and Hilary Roberts, Jigsaw's CEO, officially open Stockinger House in Burton Joyce, Nottinghamshire.

The Group's development programmes faced some notable challenges during the year.

The supply chain issues encountered in 2021 reduced somewhat in 2022/23, but remained problematic. Notably, supply chain problems were the cause of some delays to the Group's first significant modern methods of construction scheme in Gedling which is now expected to fully complete in 2023/24, delivering 131 new homes.

During the year, it became apparent that the business plans of some development contractors were unable to cope with supply chain delays in combination with rising prices in the economy. Sadly, three contractors became insolvent in the year. This delayed some sites but the Group is confident that new contractors for all affected schemes will be appointed and the properties will be progressed to completion.

The UK's high inflationary environment during 2022/23 also risked reducing the number of homes that the Group's Development Strategy is able to deliver. Higher costs will inevitably result in fewer new homes being produced unless our financial appraisal models can utilise one or a combination of: increased rents; increased finance from the Group's surpluses; or increased grant levels. In 2022/23, the board took a decision to increase the Group's financial contribution to development schemes, providing that increases in grant funding were also sought. This policy change has to date proven to be successful.

Despite sharp increases in the interest rates offered by mortgage providers during the year, the market for shared ownership sales remained buoyant throughout our areas of operation. 110 sales were completed during the year, narrowly below the Group's target of 129.

We are actively seeking to develop in 37 local authority areas throughout the North West and East Midlands. We plan to resource a further 4,397 homes by 2028. 897 homes were on site at 31 March 2023.

Governance Plan

Work during the year was focused on preparing for the forthcoming new regulatory regime which we expect to be in place from April 2024. Our preparatory work to date has included a review of our policies for reports of complaints and damp and mould, consultation with residents on their priorities for transparency, new performance reporting to board and the completion of a trial tenant satisfaction survey, delivered in accordance with draft guidance from the regulator. Our learning from this work will be progressed in the coming year.

In 2022, the Group brought forward the planned retirement of two of its longer-serving members to ensure that the board would not be disrupted by too many members leaving in 2023. Two new members were successfully recruited to the roles.

Other governance work focused on supporting the newly formed Jigsaw Funding plc and the development of the Group's environmental, social and governance reporting.

Our residents helped the board to take customer-focused decisions in the year. Our tenant scrutiny panel made 14 recommendations for improvement as an outcome of two tenant scrutiny projects undertaken in 2022/23 which considered the Group's approach to data protection and to void loss. Meanwhile, the membership of Jigsaw Rewards — our main vehicle for tenant consultation — grew slightly in the year to 2,665 members (previously: 2,504) and enabled the Group to undertake 41 surveys in the year which helped inform policy development and corporate planning.

Information Technology Strategy

During the year, the board agreed a new IT Strategy for the period 2022-24. Perhaps most notably, the new strategy resulted in further investment in Microsoft 365 subscriptions. The introduction of Microsoft 365 was — and will continue to be — a major focus of work for the Group

A strong emphasis was also placed on strengthening security controls, with a security monitoring partner appointed in 2022 and significant efforts made to improve system and data resilience, as well as maintaining a high profile awareness campaign around cyber risks with employees.

The Group adopted a Data Quality Strategy in 2022 to take a more proactive approach to the challenge of ensuring its data is complete and accurate.

Jigsaw Support Strategy

2022/23 saw the expansion of Jigsaw Support into new areas of operation both in terms of supported housing activity and geography.

During the year, we were awarded seven new contracts and gained two contract extensions. These included contracts to both tackle domestic abuse and raise awareness of the issue; supporting "aging in place"; and the provision of 24 flats for people who are, or who are at risk of, rough sleeping.

We expanded our operations into the Liverpool City region with the award of a contract to provide a high level of support to individuals with complex needs to enable them to live independently. The contract commenced in January 2023.

The delivery of our strategy continued to utilise the reserves of Jigsaw Support to support pilot projects by funding:

- A hoarding specialist to help residents with hoarding disorder to address their condition.
- Wellbeing coordinators to help signpost residents to mental health services.
- Carpets and furniture provision to test the demand for, and impact of, furnished tenancies in the Group's general needs accommodation.

We expect that these pilot projects will complete in 2023/24 with the results then used by the board to decide whether to provide mainstream funding for these services.

Jigsaw Support was also successful in the year in being awarded ISO45001 health and safety accreditation.

People Strategy

Our efforts in this area in 2022/23 continued to be focused on promoting employee well-being, flexible working and equality and diversity. During the year we delivered training events, "Time to Talk" sessions, provided a well-being fund, employee health checks, and delivered a communications plan to promote the work of our "Equality Street" employee group.

In the light of the severe cost inflation experienced across the UK, the board of management made important decisions in the year to provide an additional mid-year payment to all employees which was well-received. The board also agreed to a structured pay increase to be implemented in April 2023 which ensured that lower paid employees received a higher percentage increase than higher paid employees.

Although we fell short of our original Corporate Plan Goal, given the extent of change in the business following the COVID-19 pandemic, we were pleased to be recognised as a "two stars, outstanding" organisation by Best Companies in early 2023 . We will continue to strive to improve our employee engagement work through the delivery of our People Strategy and the board has reaffirmed our commitment to achieve three star "world class" accreditation with Best Companies.

Sustainability Strategy

The Group's efforts to reduce carbon emissions continued to concentrate on improving the energy efficiency of our homes. During 2022/23, the Group was successful in securing c. £1.7 million of match funding from the Social Housing Decarbonisation

Figure 6: An outstanding endorsement from our employees through Best Companies.

Fund (SHDF) to support the Group's "fabric first" approach to raising the insulation standards of its homes.

We continued to investigate the role that new technologies can play in helping to achieve net carbon zero. During the year, a further 271 solar panel installations were installed group-wide and we continued to learn from our 2021 pilot installation of 103 air source heat pumps in Gedling.

The Group has committed c. £6 million in 2023/24 for the replacement of storage heaters, increasing insulation and alternative heating sources.

Treasury Management Strategy

In accordance with our Treasury Management Strategy, we successfully accessed the capital markets in May 2022 by issuing a £350 million Sustainability Benchmark Bond through the newly formed special purpose vehicle, Jigsaw Funding plc. The monies from the bond issuance will go a long way in supporting the development of new affordable housing over the medium term. The bond has a 30-year tenor with an annual coupon of 3.375%. The funding received by Jigsaw Funding plc has been on-lent to fellow group member and group treasury vehicle, Jigsaw Treasury Limited, through secured loans under a guarantee and security trust basis. £100 million of the bond is in the form of retained bonds with a long-stop date of May 2027.

Operational Performance

The Group has established a suite of performance measures which are monitored by the board and by Risk & Audit Committee on a quarterly basis. Year end Key Performance Indicator (KPI) performance is shown in Table 2 on page 17 and is discussed below.

Caring for Our Customers, Our Assets and Neighbourhoods

Table 2 on the following page shows that 17 of the 27 KPIs established to monitor the delivery of this strategic objective were achieved in the year.

During 2022/23, in this area the performance of the following very high or high priority KPIs did not meet target levels:

- Current Tenant Arrears.
- Void loss.

Current tenant arrears stood at 3.21% at 31 March 2023, marginally above the target for the year of 3.12%. Our analysis is that the target was missed simply due to the timing of Housing Benefit payments. Our calculation of current tenant arrears which takes into account known payment patterns indicates that current tenant arrears were running at 2.28% with an improving trend at the year end.

Void loss performance was 1.38% at 31 March 2023, notably higher than the target for the year of 1%. Performance in this area, as with a number of other lower priority KPIs, has been adversely affected by higher than expected demands placed on the Group's maintenance teams in the year. Works to empty properties were deprioritised to move resources into dealing with higher than anticipated requests for repairs and reports of damp and mould in the year. In 2023/24, we plan to recruit an additional 56 members of staff to our asset management teams to help meet the higher demand we are now experiencing. This should enable us to rebalance resources.

Maintaining a Strong Corporate Foundation

Table 2 shows that one of the six KPIs established to monitor the delivery of this strategic objective was achieved in the year.

	KPI	KPI priority	Target	Actual	Trend
	Caring for our customers our assets and neighbourhoods				
	Carbon emissions	VH	1,599	1,115	↑
●	Current Tenant Arrears	VH	3.12%	3.21%	↓
	Overall customer satisfaction	VH	No target 22/23	67.5%	—
	Income Collected	VH	99%	99.3%	↓
	Customers who agree that employee was polite	H	97%	97.6%	—
	CRM actions completed	H	80%	91.9%	↑
	Out-of-date Fire Risk Assessments	H	0	0	—
	Percentage of non compliant Jigsaw Support contracts	H	8%	0%	↓
	Satisfaction with Repairs	H	88.0%	89.2%	↑
●	Void Loss	H	1%	1.38%	↓
●	Average Time for Non-Emergency Repairs	M	11 days	11.6 days	↑
	Emergencies Attended and Made Safe within 24hrs	M	97.0%	99%	↑
●	Enquiry Resolved at First Point of Contact	M	75%	71.2%	↑
●	Abandoned Calls	M	10%	15.7%	↓
	Complaints responded to within policy timescales	M	80%	80%	—
●	Median Void Length – General Needs	M	18 days	29 days	↑
●	Median Void Length – Retirement Living	M	20 days	29 days	↑
	Money advice provided	M	1,842	3,429	↑
●	Number of fire doors replaced	M	1,587	1,326	↓
	Number of logins to online services	M	25,000	27,232	↑
●	Number of Properties Below Level C	M	6,446	6,925	↑
	Progress of Planned Programme	M	88%	92.5%	↑
	Properties compliant with gas safety requirements at quarter end	M	100%	100%	—
●	Properties with Invalid Gas Certificates during Reporting Period	M	0	3	↓
	RIDDOR incidents	M	2	2	↑
	Satisfaction of tenants with new home	M	70%	89.1%	↑
	Satisfaction with handling of ASB Case	M	80%	80.2%	↓
	Maintaining a strong corporate foundation				
●	EBITDA MRI Interest Cover	VH	148.73%	135.92%	↓
	Gearing	VH	46.64%	45.68%	↓
●	Headline Social Housing Cost Per Unit	VH	£3,581	£3,830	↓
●	Operating Margin	VH	28.8%	23.35%	↓
●	Reinvestment	H	9.88%	8.71%	↑
●	Return on Capital Employed	H	3.49%	3.18%	↓
	Valuing staff				
●	Compliance With Mandatory Training	M	100%	99.1%	↑
	Compliance With Other Essential Training	M	98%	99.6%	—
	Employee Net Promoter Score	M	20	43	↑
	Employee Sickness	M	4.4%	4.3%	↓
●	Employee Turnover	M	3.75%	4.36%	↓
	Growing the business				
●	New Property Sales	H	129 units	110 units	↓
●	New Supply Delivered	H	2.3%	2%	↑
	Starts on Site	H	695 units	897 units	↓

● Out of target performance ↑ improving year-on-year trend ↓ deteriorating year-on-year trend — no change in trend.

Table 2: Quarterly KPI performance at year end (financial data based on unaudited management accounts.)

During 2022/23, in this area the performance of the following very high or high priority KPIs did not meet target levels:

- EBITDA-MRI Interest Cover.
- Headline Cost Per Unit.
- Operating Margin.
- Reinvestment.
- Return On Capital Employed.

In general, the KPI's for *EBITDA-MRI Interest Cover*, *Headline Cost Per Unit* and *Operating Margin* were all affected by heightened levels of cost inflation during 2022/23, particularly evident in utility prices — which were three times higher than original forecast — due to the impact of Russia's invasion of Ukraine. In addition to the impact of inflation, asset management costs also increased above projected levels due to higher than expected demands from tenants through repairs requests, increased reports of damp and mould and increased disrepair cases.

Reinvestment and *Return On Capital Employed* KPI targets were not being met due to the continued disruption to the Group's new homes development programme caused by delays to schemes completing during the year. In addition a lower amount of components were capitalised than expected with respect to our ongoing stock reinvestment programmes.

A summary of the Group's recent financial results is shown in Table 3 on page 21 and highlights of the Group's financial position are shown in Table 4 on page 21.

The board is pleased to report that *Operating Surplus* amounted to £48.8m or 24% of turnover.

Jigsaw holds a rating with Moody's Investors Service of A2 with negative outlook.

Throughout 2021/22, the Group worked on its debut bond issuance which was announced to the market in April 2022. Through these efforts, the Group successfully secured a £360m Sustainability Bond, issued by new group member, Jigsaw Funding plc, on a 30 year tenor and a coupon of 3.375%, with a £100m retained element.

With regard to loan finance, during the year the Group repaid £132m in line with agreed debt profiles. £253.5m of loan finance was drawn-down in the year. At the year-end debt borrowings amounted to £816.8m, maturing as outlined in Note 20 to the financial statements.

Valuing Staff

Table 2 shows that three of the five KPI targets established to monitor the delivery of this strategic objective were achieved in the year[2].

The *Compliance With Mandatory Training* target was narrowly missed but positive progress was made in the year.

Employee Turnover is slightly higher than target due to the end of the *Motiv8* contract in Jigsaw Support which accounted for 10 leavers and four TUPE transfers from Jigsaw Support to other sections of the Group. In addition, in the final quarter of the year, there were seven retirees who left the Group, a higher than usual level.

Growing the Business

Table 2 shows one of three KPIs established to monitor the delivery of this strategic objective was achieved in the year.

During 2022/23, the Group's development programme continued to recover from the disruptions caused by the COVID-19 pandemic.

In particular, *Starts on Site* performance was strong with 897 units starting on site against the target of 695.

The Group's *New Supply Delivered* metric missed the year end target in the main due to difficulties on site which continued to be experienced in 2022/23 due to delays arising from material supply issues and scarce availability of skilled labour, resulting in 'extension of time' claims from some contractors.

In 2022/23 the Group delivered 701 units of affordable housing, as shown in Figure 7.

The economic impact of housing development can be estimated through the National Housing Federation's Local Economic Impact Calculator.

An estimate of the impact of the Group's development activity during the year is shown in

[2] These KPIs are measured at Group level only. All metrics and commentary relate to the Group as a whole.

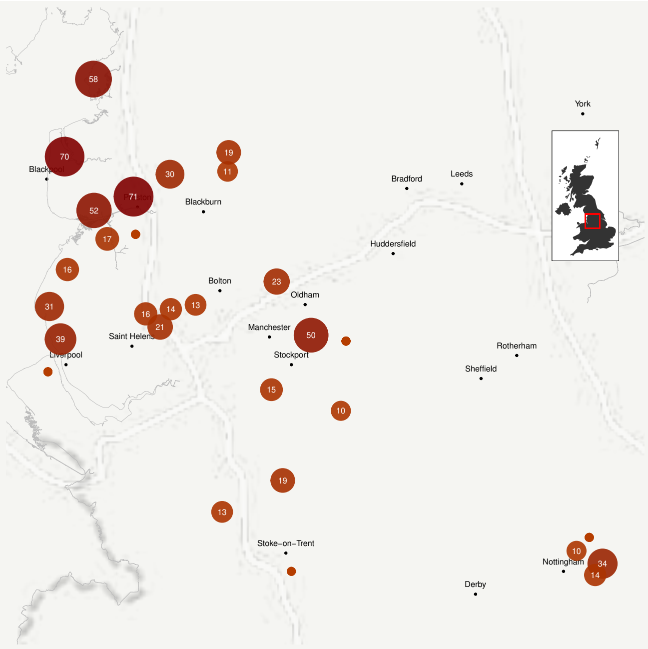


Figure 7: New affordable housing delivered in 2022/23.

The board’s view of the key risks to the business and an explanation of how these are mitigated is included in the analysis of the Group’s corporate risk position at the end of the financial year on page 35.

Table 5. 2,146 jobs are estimated to have been supported through the Group’s investment in new development in the year.

Homes provided	Jobs supported	Impact
701	2,146	£116.8m

Table 5: Local economic impact of housing development 2022/23.

The Group’s provision of new housing generates wider value for society as new housing provides people with better places to live.

Through careful architectural design, the Group’s housing developments also contribute to improvements to the general built environment and towards efforts to reduce carbon emissions. Figure 8 on page 20 presents a selection of the new housing delivered by the Group’s members in 2022/23, showcasing high design standards.

The Group’s *Development Strategy* will yield 4,397 new affordable homes between 2023 and 2028.

This is expected to inject an additional £490.3m into the local economies, supporting in excess of 9,005 jobs per annum.

At 31 March 2023, 2,066 properties were on-site.

Figure 8: Good design in new housing 2022/23.

Year	Turnover £'000	Operating expenditure £'000	Operating surplus %	Retained surplus £'000	Retained surplus %
2019	180,256	122,693	33	27,433	15
2020	180,934	120,374	35	32,434	18
2021	191,373	108,408	38	20,665	11
2022	191,395	129,644	31	60,751	32
2023	**200,869**	**150,244**	**24**	**40,928**	**20**

The above figures are extracted from previous financial statements based on accounting standards effective at those dates.

Table 3: Five-year financial performance.

Year	2023	2022	2021	2020	2019
Housing properties at cost	1,733,138	1,606,211	1,502,838	1,421,879	1,346,984
Stock	11,893	7,493	6,260	15,394	6,166
Investments	3,393	3,247	3,039	3,178	
Cash at bank and short term deposits	109,515	61,872	96,985	96,192	80,662
Creditors amounts falling due within one year	64,564	52,163	50,922	52,194	38,654
Net current assets / (liabilities)	80,937	43,647	80,636	89,434	85,105
Total assets less current liabilities	1,630,319	1,483,088	1,437,179	1,382,493	1,321,959
Creditors amounts falling due after more than one year	1,132,743	993,436	974,804	961,508	930,802
Capital and reserves	486,283	445,356	384,605	363,940	331,506

The above figures are extracted from previous financial statements based on accounting standards effective at those dates.

Table 4: Five-year financial position.

Future Plans

The board approved minor revisions to its *Corporate Plan* in June 2023 — an abridged version is available on the Group's website.

The strategic priorities and goals adopted for 2023/24 are summarised in Table 6 on page 23.

Key projects to be delivered in 2023/24 include:

- Asset Management Strategy – a continued focus on building safety with programmes to undertake replacements of external wall systems to some high rise schemes and more generally to fire doors.
- Data Quality Strategy – a focus will be placed on assuring the quality of the Group's key data.
- Development Strategy – continued delivery of the Group's new home development targets whilst testing new methods of construction.
- Governance Plan – work will be undertaken to recruit a replacement for the Group chair ahead of her planned retirement in December 2023.
- IT Strategy – a move towards a "cloud first approach" with an emphasis on cyber security.
- Safer Accommodation Pilot – to provide support to help people who have had to move into temporary accommodation as a result of domestic abuse
- Security Strategy – to develop a clear plan for the Group's security for future funding requirements.
- Sustainability Strategy – a particular focus on a "whole house fabric first approach"

Corporate Priority	Goal	Goal Target
Caring for our customers, our assets and neighbourhoods	Achieve top quartile overall customer satisfaction	31/03/2025
	Anticipate the future requirements of the revised Decent Homes Standard	31/03/2024
	Become a carbon neutral business	31/03/2050
	Provide £1.5m investment over three years into projects that benefit the social, economic or environmental fabric of our communities	31/03/2024
Maintaining a strong corporate foundation	Maintain G1 V1 ratings across the Group	Throughout
Valuing staff	Attain three star accreditation with Best Companies	31/03/2026
Growing the business	Deliver 4,000 homes in five years	31/03/2027
	Leverage external funding to deliver services to vulnerable groups	Throughout

Table 6: 2023/24 Strategic Priorities and Goals.

3. Governance

Rowan Wood, Longridge

£9.9 million scheme of 24 x three and four bedroom homes, sold through shared ownership

Corporate Structure and Governance

The structure of the Group's corporate and governance arrangements are shown in Figure 9 on page 27. Figure 9 highlights how the Group uses overlapped boards to simplify its governance arrangements and to make the best use of the shared skill-set of board members and directors.

Table 7 on the next page sets out the demographics of the board in comparison to the diversity of the Group's residents and to the wider region.

Board Members Serving at the End of the Financial Year

Fay Selvan

Chair of the Group board

Attendance: 4/5 80% (Board), 4/4 100% (R&N Committee)

Fay is chief executive of the Big Life Group which is a social enterprise with the mission of changing lives. It provides services for health and well-being, skills and employment, children and families. Fay is also the Chair of the International Network of Street Papers.

Roli Barker

Chair of the North board

Attendance: 4/5 80% (Board), 5/5 100% (North Board)

Roli is a Director at the Big Life Group responsible for the Big Issue North, Big Life Homes, and their service user involvement project —- *Community Voice*. She is also a trustee at The Lowry theatre in Manchester.

Roli has extensive experience of designing and delivering a diverse range of projects for the corporate, non-profit and arts sectors.

Gill Brown

Chair of Jigsaw Support

Attendance: 5/5 100% (Board), 4/4 100% (Jigsaw Support Board), 4/4 100% (R&N Committee)

Gill is a non-executive director for the Mersey & West Lancashire Teaching Hospitals NHS Trust and non-executive director with Aspire for Intelligent Care and Support CIC. Previous roles have included service as a governing body member for NHS Southport and Formby Clinical Commissioning Group and chief executive for Healthwatch Lancashire. Gill has also had a number of years' experience of working in the NHS in a variety of clinical, research and board roles.

Paul Chisnell

Executive Director of Finance

Attendance: 5/5 100% (Board), 3/3 100% (Jigsaw Funding), 4/4 100% (Jigsaw Treasury), 3/3 100% (Pensions Committee)

Paul is Jigsaw's executive director of finance. Paul joined the Group in 2009 and is responsible for the Group's approach to treasury management and the provision of Group finance services including income collection.

Paul has developed a strong commercial background through his previous directorships with a range of independently owned businesses in the North West of England. He is particularly experienced in company funding including work with the venture capital sector.

Gerald Cooney

Attendance: 4/5 80%

Ged is the executive leader of Tameside MBC. He is a branch secretary of Unite and holds the position of chair for the Greater Manchester Pension Fund and Northern Pool LGPF. He is a Councillor for Droylsden West as well as a board member of another housing association based in Tameside.

Bridget Groarke

Chair of Risk & Audit Committee

Attendance: 5/5 100% (Board), 3/4 75% (R&A Committee)

Bridget is Group General Counsel and company secretary for a global manufacturing company. She is founder and director of Commercial Compass Ltd, a business and management consultancy. Bridget has strong business, regulatory and legal experience in many sectors. Bridget previously held leadership positions in a number of organisations such as Manchester Airport Group, the Co-operative Group Ltd and Intervoice Brite Ltd.

Demographic	**Local Area**	**Tenants**	**Board**
% who are women	51	61	64
% who are ethnic minorities	14	13	9
% who have a disability	19	9	–
% who are lesbian, gay or bisexual	3	Unknown	9
% who identify with a religion	67	Unknown	36
% who were educated at state school	c. 93	Unknown	73
Average age (years)	41	51	56

Source: ONS data from 2021 Census: for gender, ethnicity, disability, sexuality, religion and age, the region used is North West, national data is used in the case of schooling.

Table 7: Demographic composition of the board.

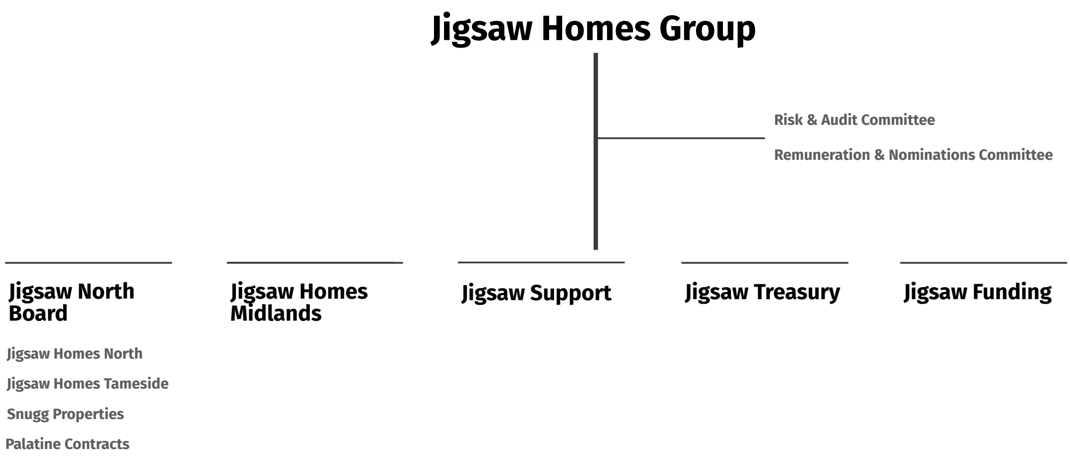


Figure 9: Corporate and governance structure — board meetings for the organisations that fall under Jigsaw North are held contemporaneously using overlapped meetings.

Melvin Kenyon

Attendance: 2/2 100% (Board), 2/2 100% (R&A Committee), 1/1 100% (R&N Committee)

Melvin brings a wealth of knowledge from his prior executive roles in both the private and public sectors along with substantial risk management and information systems experience.

Melvin currently also serves as a non-executive director of Ongo Homes and he is a member of Nottingham Trent University's Audit & Risk Committee.

Evelin Matley

Attendance: 2/2 100% (Board)

Evelin is a retired former senior banker who spent more than 25 years of her career specialising in lending to the social housing sector, most recently at Santander UK PLC but also with BNP Paribas.

Her previous experience was also gained in private finance initiative project finance.

Brian Moran

Deputy Chief Executive

Attendance: 5/5 100% (Board), 3/3 100% (Jigsaw Funding), 4/4 100% (Jigsaw Treasury), 3/3 100% (Pensions Committee)

Brian is Jigsaw's deputy chief executive and its company secretary. Brian is responsible for the Group's governance arrangements and for developing the strategic direction of the Group's corporate services which include the Connect service, IT, marketing, business analysis and regulatory work.

Brian has a research background and is highly experienced in data analysis.

Hilary Roberts

Group Chief Executive

Attendance: 5/5 100% (Board), 5/5 100% (North Board), 3/3 100% (Jigsaw Funding), 4/4 100% (Jigsaw Treasury), 3/3 100% (Pensions Committee)

Hilary is the group chief executive of Jigsaw. She has lead responsibility to work with the board of management to develop and implement corporate strategy.

She has a strong background in business growth and property development having held senior roles in this area for over 20 years.

Tim Ryan

Chair of Jigsaw Homes Midlands

Attendance: 5/5 100% (Board), 5/5 100% (Jigsaw Homes Midlands Board)

Tim is director of Volute Ltd, a digital development agency which creates websites, apps and learning management systems for universities, the NHS and private sector organisations. He is a registered architect and previously had a career in social housing property development.

Annabel Todd

Chair of Jigsaw Funding plc and chair of Jigsaw Treasury Limited

Attendance: 5/5 100% (Board), 3/3 100% (Jigsaw Funding), 4/4 100% (Jigsaw Treasury)

Annabel is a banking and lending specialist with an MSc and BSc in Banking Practice and Management and is a Fellow of the London Institute of Banking and Finance. Annabel spent most of her career with the Royal Bank of Scotland plc, but is now Business Development Director and runs the North West office for BREAL Zeta, who are a specialist funder lending money to large domestic and international corporates with complex capital structures.

Value for Money Metrics

The board has considered the latest annual financial benchmark information published by the Regulator of Social Housing (RSH). This information includes a series of Value for Money (VFM) metrics covering the 'value for money cost chain' areas of *economy*, *efficiency* and *effectiveness*.

Context

The new data published by the regulator covers the 2021/22 financial year, the fourth year following the formation of Jigsaw Homes Group. The following points highlight the key internal and environmental factors impacting on the Group at that time which may reasonably be expected to influence the VFM metrics.

Whilst the height of the COVID-19 pandemic had passed by the beginning of 2021/22, national restrictions limiting indoor mixing were still in place at the start of the financial year before being lifted on 17 May 2021. The Group began a phased reopening of its offices during the following month but the pandemic continued to disrupt Group's activities throughout the year:

- In 2021 it became abundantly clear that an emerging impact of the pandemic was a growing shortage of labour and access to skills. Nationally, job vacancies reached record highs towards the end of the year and the Group experienced some challenges in recruiting both employees and contractors. This particularly affected the delivery of the Group's development programme which impacted the *Reinvestment* and *New Supply – Social Housing* metrics reported below.
- Cost inflation also grew as an issue during the second half of 2021, largely driven by a rebound in demand in the economy and supply shortages. We can expect cost inflation to impact all of the value for money metrics with particular influence on increasing *Headline Cost Per Unit* and reducing both measures of *Operating Margin*.
- Requests for services from residents rebounded during the year, with demand exceeding the Group's ability to fulfil non-essential repair requests within normal timescales. This resulted in a backlog and delays for non-essential repair jobs which were cleared through the employment of additional staff and contractors. We can expect this to have increased *Headline Cost Per Unit* and to reduce both measures of *Operating Margin*.

Headline Results

Table 8 on page 29 sets out the consolidated VFM metrics results for Jigsaw Homes Group for three years to 2021/22.

Table 8 shows that performance against three metrics were outside of the Group's targets at the

		2021/22		2020/21		2019/20
Economy						
Headline Social Housing Cost per Unit		△ £ 3.33k		△ £ 2.72k		£ 2.99k
Efficiency						
Return on Capital Employed		△ 4.0%		△ 5.1%		4.5%
Operating Margin – Overall		△ 28.8%		△ 36.6%		32.0%
Operating Margin – Social Housing Lettings		△ 31.5%		△ 41.1%		35.3%
Gearing		44.1%		△ 45.0%		47.7%
Reinvestment	●	△ 8.3%	●	6.5%	●	△ 7.3%
EBITDA MRI Interest Cover	●	189.0%		224.3%	●	△ 189.1%
Effectiveness						
New Supply – Non-Social Housing		0.0%		0.0%		0.0%
New Supply – Social Housing	●	1.6%		1.6%	●	△ 1.6%

● Out of target performance. △ A movement on the previous year in excess of the national norm.

Table 8: Consolidated VFM metric results for Jigsaw Homes Group.

year end. Meanwhile five metrics changed by more than sector norms year-on-year as indicated by the △ symbol.

Benchmarking

In a recent publication, the RSH emphasise the importance of benchmarking the VFM metrics, encouraging in particular the use of the metrics "to benchmark and challenge performance against relevant peer groups, both at a sector and sub-sector level".

Given the RSH's observations, and in the interests of full transparency, it is appropriate to present Jigsaw's consolidated performance in comparison to both the sector's national average performance and also to a tailored sub-sector benchmark group[3].

We have selected the sub-sector benchmark group by simply selecting organisations with the following characteristics in the RSH's dataset:

- Organisations with a regional wage index within the range of those reported for North West based housing associations where the majority of Jigsaw's operations are located.
- Organisations that are traditional housing associations or well-established stock transfer associations, such as the organisations which are members of our Group.

This sub-sector benchmark group includes 101 organisations in the 2021/22 data (99 in the 2020/21 data). It has the advantage of including all of the organisations that we consider to be our regional competitors whist accounting for the two most important differences between social housing providers that are known to impact on unit costs (regional wages and the age of the organisation)[4].

Figure 10 and Figure 11 on page 30 show Jigsaw Homes Group's consolidated position for each of the regulator's value for money metrics relative to the sector as a whole and to our sub-sector benchmark group. The Group's relative performance against its peers between 2020/21 and 2021/22 is shown through the Group's percentile placement in each years' benchmark group[5].

National Benchmarking

Jigsaw's position:

- Best performing quartile: 4 RSH VFM metrics (2020/21: 4)
- Interquartile range: 5 RSH VFM metrics (2020/21: 5)

[3] For benchmarking purposes, we have chosen to use the 'consolidated' datasets published by the RSH to minimise the risk of intra-group transactions distorting the metrics which is a possibility within the 'entity' dataset.

[4] VFM Technical Regression Report, RSH, 2018

[5] To illustrate: the Group's 2021/22 *Headline Social Housing Cost per Unit (£k))* result places on the 10th percentile nationally. It follows that 100 - 10 = 90% of the organisations in this peer group recorded a higher Headline Social Housing Cost per Unit than Jigsaw.

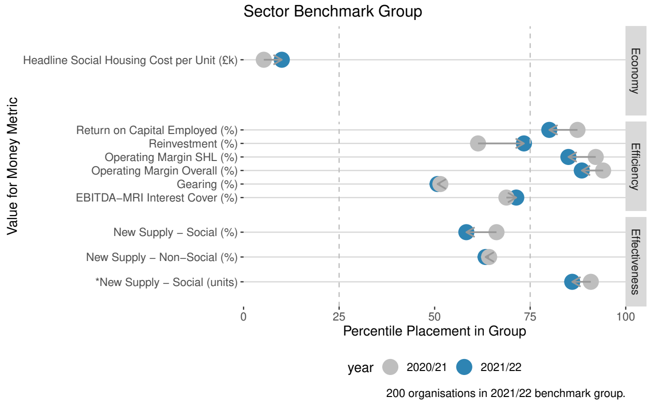


Figure 10: VFM metrics — year-on-year comparison of Jigsaw to all large providers of social housing. *New Supply - Social (units) is not one of the regulator's VFM metrics but is provided here for additional context.

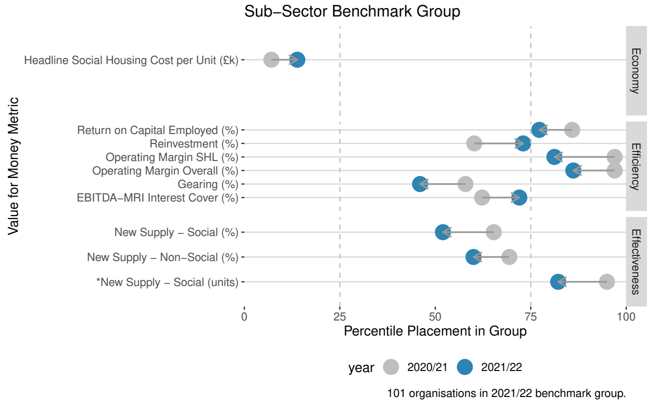


Figure 11: VFM metrics — year-on-year comparison with sub-sector benchmark group. *New Supply - Social (units) is not one of the regulator's VFM metrics but is provided here for additional context.

- Lowest performing quartile: 0 RSH VFM metrics (2020/21: 0)

Figure 10 compares Jigsaw to the national sector data published by the regulator. It shows that Jigsaw placed in the lowest cost quartile for *Headline Social Housing Cost Per Unit* in both 2020/21 and 2021/22. Meanwhile, the Group continued to place within the upper quartile with respect to *Operating Margin – Social Housing Lettings*, *Operating Margin Overall* and *Return on Capital Employed*.

In comparison to the previous year, in 2021/22, the Group placed slightly lower on each of these four metrics relative to the highest performing peers.

The Group's placement in the national data for *Reinvestment* continues the previous year's climb, showing notable increases relative to the peer group, placing at the 73rd percentile compared to 61st in the previous year.

Sub-Sector Benchmarking

Jigsaw's position:

- Best performing quartile: 4 RSH VFM metrics (2020/21: 4)
- Interquartile range: 5 RSH VFM metrics (2020/21: 5)
- Lowest performing quartile: 0 RSH VFM metrics (2020/21: 0)

Figure 11 compares Jigsaw to a sub-sector benchmark group which includes our regional competitors. It shows that the Group again places within the lowest cost quartile for *Headline Social Housing Cost Per Unit* but there is a notable movement from the 7th to the 14th percentile in the peer group. Jigsaw also records relatively high operating margin results: *Operating Margin – Social Housing Lettings*, *Operating Margin – Overall*, and *Return on Capital Employed* retain their placement within the upper quartile.

The Group's position in the peer group with respect to *New Supply – Social Housing (%)* decreased from the 65th percentile in the 2020/21 data to the 52nd percentile in 2021/22. Despite this fall in Jigsaw's position against peers for this metric, the Group's delivery of new social housing units actually increased year-on-year from 536 units in 2020/21 to 554 units in 2021/22.

Discussion

There are two notable features in this year's data:

- Jigsaw's low but increasing *Headline Cost per Unit* relative to benchmarked peers.
- Jigsaw's larger than typical annual movement across four of the RSH's Efficiency metrics relative to benchmarked peers.

Both are discussed below.

Headline Cost Per Unit

Headline Cost per Unit is low relative to peers primarily due to relatively low capitalised maintenance expenditure — spending that extends the useful life of properties such as investment in structural elements of homes or in the replacement of key components, notably: kitchens, bathrooms and boilers.

The Group's relatively low capitalised maintenance costs are largely explained by the position that the Group's stock is in with regard to the cycle of component replacements. c. 55% of the Group's current stock is from stock transfer associations that undertook large investment programmes between 2005 and 2010.

Figure 12 on page 31 sets out the last replacement date for bathrooms, gas boilers and kitchens recorded on our database and presents a naïve forecast[6] based on these dates to project cycles of replacements thirty years into the future.

Each column in Figure 12 on the current page represents a single year. It can be seen that, in recent years, the Group has been in a low point in the cycle of component replacements for bathrooms and kitchens but that this can be expected to ratchet up in the coming years.

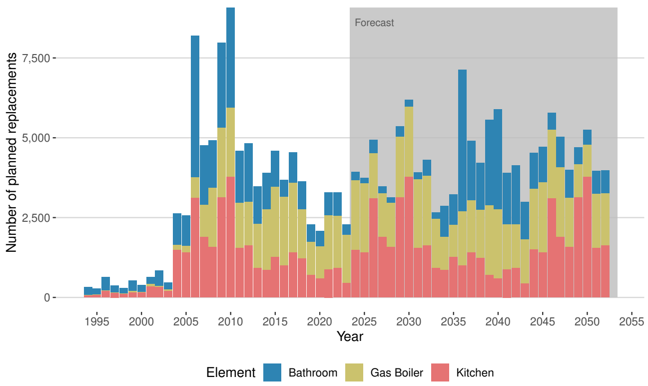


Figure 12: The Group's component replacements programme has been at a low point in its cycle, following heavy investment in the mid to late 2000s but is expected to increase.

[6]The forecast is naïve because it is simply based on the age criteria in the Decent Homes Standard. The Decent Homes Standard is however based on an assessment of the age of a component *and* its condition. It therefore does not necessarily follow that a kitchen for example will be replaced after 20 years of use (the age criteria in the Decent Homes Standard). It may instead be replaced before or after this time based on its condition.

Meanwhile Figure 13 on this page shows the capitalised maintenance costs incorporated into the Group's 30 Year Financial Plan. It can be seen that anticipated capitalised maintenance costs are notably higher in future years when compared to the recent past, to support the expected increase in component replacements. During the next ten years, capitalised maintenance spend is forecast to average £19.8m pa in 2023/24 prices which will be equivalent to an additional £0.54k pu on current stock numbers. It seems likely that this planned increase in expenditure will move the Group closer towards sector norms.

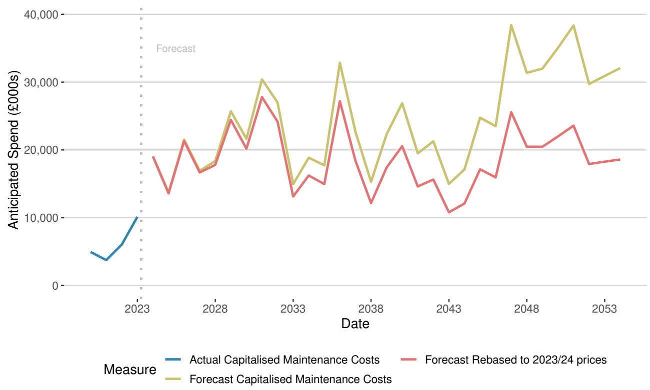


Figure 13: The Group's total maintenance costs are expected to increase markedly in the coming years, reflecting the planned increase in component replacements.

The Group's development programme in combination with its operating model also contributes to the Group's relatively low *Headline Cost per Unit*. The Group's consistent delivery over many years of relatively high numbers of new homes reduces overall costs per unit as new homes should require no planned maintenance expenditure in the initial years from handover.

The Group's experience to date has also been that the costs of management increase more slowly than the addition of new homes due to economies of scale such as the Group being able to spread the fixed costs for existing services across more homes, and to absorb the demand from new tenants within the capacity of existing services such as contact centres.

Efficiency Metrics

As shown in Table 8 on page 29, the following efficiency metrics changed year-on-year by more than sector norms:

- *Return on Capital Employed*
- *Operating Margin – Overall*
- *Operating Margin – Social Housing Lettings*
- *Reinvestment*

The movement in these four efficiency metrics is again largely due to the impact of the Group's cycle of component replacements which increased notably year-on-year. This was compounded by recovery in 2021/22 from the temporary conditions brought about by the pandemic in the previous year which had suppressed planned maintenance activity to lower levels than normal. As a result, planned maintenance spend stood at £21.3m in 2021/22 (2021: £9.9m).

Only 14% of organisations nationally delivered more new social housing in 2021/22 than the Group. A further contributing factor to the year-on-year movement in Jigsaw's efficiency metrics can also therefore be explained by the effect of relatively more new homes being brought into management than its peers. New homes generated increases in turnover at relatively low marginal costs of management.

Conclusions

This analysis shows that overall Jigsaw performs well across all of the VFM metric themes of economy, efficiency and effectiveness. The Group is a high performer both when compared to a) the national sector dataset published by the regulator and; b) also when compared to a smaller sub-sector benchmark group of organisations that share similar regional wage levels and organisational characteristics.

In both cases, the key themes that emerge from the data are the same:

- Jigsaw Homes Group benefits from relatively low operating costs and generates higher surpluses relative to its peers.
- Surpluses are put to good use with Jigsaw recording solid performance against the *New Supply – Social Housing %* metric which measures the number of new homes produced as a proportion of owned homes. In terms of actual numbers of new social homes produced, it can be seen that Jigsaw continues to be one of the sector's largest developers.

It should be noted that 2021/22 — the year considered in this analysis — was an unusual year due to the continued impact of the COVID-19 pandemic.

Looking to the future, Jigsaw's performance against the regulator's VFM metrics will be influenced by two longer term features of its operations:

- The Group's future costs of operations are expected to increase to support planned investment in its homes. This will suppress surpluses and act to reduce performance as measured by several of the VFM metrics.
- On the other hand, the continued delivery of significant numbers of new homes will enable the Group to generate increases in turnover at relatively low marginal costs of management, acting to increase performance as measured by the VFM metrics.

Through the delivery of the Group's Corporate Plan (see page 22), the board anticipate that the VFM targets shown in Table 9 on page 33 will be achieved over the coming years.

			Targets	
Metric	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Reinvestment (%)	9.50	9.88	6.95	7.77
New supply delivered (%)	2.01	2.30	2.50	2.07
Gearing (%)	45.70	46.64	47.11	47.10
EBTIDA MRI Interest cover (%)	124.27	148.73	169.97	183.77
Headline social housing cost per unit (£k)	3.97	3.58	3.46	3.41
Operating Margin (%)	21.46	28.76	30.85	32.16
Return on capital employed (%)	2.99	3.49	3.80	3.89

Table 9: VFM metrics latest financial year performance and future targets.

Corporate Responsibility

Employees

The Group recognises that the success of the business depends on the quality of its managers and employees. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

The board is aware of its responsibilities on all matters relating to health & safety. The Group has prepared detailed health & safety policies and provides employee training and education on health & safety matters.

Diversity and Inclusion

The Group recognises its responsibilities to provide equality of opportunity, eliminate discrimination and promote good relations in its activities as a landlord, managing agent, employer, contractor, partner and purchaser.

We are totally opposed to all forms of discrimination on the grounds of race, national origin, ethnic origin, nationality, religion or belief, gender, gender reassignment status, marital status, pregnancy or maternity, sexual orientation, disability or age.

The Group's policy in this area is available to download from the Jigsaw website: search for "equality and diversity".

We publish a report about the fairness of employee pay which considers the differences in the average pay of our staff by gender, our *gender pay gap* and also by ethnicity, our *ethnicity pay gap*. The headline figures that we report are the mean and median gaps in hourly pay.

As at 31 March 2022 our reportable mean gender pay gap was 3.4% and the median gender pay gap was 5.3%[7].

With regard to ethnicity, our results at 31 March 2022 are a mean ethnicity pay gap of 2.7% and a median ethnicity pay gap of -0.8%[8].

A full report on this topic is available to download from the Jigsaw website: search for "pay gap".

Modern Slavery and Human Trafficking Statement

The Group is absolutely committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking.

The Group's policy in this area is available to download from the Jigsaw website: search for "modern slavery".

Streamlined Energy and Carbon Reporting (SECR)

Consolidated green house gas emissions and energy usage for Jigsaw Homes Group for 2022/23 are reported below in accordance with 2019 UK Government Environmental Reporting Guidelines. Emissions for the whole Group are disclosed below in order to report on our full activities.

[7] A positive number indicates a pay gap in favour of men, a negative number indicates a pay gap in favour of women.

[8] A positive number indicates a pay gap in favour of "white" ethnic groups, a negative number indicates a pay gap in favour of other ethnic minorities.

Methodology

In calculating emissions, we have used the methodology set out in GHG Protocol Corporate Accounting and Reporting Standard (revised edition). In accordance with the Standard, we have set our reporting boundary to include emissions measurable within the operational control of Jigsaw Homes Group.

We are required to report on:

- scope 1 — direct emissions from sources that are owned or controlled by the Group.
- scope 2 — emissions from the generation of purchased electricity consumed by the Group.

Our primary business is the provision and management of housing. We have therefore chosen the metric *total scope 1 and scope 2 emissions in tonnes of CO_2e per home in management* as a measure of our intensity ratio.

We also report on the mandatory element of scope 3 emissions[9], business travel.

We have used emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2022 to calculate our disclosures. The emissions from our stock were calculated using SAP 10.2 values. Homeworking emissions were calculated using the methodology laid out in the white paper by EcoAct.

UK Emissions

Table 10 on page 35 summarises scope 1, scope 2 and scope 3 emissions.

Energy Efficiency Action

In the reporting year some notable successes included:

- Securing £1.7m from the Social Housing Decarbonisation Fund – Wave 1 to fund internal and external wall insulation, energy efficient lighting, air source heat pumps and high retention storage heaters.
- The EPC ratings of 1,057 homes were improved from D or below to C or above through a combination of retrofit improvements including new insulation, low carbon heating, condensing boilers and double glazing.
- The delivery of retrofit pilots to 170 existing homes in order to test the practicalities of installing and using air source heat pumps, high retention heaters and solar voltaic panels.
- Our continuing programme of utility meter exchanges to enable Automated Meter Reading.
- The development and delivery to our employees of an in-house carbon literacy training course, "Be Zero".
- A review of procurement procedures to ensure that contractors and suppliers consider sustainability in their operations.

The Group's 30 Year Financial Plan includes significant financial commitments amounting to c. £417m to progress the Group's zero carbon and sustainability agenda.

During the coming financial year our priorities are:

- Delivering our Social Housing Decarbonisation Fund – Wave 1 programme of retrofit works including the installation of external wall insulation, solar panels and Air Source Heat Pumps.
- Developing our relationship with E.ON to deliver the programme effectively, ensuring comprehensive communications with our residents.
- Maximising our bid for Social Housing Decarbonisation Fund – Wave 2 funding to support with our commitment to ensure that all of our properties are at or above EPC C by 2030.

[9] Being those emissions that are a consequence of the activities of the Group, but occur from sources not owned or controlled by us.

	2023 Activity data	2023 unit	2023 tCO_2e	2022 Activity data	2022 unit	2022 tCO_2e
Scope 1						
Combustion of gas for heating offices and communal areas of housing stock	22,477,395	kWh	4,103	24,102,157	kWh	4,415
Combustion of fuel for transport purposes	527,419	l	1,419	511,709	l	1,282.00
Refrigerants and other process gases from own maintenance activities	15	kg	28	19	kg	36
Total scope 1			**5,550**			**5,733**
Scope 2						
Purchased electricity (location based)	6,199,376	kWh	117	6,373,202	kWh	1,353
Total scope 1 & 2			**5,667.00**			**7,086.00**
Intensity ratio			**0.17**			**0.22**
Scope 3						
Business travel	519,082	miles	143.00	309,694	miles	85.00

Table 10: Jigsaw Homes Group carbon emissions.

Risk Management and Internal Controls

The board has overall responsibility for the system of internal control and risk management across the Group and for reviewing its effectiveness. The board also take steps to ensure the Group adheres to the Regulator of Social Housing's *Governance and Financial Viability Standard and its associated Code of Practice*. Risk & Audit Committee is responsible to the board for monitoring these arrangements and reporting on their effectiveness.

Risk Management

Figure 14 on page 36 summarises the Group's risk map at 31 March 2023. The assessment shows 64 risks which could impact on the delivery of the Group's corporate objectives categorised by the impact areas of 'People', 'Strategic', 'Financial', 'Business Interruption' and 'Reputation'.

Figure 14 shows how the Group's risk register is dominated by 'People' risks — predominantly health & safety and safeguarding concerns. We have adopted comprehensive policies in both of these areas to ensure that these risks are given due attention.

The Group's controls work to mitigate the likelihood or impact of risks. As a result, the residual assessment of all risks fall within the acceptable levels defined in the Group's *Risk Management Strategy*.

Our most significant residual risks are:

- Failure of controls leads to death or injury from fire.
- Ineffective safeguarding of staff, customers and third parties.
- Housing Market Crash.
- Requirements to achieve carbon neutrality are cost prohibitive.
- Death or serious injury (Staff / 3rd Party).
- Inability to recruit appropriately skilled employees.
- Negative impact of inflation.
- Delays to development programme.
- Disruption to material supply chain.
- Cyber Disruption.
- Loss of skills and knowledge.

In accordance with the Group's *Risk Management Strategy*, the risk map is reviewed quarterly by the Group's Risk & Audit Committee and by board. The committee presides over a programme of internal audit work which is based on the risks identified.

The area of each rectangle is proportional to the assessment of Inherent Risk, darker shading indicates higher Residual Risk.

Figure 14: Risk analysis.

Internal Controls Assurance

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

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2022 up to the date of approval of this document.

Key elements of the control framework include:

- Formal policies and procedures are in place, including the documentation of key processes and rules for the delegation of authorities (Scheme of Delegation). These policies and procedures are reviewed by the

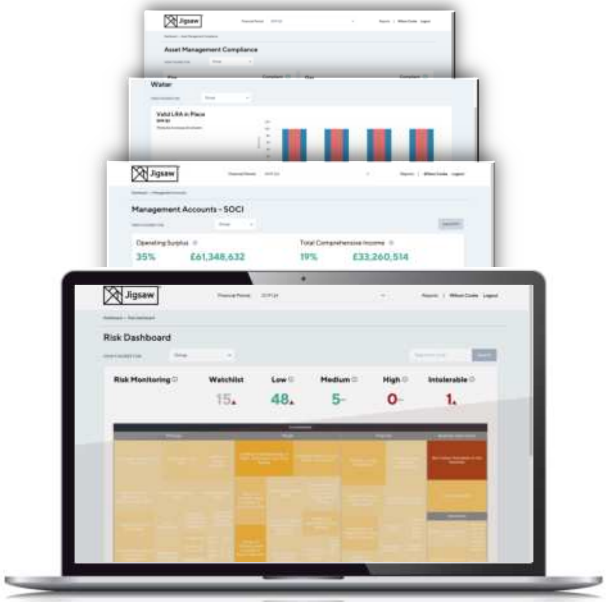


Figure 15: Examples from the Group's suite of performance dashboards.

board and executive management team on an agreed cycle.

- A performance management framework is in place to provide monitoring information to the board and management. Employee progress against agreed, documented objectives is formally reviewed.
- Management report regularly on risks and how these are managed.
- The board receives quarterly information on the financial performance of the business together with a summary of key performance indicators covering the main business risks.
- Forecasts and budgets are prepared which allow the board and management to monitor financial objectives and risks. Monthly management accounts are prepared promptly and reported to board on a quarterly basis; with significant variances from budget investigated and accounted for. This reporting includes the monitoring of all loan covenants.
- There is a robust approach to treasury management supported by third party advisors.
- Regular monitoring of loan covenants and requirements of new loan facilities is in place.
- All significant new initiatives and projects are subject to formal appraisal and authorisation procedures by the appropriate board with clear links to the requirements of the Risk Management Policy.
- The Remuneration and Nominations Committee has oversight of the Group's approach to board appraisal, recruitment and succession.
- Experienced and suitably qualified employees are responsible for important business functions.
- A co-sourced internal audit service is provided by the Group, incorporating a team managed by a qualified, full-time employed audit manager complemented by third party expertise. The Risk & Audit Committee approves the annual audit plan and reviews internal audit reports as well as those from management and any third-party reviews including reports from tenant scrutiny.
- The Risk & Audit Committee reports quarterly to the board and reviews the assurance procedures, ensuring that an appropriate range of techniques is used to obtain the level of assurance required by the board.
- Risks are identified, assessed and documented in a risk register with details of how each risk will be managed. The risk register is reviewed on a quarterly basis by the executive management team and Risk & Audit Committee. Quarterly risk updates are also provided to each board within the Group. Internal audit independently reviews the risk identification procedures and control process implemented by management and reports to Risk & Audit Committee.
- The executive management team also reports to the board on significant changes in the business and external environment which affect significant risks.
- The Group's *Probity and Anti-Fraud Policy* clearly lays out the approach to be taken with respect to whistle-blowing, anti-corruption and fraud.
- The Risk & Audit Committee and board review and approve this statement of the Group's internal controls assurance.
- A theft and fraud register is maintained by the Group Company Secretary and any fraud is reported to the Risk & Audit Committee.

Figure 16: Our tenant scrutiny panels undertake deep-dive investigations into areas voted for by tenants.

The Group uses various financial instruments including loans, cash and other items such as rent arrears and trade creditors that derive directly from its operations. The main purpose of these financial instruments is to raise finance for the delivery of the Group's objectives.

The existence of these financial instruments exposes the Group to a number of financial risks. The main risks arising from the Group's financial instruments are considered by board to be interest rate risk, liquidity risk and credit risk. In accordance with its *Risk Management Policy* and *Treasury Management Strategy*, the board reviews and agrees policies for managing each of these risks as summarised below.

Interest Rate Risk

The Group finances its operations through a mixture of retained surpluses and various debt borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and variable rate facilities.

The Group currently borrows from a variety of lenders at both fixed and floating rates of interest. The Group's *Treasury Management Strategy* targets the level of fixed rates of interest to be up to 100% of its loan portfolio. At the year-end 95% (2022: 78%) of borrowings were at fixed rates between 2.1% and 10.9% with an average borrowing rate of 4.8%.

Liquidity Risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs and to invest cash assets safely and wisely.

The Group has a clear focus on cash collection and monitors cash-flow forecasts closely and regularly, to ensure it has sufficient funds to meet its business objectives, pay liabilities when they fall due and ensure adequate liquidity with respect to emerging risks.

With respect to short term liquidity, at the year-end the Group had access to £112.9m (2022: £65m) of both cash balances and short term investments held as cash together, together with access to c. £259m (2022: £135.6m) of undrawn committed Group bank facilities. In addition, the Group retains £100m of retained bonds with a long–stop date of May 2027.

Credit Risk

The Group operates a prudent policy in respect of funding counterparties and aims to minimise the risk of financial loss or liquidity exposure associated with any counterparty. Short term investments are widely diversified and are kept at a minimum by temporarily repaying revolving credit facilities in order to manage working capital requirements. During 2023 all cash investments were held with counterparties which met the requirements of Group's *Treasury Management Strategy*.

The Group seeks to minimise the credit risk relating to tenant rent arrears through its robust recovery procedures, providing support to existing tenants where necessary and by undertaking affordability assessments with applicants for new tenancies. The Group's money advice service provides the necessary support to tenants and the Group's arrears recovery team closely monitors tenant arrears as a whole.

Unregulated Subsidiaries

The Group has a number of unregulated subsidiaries which traded in the year (see page 50). They are managed and monitored under the same internal control framework as outlined above.

There is no detrimental financial risk to the Group should the unregulated subsidiaries cease operations at any point as their assets exceed their liabilities.

Compliance

This document has been prepared in accordance with applicable reporting standards and legislation. The board confirms that the Group has complied with the regulator's *Governance and Financial Viability Standard*.

Code of Governance

During 2022/23 the Group's Code of Governance was *Code of Governance 2020* (National Housing

Federation, 2020). The board is pleased to report full compliance with the Code with the following exception:

The Group has decided not to impose a six year limit on the term of office of board members who were appointed prior to the adoption of the Code as this would have required an excessive churn in board members. Rather, the Group has adopted a board member recruitment strategy which seeks to smooth the replacement of board members in order to minimise disruption in the board room and ensure continued good governance. New board members will be appointed on the expectation that they will normally serve a maximum of six years.

Regulatory Framework

The Group is subject to the Regulator of Social Housing's Regulatory Framework. The board is pleased to report full compliance.

Statement of Responsibilities of the Board for the Report and Financial Statements

The board members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Under the Co-operative and Community Benefit Societies Act 2014 and social housing legislation the board are required to prepare financial statements for each financial year in accordance with *United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards)* and applicable law.

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

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

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions of the Group and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the report of the board is prepared in accordance with the *Statement of Recommended Practice for registered housing providers: Housing SORP 2018*.

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

Going Concern

Based on the following assessment the board is comfortable that the Group continues to be a going concern and have therefore produced financial statements on a going concern basis.

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

The board approved the Group's 2023/24 budget prior to the start of the financial year and approved the Group's thirty year financial plan shortly afterwards. The board is content that these plans were affordable and that the financial statements should be prepared on a going concern basis.

The Group board reviewed a range of scenarios and stress tests in order to fully understand the potential impact on the thirty year financial plan and the Group's loan covenant position. This considered how alternate projections for inflation, interest rates and house prices impact on the Group's loan covenant position. The alternate projections for inflation, interest rates and house prices arise from three different macroeconomic scenarios:

1. A central forecast based on estimates published in the Economic and Fiscal Outlook by The Office for Budget Responsibility in the short to medium term and in the longer term on sector norms as advised by the Group's treasury advisors.
2. The 2022 Bank of England stress test scenario which envisages deep simultaneous recessions in the UK and global economies, large falls in asset prices and higher global interest rates.
3. A *Black Swan Event* which — perhaps stretching the limits of plausibility — combines the worst independent ten year movements in recent memory of each macroeconomic variable[10] into a single unprecedentedly challenging scenario.

For the purposes of the stress test, the Group board has selected scenarios where combinations of key risks unexpectedly materialise to present medium and long term impacts to the business. We also explored both the medium and long term impacts occurring at the same time to present the business with an unprecedentedly challenging *Perfect Storm* of severe materialised risks.

The Group board continues to review the Group member's financial plans with the executive team to make any necessary changes and continue to work with our customers and stakeholders to deliver our services.

The Group has access to long-term debt facilities and sufficient liquidity, which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group's long-term financial plans show that it is able to service debt facilities whilst continuing to comply with lenders' covenants.

The board is, to the best of its knowledge, satisfied that covenant compliance is maintained throughout the life of the plan on the basis that the thirty year financial plan has been stress tested to withstand significant composite risks materialising without breaching lender covenants, thus confirming the future viability of the Group.

Auditor

All of the current board members have taken the steps that they ought to have taken to ensure they are aware of any information needed by the Group's auditor for the purposes of their audit, and to establish that the auditor is aware of that information. The board members are not aware of any relevant audit information of which the auditor is not aware.

Beever and Struthers has expressed their willingness to continue in office as the Group's auditors.

Approved by the Board on 14th September 2023 and signed on its behalf on 14th September 2023 by:

Fay Selvan

Group Chair

[10]Specifically the house price movements experienced during 2008–2018, interest rate movements in 1971–1980, increases in inflation experienced between 1960–1969, and the rent reductions imposed during 2016–2020.

City Arts, Gedling

£10,000 Jigsaw Foundation grant to deliver arts workshops to support residents impacted by the Covid-19 pandemic

4. Financial Statements

Independent Auditor's Report to the Members of Jigsaw Homes Group Limited

Opinion on the Financial Statements

We have audited the financial statements of Jigsaw Homes Group Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Group and Association statement of comprehensive income, the Group and Association statement of financial position, the Group and Association statement of changes in equity, the statement of cashflows and notes to the financial statements, including a summary of principal accounting policies in Note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

Other Information

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

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

We have nothing to report in this regard.

Matters on Which We Are Required to Report by Exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board Responsibilities set out on page 39, 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 and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the Group or the Association or to cease operations, or have 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 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 noncompliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation and employment legislation.

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

Use of Our Report

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to 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 Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers.

Beever and Struthers, Statutory Auditor

For and on behalf of
Beever and Struthers
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 25 September 2023

Statement of Comprehensive Income

Year ended 31 March 2023		**2023**		**2022**	
		Group	**Association**	**Group**	**Association**
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Turnover	3	200,869	66,014	191,395	53,730
Cost of sales	3	(7,513)	–	(6,670)	–
Operating expenditure	3	(150,244)	(65,910)	(129,644)	(57,680)
Profit on disposal of fixed assets	5	5,698	–	4,720	–
Operating surplus/(deficit)	**8**	**48,810**	**104**	**59,801**	**(3,950)**
Interest receivable	6	2,237	31	27	1
Interest and financing costs	7	(37,883)	(923)	(34,038)	(1,255)
Movement in fair value of Investment Properties	13	–	–	(502)	–
Surplus/(deficit) before tax	**8**	**13,164**	**(788)**	**25,288**	**(5,204)**
Taxation	9	210	210	4,935	4,888
Surplus/(deficit) for the year after tax		**13,374**	**(578)**	**30,223**	**(316)**
Other comprehensive income					
Actuarial gain in respect of pension schemes	30	90,221	78,189	38,299	31,085
Pension surplus deemed not recoverable	30	(54,610)	(45,960)	–	–
Taxation	9	(8,057)	(8,057)	(7,771)	(7,771)
Total comprehensive income for the year		**40,928**	**23,594**	**60,751**	**22,998**

The results for the year relate wholly to continuing activities and the notes on pages 50 to 81 form an integral part of these Financial Statements.

The Financial Statements and notes on pages 50 to 81 were approved and authorised for issue by the Board on 14th September 2023 and signed on its behalf on 14th September 2023 by:

F. Selvan
Chair

B. Moran
Secretary

H. Roberts
Executive Member

Statement of Financial Position

At 31 March 2023	**Notes**	**2023 Group £'000**	**2023 Association £'000**	**2022 Group £'000**	**2022 Association £'000**
Fixed assets					
Tangible fixed assets	12	1,548,318	2,788	1,438,702	3,043
Investment in Subsidiaries		–	50	–	13
Investment properties	13	1,064	325	739	–
Current assets					
Stock	14	11,893	591	7,493	571
Trade and other debtors	15	20,700	5,886	23,198	8,529
Investments	16	3,393	–	3,247	–
Cash and cash equivalents	17	109,515	4,996	61,872	7,942
		145,501	**11,473**	**95,810**	**17,042**
Less: Creditors: amounts falling due within one year	18	(64,564)	(9,107)	(52,182)	(8,819)
Net current assets		**80,937**	**2,366**	**43,628**	**8,223**
Total assets less current liabilities		**1,630,319**	**5,529**	**1,483,069**	**11,279**
Creditors: amounts falling due after more than one year	19	(1,132,743)	–	(993,417)	–
Provisions for liabilities					
Pension provision	30	(7,739)	(3,236)	(40,742)	(32,580)
Other provisions	19	(3,554)	–	(3,554)	–
Total net assets/(liabilities)		**486,283**	**2,293**	**445,356**	**(21,301)**
Reserves					
Revenue reserve		486,283	2,293	445,234	(21,301)
Designated reserve		–	–	122	–
Total reserves		**486,283**	**2,293**	**445,356**	**(21,301)**

The Financial Statements and the notes on pages 50 to 81 which form an integral part of these Financial Statements, were approved and authorised for issue by the Board on 14th September 2023 and signed on its behalf on 14th September 2023 by:

F. Selvan
Chair

B. Moran
Secretary

H. Roberts
Executive Member

Statement of Changes in Equity

Group	Revenue reserve £'000	Total £'000
Balance at 31 March 2021	**384,605**	**384,605**
Surplus from Statement of Comprehensive	30,223	30,223
Actuarial gain in respect of pension schemes (Note 30)	38,299	38,299
Recognition of deferred tax asset	(7,771)	(7,771)
Balance at 31 March 2022	**445,356**	**445,356**
Surplus from Statement of Comprehensive	13,374	13,374
Actuarial gain in respect of pension schemes (Note 30)	90,221	90,221
Pension surplus deemed not recoverable (Note 30)	(54,610)	(54,610)
Recognition of deferred tax asset	(8,057)	(8,057)
Balance at 31 March 2023	**486,284**	**486,284**

A designated reserve has previously been included in the Statement of Changes in Equity. This disclosure has been discontinued. Total reserves have been restated for the comparative period.

Association	Revenue reserve £'000	Total £'000
Balance at 31 March 2021	**(44,299)**	**(44,299)**
Surplus from Statement of Comprehensive Income	(316)	(316)
Actuarial gain in respect of pension schemes	31,085	31,085
Recognition of deferred tax asset	(7,771)	(7,771)
Balance at 31 March 2022	**(21,301)**	**(21,301)**
Surplus from Statement of Comprehensive Income	(578)	(578)
Actuarial gain in respect of pension schemes (Note 30)	78,189	78,189
Pension surplus deemed not recoverable (Note 30)	(45,960)	(45,960)
Recognition of deferred tax asset	(8,057)	(8,057)
Balance at 31 March 2023	**2,293**	**2,293**

Statement of Cash Flows

Year ended 31 March 2023	**2023**	**2022**
	£'000	**£'000**
Net cash generated from operating activities (see below)	**52,461**	**80,787**
Cash flow from investing activities		
Purchase of tangible fixed assets	(129,956)	(116,113)
Proceeds from sale of tangible fixed assets	12,261	10,950
Grants received	23,373	31,682
Interest received	2,487	27
	(91,835)	**(73,455)**
Cash flow from financing activities		
Interest paid	(34,286)	(34,020)
New secured loans	253,487	–
Repayment of borrowings	(132,036)	(8,217)
	87,165	**(42,237)**
Net change in cash and cash equivalents	**47,790**	**(34,905)**
Cash and cash equivalents at beginning of the year	65,119	100,024
Cash and cash equivalents at end of the year	**112,909**	**65,119**

	2023	**2022**
	£'000	**£'000**
Cash flow from operating activities		
Surplus for the year	13,374	30,223
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	21,250	21,248
Taxation expense	(210)	(4,935)
Net fair value losses recognised in profit and loss	(325)	502
(Increase)/decrease in stock and properties for sale	(4,400)	604
Decrease/(Increase) in trade and other debtors	5,579	(762)
Decrease in trade and other creditors	(8,492)	(2,071)
Pension costs less contributions paid	1,486	3,449
(Surplus)/deficit on the sale of fixed assets	(8,203)	1,619
Adjustments for investing or financing activities:		
Government grants utilised in the year	(3,246)	(3,112)
Interest payable	37,883	34,038
Interest receivable	(2,237)	(27)
Taxation paid/(received)	1	12
Net cash generated from operating activities	**52,461**	**80,787**

The notes on pages 50 to 81 form an integral part of these financial statements.

Notes to the Financial Statements

1. Legal Status

Jigsaw Homes Group Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing.

The registered office is Cavendish 249, Cavendish Street, Ashton-under-Lyne, Tameside, OL6 7AT.

The Group is a member of the Jigsaw Homes Group Structure (the Group), of which Jigsaw Homes Group Limited is the parent company. At the year end, the Group comprised the following principal entities:

Name	Incorporation	RSH registration	Parent
Cavendish Property Developments Limited	Companies Act 2006	Non-registered	JHG
Jigsaw Funding PLC	Companies Act 2006	Non-registered	JHG
Jigsaw Homes Midlands	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Jigsaw Homes North	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Jigsaw Homes Tameside	Companies Act 2006	Registered	JHG
Jigsaw Support	Co-operative and Community Benefit Societies Act 2014	Non-registered	JHG
Jigsaw Treasury Limited	Companies Act 2006	Non-registered	JHG
Palatine Contracts Limited	Companies Act 2006	Non-registered	JHN
Snugg Properties Limited	Companies Act 2006	Non-registered	JHN

Table 11: Principal group members.

The board of Jigsaw Homes North is the corporate trustee of the James Tomkinson Memorial Cottages Trust.

2. Principal Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with applicable law, the United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 (SORP). The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated financial statements. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies.

The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of investments and are presented in pounds sterling.

Parent Company Disclosure Exemptions

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

- no cash flow statement has been presented for the parent company,
- disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole, and

- 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 Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March 2023. The consolidated financial statements incorporate the financial statements of the Association and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

Going Concern

Based on the following assessment the board is comfortable that the Group continues to be a going concern and have therefore produced financial statements on a going concern basis.

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

The Board approved the Group's 2023/24 budget prior to 31 March 2023 and approved the Group's thirty year financial plan shortly afterwards. The board is content that these plans were affordable and that the financial statements should be prepared on a going concern basis.

The Group board reviewed a range of scenarios and stress tests in order to fully understand the potential impact on the thirty year financial plan and the Group's loan covenant position. This considered how alternate projections for inflation, interest rates and house prices impact on the Group's loan covenant position. The alternate projections for inflation, interest rates and house prices arise from three different macroeconomic scenarios:

1. A central forecast based on estimates published in the Economic and Fiscal Outlook by The Office for Budget Responsibility in the short to medium term and in the longer term on sector norms as advised by the Group's treasury advisors.
2. The 2022 Bank of England stress test scenario which envisages deep simultaneous recessions in the UK and global economies, large falls in asset prices and higher global interest rates.
3. A *Black Swan Event* which — perhaps stretching the limits of plausibility — combines the worst independent ten year movements in recent memory of each macroeconomic variable[11] into a single unprecedentedly challenging scenario.

For the purposes of the stress test, the Group board has selected scenarios where combinations of key risks unexpectedly materialise to present medium and long term impacts to the business. We also explored both the medium and long term impacts occurring at the same time to present the business with an unprecedentedly challenging *Perfect Storm* of severe materialised risks.

[11] Specifically the house price movements experienced during 2008–2018, interest rate movements in 1971–1980, increases in inflation experienced between 1960–1969, and the rent reductions imposed during 2016–2020.

The Group board continues to review the Group member's financial plans with the executive team to make any necessary changes and continue to work with our customers and stakeholders to deliver our services.

The Group has access to long-term debt facilities and sufficient liquidity, which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group's long-term financial plans show that it is able to service debt facilities whilst continuing to comply with lenders' covenants.

The board is, to the best of its knowledge, satisfied that covenant compliance is maintained throughout the life of the plan on the basis that the thirty year financial plan has been stress tested to withstand significant composite risks materialising without breaching lender covenants, thus confirming the future viability of the Group.

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 year-end 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:

Development expenditure

The Group capitalises development expenditure in accordance with the accounting policy described on page 56. Initial capitalisation of costs is based on management's judgement when a development scheme is confirmed, usually when board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

Categorisation of housing properties

Property assets are classified as investment property or property, plant and equipment depending on the intended use of the property.

The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals.

Impairment

The Group has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management consider the detailed criteria set out in the SORP to identify factors which are considered to be a trigger for impairment. The Group is then required to determine the level at which the recoverable amount is to be assessed. The Group has identified a cash generating unit for impairment assessment purposes at a property scheme level.

If at the time of approving the annual financial statements, management are aware of any contractors being in liquidation, and therefore risk exists to the validity of an ongoing development, Group will only recognize impairment once the future costs are known with certainty and the development has been reappraised.

Other key sources of estimation and assumptions:

Tangible fixed assets

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

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits and the present value of the net pension position reported in the Financial Statements depend on a number of factors and assumptions, including life expectancy, future salary increases and the discount rate on corporate bonds. Management review these factors and assumptions in the annual actuarial valuations alongside appropriate sensitivity analysis produced by the respective scheme actuary, when determining the net pension position to be reported in the Financial Statements. Variations in these assumptions could significantly impact the net pension position reported in the Financial Statements.

In assessing whether a defined benefit pensions scheme surplus is recoverable, the Group considers its current right to obtain a refund or a reduction in future contributions. The Group has therefore assessed the probability of recovery and the reliable measurement of any asset and has concluded that a nil position is appropriate where the calculation of the scheme position has indicated a net asset position.

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.

Turnover and Revenue Recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income 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.

Revenue is recognised on completion if the sale of goods or services is short-term in nature. Where this is not the case, revenue is recognised in proportion to the stage of completion at the reporting date. Revenue recognition commences only when the outcome of the goods and services rendered can be reliably measured, by reference to individual terms and conditions within each service contract, and it is probable that the economic benefits associated with the contract will flow to the Group, otherwise it is recognised to the extent costs are incurred.

Supporting People contract income received from Administering Authorities is accounted for as 'Charges for support services'.

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

Where periodic expenditure is required a provision may be built up over the years in consultation with residents. Until costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Loan Interest Costs

Loan interest costs are calculated using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loan and is determined on the basis of the carrying amount of the financial liability at initial recognition.

Loan Finance Issue Costs

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

Bond Issue Costs

All of the Group's costs related to capital market funding services sourced by the Jigsaw Funding plc are recharged as interest in line with funding agreements to Jigsaw Treasury Limited, to whom the proceeds of such transactions have been on-lent and accounted for as interest receivable. These costs are then recharged from Jigsaw Treasury Limited to other members of the Group, in line with the amount of monies on-lent further.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the financial statements, 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 is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generate taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the year-end 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 if and when all conditions for retaining associated tax allowances have been met.
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

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

Gift Aid

Donations payable to charitable entities within the Jigsaw Homes Group are treated as distributions and are presented within the Statement of Changes in Equity. The tax effect of gift aid payments is recognised in the surplus or deficit in the period in which it will be recognised for corporation tax purposes.

Tangible Fixed Assets and Depreciation

Housing properties

Housing properties are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, e.g. a local authority, are accounted for as a non-monetary government grant and are included as an asset and equal 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, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during their development.

The costs of shared ownership properties are split between current and fixed assets on the basis of 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.

Freehold land is not depreciated.

Improvements to housing properties that are expected to provide incremental future benefits are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in the surplus or deficit in the Statement of Comprehensive Income.

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 UELS. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

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

UELS for identified components are as follows:

Component	Years
Boilers	15
Kitchens	20
Lifts	25–30
Bathrooms	30
Doors	30
Windows	30
Roofs	60–80
Structure	100

Table 12: Useful Economic Lives.

Other fixed assets

Other tangible fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following rates:

Asset type	Rate
Land & buildings	3.33% on cost or length of lease
Furniture, fixtures & fittings	10% per annum on cost
Office & computer equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

Table 13: Fixed Asset Depreciation Rates.

Capitalisation of Interest and Administration Costs

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

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

Property Managed by Agents

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

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Group.

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

Leasing

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

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

Assets held under finance leases are included in the Statement of Financial Position and depreciated in accordance with the Group's accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the income statement for the period of the lease in proportion to the balance of capital repayments outstanding.

Investment Property

Investment property includes commercial and other properties not held for the social benefit of the Group.

Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Current Asset Investments

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

Stock and Properties Held for Sale

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

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

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

Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Sinking Fund

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

Financial Instruments

Financial instruments held are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at cost less impairment.
- Financial liabilities such as loans are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity are held at cost less impairment.

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

Financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income immediately.

Development Agreement

A development agreement is in place with Gedling Borough Council where investment works have been identified and any VAT incurred can be reclaimed under a VAT shelter agreement. On the Statement of Financial Position, the long term debtor and long term provision balances show the commitment to carry out the work and the liability for the cost of the work. These will both be released to the Statement of Comprehensive Income as the work is completed over the life of the agreement.

Social Housing Grant (SHG) and Other Government Grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income is included as part of turnover.

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 Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England.

However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Non-Government Grants

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

Recycling of Capital Grant

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

lf there is no requirement to recycle or repay the grant on disposal of an asset any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Retirement Benefits

Defined benefit pensions schemes

Under defined benefit accounting, for all such schemes the Group participates in, the scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The Group's Statement of Financial Position includes the net surplus or deficit, being the difference between the fair value of scheme assets and the discounted value of scheme liabilities at the balance sheet date. Surpluses are only recognised to the extent that they are considered recoverable through reduced contributions in the future or through refunds from the schemes. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Defined contribution pensions schemes

In relation to defined contribution schemes in which the Group participates in, contributions payable are charged to the Statement of Comprehensive Income in the period to which they relate.

Reserves

General reserves reflects accumulated surpluses for the Group which can be applied at its discretion for any purpose.

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3. Turnover

3a) Turnover, cost of sales, operating expenditure and operating surplus.

2023	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of property, plant & equipment £'000	Operating surplus £'000
Social housing lettings (Note 3c)	172,884	–	(136,015)	–	36,869
Other social housing activities:					
Housing management contracts	11,262	–	(9,141)	–	2,121
First tranche low cost home ownership sales	9,330	(7,499)	–	–	1,831
Other rental	611	–	(744)	–	(133)
Supporting people contract income	226	–	(275)	–	(49)
Other activities	5,995	–	(3,985)	–	2,010
Non-social housing activities:					
Other rental	551	–	(65)	–	486
Sales of other housing properties	–	(14)	–	–	(14)
Disposal of fixed assets (Note 5)	–	–	–	5,698	5,698
Other activities	10	–	(19)	–	(9)
Total	**200,869**	**(7,513)**	**(150,244)**	**5,698**	**48,810**

3b) Turnover, cost of sales, operating expenditure and operating surplus.

2022	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of property, plant & equipment £'000	Operating surplus £'000
Social housing lettings (Note 3c)	164,443	–	(112,687)	–	51,756
Other social housing activities:					
Housing management contracts	8,531	–	(6,197)	–	2,334
First tranche low cost home ownership sales	9,048	(6,661)	–	–	2,387
Other rental	1,201	–	(1,221)	–	(20)
Supporting people contract income	1,027	–	(1,044)	–	(17)
Other activities	6,592	–	(8,431)	–	(1,839)
Non-social housing activities:					
Other rental	553	–	(71)	–	482
Sales of other housing properties		(9)	–	–	(9)
Disposal of fixed assets (Note 5)	–	–	–	4,720	4,720
Other activities		–	7	–	7
Total	**191,395**	**(6,670)**	**(129,644)**	**4,720**	**59,801**

The turnover reported for the Group of £66.01m (2022: £53.7m) relates in the main to recharges for services provided to subsidiary members of the Group.

3c) Turnover, operating expenditure and operating surplus from social housing lettings.

	General housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total 2023 £'000	Total 2022 £'000
Income					
Rent receivable net of identifiable service charges and net of voids	134,925	16,581	3,851	155,357	147,773
Service charge income	6,402	5,059	581	12,042	11,725
Charges for support services	1,519	719	–	2,238	1,832
Amortised government grants	3,168	43	37	3,248	3,113
Turnover from social housing lettings	**146,014**	**22,402**	**4,469**	**172,885**	**164,443**
Operating expenditure					
Management	29,739	4,254	864	34,857	28,349
Service charge costs	4,803	5,854	581	11,238	8,886
Routine maintenance	27,564	3,492	49	31,105	26,529
Planned maintenance	23,791	3,641	41	27,473	21,276
Major repairs expenditure	8,047	1,078	–	9,125	5,337
Bad debts	673	98	(3)	768	1,059
Property lease charges	182	1	–	183	279
Depreciation of housing properties	19,547	838	164	20,549	19,991
Depreciation of other fixed assets	200	176	0	376	380
Other costs	304	30	6	340	601
Operating expenditure on social housing lettings	**114,851**	**19,462**	**1,702**	**136,014**	**112,687**
Operating surplus on social housing lettings	**31,163**	**2,940**	**2,767**	**36,870**	**51,756**
Void losses	1,322	575	32	1,929	1,635

4. Accommodation Owned, Managed and in Development

Group		**2023**	**No. of units**			**2022**	**No. of units**	
	Group Owned	**Association Owned**	**Group Managed**	**Association Managed**	**Group Owned**	**Association Owned**	**Group Managed**	**Association Managed**
Social Housing								
General needs housing								
Social rent	20,818	4	1,266	–	20,984	4	1,288	–
Affordable rent	7,418	1	55	–	6,811	1	39	–
Market rent	83	–	–	–	83	–	–	–
Intermediate rent	188	–	–	–	190	–	–	–
Sheltered housing for older people	3,108	–	71	–	3,119	–	71	–
Supported housing	682	–	9	–	650	–	87	–
Low-cost home ownership	1,214	–	94	–	1,121	–	84	–
Leasehold where the Group owns the freehold	1,479	–	52	–	1,429	–	47	–
Total units social housing	**34,990**	**5**	**1,547**	**–**	**34,387**	**5**	**1,616**	**–**

The Association had five units in management (2022: five).
The Group owns 545 (2022: 271) properties which are managed by others.

Group – In Development	**2023**	**2022**
	No. of units	**No. of units**
Social Housing		
General needs housing		
Social rent	33	–
Affordable rent	1,273	1,157
Supported housing	108	208
Low-cost home ownership	652	95
Total units social housing	**2,066**	**1,460**

Group – Movement in the year (owned properties)	**No.of units**
Opening number of units at 1 April 2022	**34,387**
New units developed	
Social Housing	
General needs housing	
Social rent	4
Affordable rent	582
Shared Ownership	115
Supported housing	1
Units sold	
Social Housing	
General needs housing	
Social rent	(37)
Affordable rent	(14)
Intermediate rent	(1)
Shared Ownership	(1)
Supported housing	(18)
Sheltered housing for older people	(2)
Lease expired/surrendered	
Social Housing	
General needs housing	
Social rent	(24)
Other adjustments	
Social Housing	
General needs housing	
Social rent	(109)
Affordable rent	39
Intermediate Rent	(1)
Shared Ownership	(3)
Supported housing	33
Sheltered housing for older people	(11)
Leasehold where the Group owns the freehold	50
Closing number of units at 31 March 2023	**34,990**

5. Profit on Disposal of Fixed Assets

Group	**2023**	**2022**
	£'000	**£'000**
Proceeds of sales	11,991	11,148
Carrying value	(6,129)	(6,230)
Incidental costs	(164)	(198)
Total profit	**5,698**	**4,720**

6. Interest Receivable

Group	**2023**	**2022**
	£'000	**£'000**
Bank interest receivable	2,237	27
Total	**2,237**	**27**

7. Interest and Financing Costs

Group	**2023**	**2022**
	£'000	**£'000**
Loans and bank overdrafts	42,149	33,761
Amortisation of loan fees	(117)	259
Notional interest on RCGF (Note 22)	51	3
Interest on pension deficit (Note 30)	1,122	1,551
Interest capitalised on housing properties under construction	(5,322)	(1,536)
Total	**37,883**	**34,038**

The weighted average interest on borrowings of 4.8% (2022: 4.6%) was used for calculating capitalised finance costs.

8. Operating Surplus

Group	**2023**	**2022**
	£'000	**£'000**
The operating surplus is stated after charging:		
Auditor's remuneration (excluding VAT):		
Audit of the Group financial statements	36	12
Audit of subsidiaries	85	84
Operating lease rentals:		
Land and buildings	113	247
Other	2,072	1,466
Depreciation:		
Depreciation of housing properties	20,550	19,989
Depreciation of other fixed assets	1,268	1,259

£36,348 (2022: £12,000) of auditor's remuneration charged to operating surplus relates to the Association.

During the period, the Group's auditors Beever and Struthers provided audit services only. Taxation services are provided by another organisation.

9. Taxation

Group	**2023**	**2022**
	£'000	**£'000**
Current tax		
Current tax on income for the year	79	(2)
Total current tax charge	**79**	**(2)**
Deferred tax		
Origination and reversal of timing differences	(287)	(1,331)
Adjustment in respect of previous years	(2)	1
Effect of tax rate change on opening balance	–	(3,603)
Total deferred tax credit	**(289)**	**(4,933)**
Total tax recognised in the Statement of Comprehensive Income	**(210)**	**(4,935)**

Reconciliation of effective tax rate	**2023**	**2022**
	£'000	**£'000**
Surplus for the year	13,374	30,223
Total tax expense	(210)	(4,935)
Surplus excluding taxation	**13,164**	**25,288**
Tax using the UK corporation tax rate of 19% (2022: 19%)	2,501	4,805
Effect of tax free income due to charitable activities	(2,518)	(5,672)
Amounts credited directly to other comprehensive income	6,030	5,697
Fixed asset differences	11	24
Other permanent differences	–	67
Deferred tax relating to other comprehensive income	(8,057)	(7,771)
Income not taxable for tax purposes	–	(9)
Adjustments in respect of prior periods	(2)	1
Tax rate differences on deferred tax	1,876	(2,012)
Chargeable gains	–	28
Deferred tax not recognised	(51)	(92)
Total tax credit	**(210)**	**(4,934)**

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Group's future current tax charge accordingly. The deferred tax assets at 31 March have been calculated based on these rates.

Deferred tax assets and liabilities	**Assets**		**Liabilities**		**Net**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Unused tax losses	–	400	–	–	–	400
Other short term timing	805	8,173	–	–	805	8,173
Tax assets / (liabilities)	**805**	**8,573**	**–**	**–**	**805**	**8,573**

In addition to the deferred tax asset above, the Group has additional unrecognised gross tax losses of £- (2022: £83,406) in respect of capital losses carried forward and short term timing differences.

10. Directors' Remuneration

Directors (key management personnel) are defined as members of the Board, the group chief executive and any other person who is a member of the senior management team or its equivalent. There were no pension payments made in 2022/23 for the group chief executive, who was the highest paid director in the year.

Group	**2023**	**2022**
	£'000	**£'000**
Executive directors' emoluments	1,132	1,066
Amounts paid to non-executive directors	221	226
Contributions made to pension schemes	123	134
Emoluments payable to the highest paid Executive (excluding pension contributions)	**229**	**225**

Jigsaw Homes Group Limited pays the board members who serve across the Jigsaw Homes Group Structure and makes appropriate recharges to the relevant subsidiary. The following table details payments made across the group structure.

Board members	**Total 2023**	**Total 2022**
Non-executive		
F Selvan	25,750	25,750
G Brown	15,750	15,750
B Groarke	15,750	15,750
T Ryan	15,750	15,750
R Barker	15,750	15,750
D Addy	7,814	9,500
G Cooney	9,500	9,500
R O'Connell	7,814	9,500
A Todd	9,500	6,050
S Dunn	9,500	6,000
E Clivery	–	4,969
D Jackson	4,500	4,500
M McDermott	4,500	4,500
A Leah	–	4,500
C Beaumont	4,500	4,500
C Green	4,556	4,500
J Mutch	4,500	4,500
K Potts	4,500	4,500
M Kenyon	6,214	4,500
M Rudkin	4,500	4,500
O Ryan	–	4,500
S Akhtar	4,500	4,500
S White	4,500	4,500
A Powell	4,500	4,500
L Garsden	4,500	4,500
P Lees	4,500	4,500
A Margai	4,500	4,500
P Joyce	4,500	4,500
S Walker	4,500	4,500
L Picart	4,500	3,871
M Lynch	4,500	3,364
C Elliott	2,250	–
E Matley	3,203	–
S Normansell	–	2,250
R Lees	–	750
Total	**221,102**	**225,504**

11. Employee Information

	Group		Association	
	2023	**2022**	**2023**	**2022**
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Management and administration	484	372	447	347
Development	28	23	28	23
Housing, support and care	728	805	467	478
Other	48	56	–	–
Total	**1,288**	**1,256**	**942**	**848**

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Staff costs				
Wages and salaries	43,298	40,347	33,355	28,755
Social security costs	4,268	3,765	3,379	2,762
Other pension costs	6,056	5,661	4,862	4,139
Total	**53,622**	**49,773**	**41,596**	**35,656**

	Group	
Aggregate number of full time equivalent staff whose remuneration (including pension contributions) exceeded £60,000 in the period:	**2023**	**2022**
£60,001 – £70,000	33	11
£70,001 – £80,000	16	13
£80,001 – £90,000	7	2
£90,001 – £100,000	4	4
£100,001 – £110,000	3	3
£110,001 – £120,000	1	1
£120,001 – £130,000	1	–
£130,001 – £140,000	–	–
£140,001 – £150,000	–	–
£150,001 – £160,000	–	1
£160,001 – £170,000	1	–
£170,001 – £180,000	–	1
£180,001 – £190,000	1	2
£190,001 – £200,000	2	–
£200,001 – £210,000	–	1
£210,001 – £220,000	1	1
£220,001 – £230,000	1	1
£230,001 – £240,000	1	–

12. Tangible Fixed Assets

Housing properties	Social housing properties for letting completed £'000	Social housing properties for letting under construction £'000	Shared ownership properties completed £'000	Shared ownership properties under construction £'000	Total housing properties £'000
Cost					
At start of the year	1,419,924	91,369	84,742	10,176	1,606,211
Additions	–	106,452	–	20,595	127,047
Capitalised administration costs	–	2,394	–	503	2,897
Interest capitalised	–	4,217	–	1,105	5,322
Transfers to/from stock	–	–	(663)	(455)	(1,118)
Component replacements	10,229	–	–	–	10,229
Components replaced cost	(2,603)	–	–	–	(2,603)
Schemes completed	87,229	(87,229)	20,571	(20,571)	–
Disposals cost	(6,029)	–	(8,818)	–	(14,847)
At end of the year	**1,508,750**	**117,203**	**95,832**	**11,353**	**1,733,138**
Depreciation and impairment					
At start of the year	179,726	–	5,209	–	184,935
Charge for the year	18,953	–	733	–	19,686
Components replaced	(1,740)	–	–	–	(1,740)
Disposals	(1,052)	–	(173)	–	(1,225)
At end of the year	**195,887**	**–**	**5,769**	**–**	**201,656**
Net book value:					
At 31 March 2023	**1,312,863**	**117,203**	**90,063**	**11,353**	**1,531,482**
At 31 March 2022	1,240,198	91,369	79,533	10,176	1,421,276

All properties are held on either a freehold or long leasehold basis. There are 2,323 properties held on a long leasehold basis with an associated cost of £134.29m. 78% of the remaining lease periods are greater than 70 years.

The weighted average interest on borrowings of 4.8% (2022: 4.6%) was used for calculating capitalised finance costs.

The Group considers its housing schemes to represent separate cash generating units (CGUs) when assessing for impairment in accordance with the requirements of FRS102 and the SORP. During the current year, the Group has carried out a review of impairment. This review involved an assessment of existing social housing properties to determine if there has been any indicator of impairment in the current financial year. This review is done at a scheme level, which is deemed to be an appropriate level of a cash generating unit of housing property assets. Where any potential indicator as defined in FRS 102.27 *Impairment of Assets* is identified, a review of the affected scheme is undertaken to determine if an impairment is required.

Examples of key indicators for impairment include:

- Change in government policy, regulation or legislation which has a material detrimental impact.
- A change in demand for a property that is considered irreversible.
- Material reduction in the market value of properties intended to be sold.
- Obsolescence of a property or part of a property.

An assessment was carried out to identify impairment indicators linked to the fixed assets at year end. There were no indicators identified that required a full impairment review to be carried out using the depreciated replacement cost methodology. Therefore no impairment has been included in the Financial Statements.

Details of Social Housing Grant received during the year are provided in Note 21 on page 71.

Group	2023 £'000	2022 £'000 Restated
Works to existing properties in the year:		
Improvement works capitalised	10,229	6,054
Amounts charged to expenditure	67,703	53,144
Total	**77,933**	**59,198**

Group – Other fixed assets	Land and buildings £'000	Motor vehicles, plant & machinery £'000	Furniture and equipment £'000	Total other fixed assets £'000
Cost				
At start of the year	20,792	603	21,668	43,063
Additions	–	71	1,110	1,181
Transfer to investment properties	(105)	–	(234)	(339)
Disposals	–	(34)	(182)	(216)
At end of the year	**20,687**	**640**	**22,362**	**43,689**
Depreciation and impairment				
At start of the year	6,530	488	18,619	25,637
Transfer to investment properties	–	–	(14)	(14)
Charge for the year	413	43	813	1,269
Disposals	–	(32)	(7)	(39)
At end of the year	**6,943**	**499**	**19,410**	**26,853**
Net book value:				
At 31 March 2023	**13,744**	**141**	**2,952**	**16,836**
At 31 March 2022	14,262	116	3,049	17,426

Other fixed assets – Association	Land and buildings £'000	Furniture and equipment £'000	Motor vehicles, plant & mahcinery £'000	Total £'000
Cost				
At start of the year	3,458	13,377	242	17,077
Transfer of investment properties	(105)	(234)	–	(338)
Additions	–	140	–	140
At end of the year	**3,354**	**13,283**	**242**	**16,878**
Depreciation and impairment				
At start of the year	555	13,237	242	14,034
Transfer of investment properties		(14)	–	(14)
Charge for the year	36	34		70
At end of the year	**591**	**13,257**	**242**	**14,090**
Net book value:				
At 31 March 2023	**2,763**	**26**	**–**	**2,788**
At 31 March 2022	2,903	140	–	3,042

13. Investment Properties

Group	2023 £'000	2022 £'000
At start of year	739	361
Transfer from other fixed assets	325	880
Loss from adjustment in value	–	(502)
At end of year	**1,064**	**739**

14. Stock

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
First tranche shared ownership properties				
Completed	1,718	1,055	–	–
Work in progress	9,507	4,280	–	–
Outright sale properties				
Work in progress	–	1,467	–	–
Materials stock	668	691	591	571
Total	**11,893**	**7,493**	**591**	**571**

15. Trade and Other Debtors

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Rent arrears	8,533	9,294	–	–
Less: provision for bad debts	(4,744)	(5,660)	–	–
Sub-total	**3,789**	**3,634**	**–**	**–**
Trade debtors	3,704	1,120	–	–
Less: provision for bad debts	(836)	(766)	–	–
Sub-total	**2,868**	**354**	**–**	**–**
Prepayments and accrued income	6,705	5,529	1,420	1,074
Amounts owed by group undertakings	–	–	3,627	(1,477)
Other taxation and social security	564	31	19	21
Social housing grant receivable	1,221	650	–	–
Deferred tax	805	8,573	805	8,573
Other debtors	1,388	1,067	15	338
Sub-total	**10,683**	**15,850**	**5,886**	**8,529**
Debtors due after more than one year	3,360	3,360	–	–
Total	**20,700**	**23,198**	**5,886**	**8,529**

A number of tenants in arrears are in formal repayment agreements with the Group. An assessment of the net present value of those repayment agreements was carried out. The potential adjustment identified was insignificant and was less than the provision for bad debts against those tenancies. On this basis, no adjustment has been made in the financial statements in relation to the net present value of the repayment agreements.

The debtor due after more than one year represents the obligation to have refurbishment work carried out to the properties transferred to Jigsaw Homes Midlands (then named Gedling Homes) net of monies budgeted to be spent in 2023/24.

Gedling Borough Council entered into a contract with Jigsaw Homes Midlands (then named Gedling Homes) for it to carry out these improvement works on its behalf. Essentially the "benefit" (commitment owed) to Jigsaw Homes Midlands under the contract has created a debtor which is effectively offset by the provision stated in Note 19. The debtor will reduce as Jigsaw Homes Midlands completes the contracted work.

The terms of the loans to group undertakings have been set to match the repayment terms to the bondholders. The loans are effectively secured through the security arrangements in place between the bondholders and Jigsaw Homes Group and as such there are sufficient net assets and liabilities in place to meet their obligations to the Group. Therefore the directors consider the credit risk to be low and no provision is required againsts the amounts due.

16. Investments

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Cash security	2,307	2,260	–	–
Liquidity reserve	1,086	987	–	–
Total	**3,393**	**3,247**	**–**	**–**

The monies held by counterparties as collateral for loans are held separately to cash at bank.

17. Cash and Cash Equivalents

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash at bank	109,515	61,872	4,996	7,942
Total	**109,515**	**61,872**	**4,996**	**7,942**

18. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Loans and overdrafts (Note 20)	12,026	8,824	–	–
Trade creditors	5,120	4,532	732	832
Social housing grant received in advance	–	–	–	–
Amounts owed to group undertakings	–	–	4,852	5,996
Funds held on behalf of homeowners	1,769	1,509	–	–
Rents and service charges paid in advance	5,043	6,288	–	–
Corporation tax	80	–	80	–
Other taxation and social security payable	1,199	194	832	–
Accruals and deferred income	23,286	20,860	1,333	1,092
Deferred capital grant (Note 21)	3,381	3,167	–	–
Recycled capital grant fund (Note 22)	124	285	–	–
Other creditors	12,536	6,523	1,278	899
Total	**64,564**	**52,182**	**9,107**	**8,819**

19. Creditors: Amounts Falling Due After More Than One Year

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Social housing loans (Note 20)	797,315	679,372	–	–
Deferred capital grant (Note 21)	333,931	312,034	–	–
Recycled capital grant fund (Note 22)	1,422	1,936	–	–
Local authority loan	75	75	–	–
Total	**1,132,743**	**993,417**	**–**	**–**
Provision for liabilities and charges				
Development agreement (VAT shelter) with Gedling Borough Council	3,554	3,554	–	–
Total	**3,554**	**3,554**	**–**	**–**

The provision for the development agreement/VAT shelter represents the best estimate of the costs of contracted works for the repair and improvement of transferred properties incurred under the development agreement. The provision will be utilised as the works are actually completed. See Note 15 for further details.

20. Debt Analysis

Group	2023	2022
	£'000	£'000
Social housing loans		
Loans repayable by instalments:		
Within one year	9,982	8,584
In one year or more but less than two years	12,717	9,982
In two years or more but less than five years	71,451	59,588
In five years or more	405,332	429,911
Loans not repayable by instalments:		
Within one year	2,000	–
In one year or more but less than two years	16,000	2,000
In two years or more but less than five years	–	139,445
In five years or more	299,900	39,900
Fair value adjustment on financial instruments	230	335
Less: loan issue costs	(7,477)	(6,684)
Loans premium/(discount):		
Amount due to be released within one year	44	240
Amount due to be released after more than one year	(837)	4,894
Total loans	**809,341**	**688,195**

Loans from external funders are secured by fixed charges on individual housing properties.

All loans are repayable with interest chargeable at varying rates from 2.1% to 10.9% during the year.

On 5 May 2022 Jigsaw Funding plc issued a £360 million (including £100 million retained) 30 year bond with an annual coupon of 3.375%. The bond was issued at a discount of 2.19% so that funds received were £254.3 million, which equated to a fixed rate of 3.45%. All of this funding has been on-lent to fellow group member and group treasury vehicle, Jigsaw Treasury Limited, via secured loans under a guarantee and security trust basis. The bond discount and the costs of issue are amortised over the term of the bond maturing in May 2052. The members of Jigsaw Homes Group are liable to Jigsaw Funding plc for both the bond coupon, any amortisation cost of any bond discount/premium and issue costs, under an agreement between both companies.

The interest rate profile of the Group at 31 March 2023 was	Total	Variable rate	Fixed rate	Weighted average rate	Weighted average term
	£'000	£'000	£'000	%	Years
Instalment loans	499,481	41,889	457,592	5.74	15
Non-instalment loans	317,900	–	317,900	3.70	26
Total loans	**817,381**	**41,889**	**775,492**	**4.77**	**20**

At 31 March 2023 the Group had the following borrowing facilities:	£'000
Undrawn facilities	259,000
Total	**259,000**

21. Deferred Capital Grant

Group	2023	2022
	£'000	£'000
At start of the year	315,201	287,001
Grant received in the year	24,493	31,682
Reclassification of grant received in 2020	648	–
Disposals	(1,491)	(1,368)
Released to income in the year	(3,246)	(3,112)
Additions from RCGF (Note 22)	1,707	998
At end of the year	**337,312**	**315,201**
Amount due to be released within one year	3,381	3,167
Amount due to be released after more than one year	333,931	312,034
Total	**337,312**	**315,201**

22. Recycled Capital Grant Fund

Group	**2023**	**2022**
	£'000	**£'000**
At the start of the year	2,221	2,217
Grants to recycle	972	999
Interest accrued	60	3
Recycling: grants recycled	(1,707)	(998)
At the end of the year	**1,546**	**2,221**
Amount three years or older where repayment may be required	–	–

23. Share Capital

Association	**2023**	**2022**
	£	**£**
At the start of the year	9	9
At the end of the year	**9**	**9**

The par value of each ordinary share is £1. Each share has full voting rights and are not redeemable. The shares do not have a right to any dividend or distribution in a winding-up. All shares are fully paid.

24. Reserves

Revenue reserves records retained earnings and accumulated losses. Share capital represents the nominal values of shares that have been issued.

25. Capital Commitments

Group	**2023**	**2022**
	£'000	**£'000**
Capital expenditure contracted for but not provided for in the Financial Statements	198,685	176,383
Capital expenditure authorised by the Board but not yet been contracted for	28,571	79,110
Total	**227,256**	**255,493**
The Group expects these commitments to be financed with:		
Social housing grant	31,145	34,492
Proceeds from the sales of properties	25,182	36,571
Committed loan facilities and surpluses generated from operating activities	170,929	184,430
Total	**227,256**	**255,493**

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

26. Operating Leases

Operating lease payment obligations are as follows:	**Group**		**Association**	
	2023	**2022**	**2023**	**2022**
	£'000	£'000	£'000	£'000
Land and buildings:				
Within one year	121	119	–	–
In one year or more but less than five years	301	357	–	–
In five years or more	173	202	–	–
Others:				
Within one year	1,408	1,691	1,408	1,691
In one year or more but less than five years	925	1,645	925	1,645
Total	**2,928**	**4,014**	**2,333**	**3,336**

Lease agreements do not include contingent rent or restrictions. Leases for land & buildings include renewal periods after five years throughout the lease.

27. Grant and Financial Assistance

Group	**2023**	**2022**
	£'000	**£'000**
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant (Note 21)	337,313	315,201
Recognised as income in Statement of Comprehensive Income	111,757	108,571
Total	**449,070**	**423,772**

28. Related Parties

Association	Income	Debtors/ (Creditors)
	£'000	£'000
Cavendish Property Developments	–	1
Jigsaw Funding PLC	–	(50)
Jigsaw Homes Midlands	2,251	282
Jigsaw Homes North	30,505	1,807
Jigsaw Homes Tameside	29,789	(3,268)
Jigsaw Support	67	(2)
Jigsaw Treasury Limited	–	1
Palatine Contracts	–	2
Snugg Properties	–	1

The Jigsaw Group Structure is shown in Note 1.

Jigsaw Homes Group Limited provides core administration, finance, development, management and maintenance services for each of the Group's subsidiaries. All transactions are recharged from the Group under a management agreement at an agreed return on cost.

29. Financial Instruments

Group	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Financial Assets				
• Trade receivables	6,657	3,988	–	–
• Other receivables	14,044	19,210	5,886	8,529
• Short term investments	3,393	3,247	–	–
• Cash and cash equivalents	109,515	61,872	4,996	7,942
Total Financial Assets	**133,608**	**88,317**	**10,881**	**16,471**
Financial Liabilities				
Financial Liabilities measured at amortised cost				
• Loans payable	809,341	688,196	–	–
Financial Liabilities measured at historical cost				
• Trade creditors	5,120	4,532	732	832
• Other creditors	382,846	352,870	8,376	7,987
Total Financial Liabilities	**1,197,307**	**1,045,598**	**9,108**	**8,819**

Of the total £360 million bond issuance in May 2022, £260 million has been drawn and £100 million remains as retained bonds. The initial £260 million is secured by fixed charges over 3,335 of the Group's rented properties, valued for security purposes at c. £297 million as at 31 March 2023. The carrying value of those assets within the Group's financial statements is £293 million. No collateral has been called in the period to 31 March 2023.
Costs incurred by the Group in the period to 31 March 2023 amounting to c. £8.2m relating to providing funding services to the Group are recharged to Jigsaw Treasury Limited, which are further recharged to the eventual group member recipient of the funds.
The market value of the 30-year £360 million 3.375% instrument (repayable in May 2052) as at 31 March 2023 was £205.3 million. This value reflects the quoted price on the reporting date.

The risks in relation to this faced by the Group have been disclosed in the Strategic Report.

30. Pensions

Defined Benefit Pension Obligations

The Group participates in four pension schemes: the Social Housing Pension Scheme (SHPS), the Greater Manchester Pension Fund (GMPF), the Nottinghamshire Local Government Pension Scheme (NLGPS), and the Lancashire County Pension Fund (LCPF). All four schemes are multi-employer defined benefit schemes. The schemes are funded and are contracted out of the state scheme.

Social Housing Pension Scheme (SHPS)

The Group participates in the SHPS multi-employer pension defined benefit scheme.

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

There is an actuarial valuation of the SHPS every three years. The main purpose of the valuation is to determine the financial position of the SHPS in order to determine the level of future contributions required so that the SHPS can meet its pension obligations as they fall due.

The last formal valuation of the SHPS pension scheme was performed at 30 September 2020 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

During the year to 31 March 2023 Group paid contributions at the rate of 19.2% (2022: 33.8%). Member contributions varied between 5.7% and 13.8%.

Greater Manchester Pension Fund (GMPF)

The Group participates in the Greater Manchester Pension Fund (GMPF). GMPF is a multi-employer defined benefit scheme under the regulations governing the Local Government Pension Scheme. This scheme is funded and is contracted out of the state scheme.

There is an actuarial valuation of the GMPF every 3 years. The main purpose of the valuation is to determine the financial position of the GMPF in order to determine the level of future contributions required so that the GMPF can meet its pension obligations as they fall due.

The last formal valuation of the GMPF was performed at 31 March 2022 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a surplus of £1,021m.

During the year to 31 March 2023, the Group's members paid contributions of 18.5% (2022: 18.5%) and 23.3% (2022: 23.3%) dependent on contractual arrangements.

Lancashire County Pension Fund (LCPF)

Jigsaw Homes North (JHN) participates in the Lancashire County Pension Fund (LCPF). The LCPF is a multi-employer defined benefit scheme under the regulations governing the Local Government Pension Scheme. This scheme is funded and is contracted out of the state scheme.

There is an actuarial valuation of the LCPF every three years. The main purpose of the valuation is to determine the financial position of the LCPF in order to determine the level of future contributions required so that the LCPF can meet its pension obligations as they fall due.

The last formal valuation of the LCPF was performed at 31 March 2022 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a surplus of £3.8m.

During the year to 31 March 2023 JHN paid contributions at the rate of 20.1% (2022: 20.1%) . Member contributions varied between 5.5% and 12.5%.

Nottinghamshire Local Government Pension Scheme (NLGPS)

Jigsaw Homes Midlands participates in the Nottinghamshire Local Government Pension Scheme (NLGPS). The NLGPS is a multi-employer defined benefit scheme under the regulations governing the Local Government Pension Scheme. This scheme is funded and is contracted out of the state scheme.

There is an actuarial valuation of the NLGPS every three years. The main purpose of the valuation is to determine the financial position of the NLGPS in order to determine the level of future contributions required so that the NLGPS can meet its pension obligations as they fall due.

The last formal valuation of the NLGPS pension scheme was performed at 31 March 2019 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a deficit of £405m.

Although under FRS102 accounting, Jigsaw Homes Midlands has a notional pension deficit for accounting purposes, it does not have an actuarial deficit and therefore Jigsaw Homes Midlands does not make secondary contributions to the scheme. The pension scheme does not require a Recovery Plan.

During the year to 31 March 2023 Jigsaw Homes Midlands paid contributions at the rate of 17.9% (2022: 17.9%). Member contributions varied between 5.5% and 12.5%.

Summary	**2023** **£'000** **Group**	**2022** **£'000** **Group**
Defined benefit pension (liability)/asset:		
Social Housing Pension Scheme	(7,739)	(7,695)
Greater Manchester Pension Fund	–	(30,168)
Lancashire County Pension Fund	–	(1,432)
Nottinghamshire Local Government Pension Scheme	–	(1,447)
	(7,739)	**(40,742)**
Amounts recognised in operating costs:		
Social Housing Pension Scheme	960	1,285
Greater Manchester Pension Fund	6,114	7,071
Lancashire County Pension Fund	187	209
Nottinghamshire Local Government Pension Scheme	1,008	1,009
	8,269	**9,574**
Net amounts recognised in finance costs:		
Social Housing Pension Scheme	183	314
Greater Manchester Pension Fund	869	1,117
Lancashire County Pension Fund	38	70
Nottinghamshire Local Government Pension Scheme	32	50
	1,122	**1,551**
Actuarial gains/(losses) recognised in other comprehensive income:		
Social Housing Pension Scheme	(2,085)	6,726
Greater Manchester Pension Fund	34,028	27,493
Lancashire County Pension Fund	1,558	2,175
Nottinghamshire Local Government Pension Scheme	2,110	1,905
	35,611	**38,299**

Financial Assumptions and Particulars of Amounts Recognised in the Financial Statements

The major assumptions used by the actuary in assessing scheme liabilities as at 31 March 2023 together with the analysis of amounts recognised in the financial statements are as follows:

Statement of Financial Position Items

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2023 by scheme								
Present value of funded benefit obligations	44,429	18,835	171,728	169,278	14,383	11,867	242,407	188,113
Fair value of plan assets	(36,690)	(15,599)	(217,936)	(215,238)	(19,274)	(15,378)	(289,278)	(230,837)
Pension surplus deemed not recoverable	–	–	46,208	45,960	4,891	3,511	54,610	45,960
Deficit/(Surplus)	**7,739**	**3,236**	**–**	**–**	**–**	**–**	**7,739**	**3,236**
2022 by scheme								
Present value of funded benefit obligations	67,502	29,351	248,403	244,801	20,595	17,005	353,505	274,152
Fair value of plan assets	59,807	26,201	218,235	215,371	19,163	15,558	312,763	241,572
Deficit/(Surplus)	**7,695**	**3,150**	**30,168**	**29,430**	**1,432**	**1,447**	**40,742**	**32,580**

Components of Pension Cost

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2023 by scheme								
Service cost	917	578	6,114	6,034	184	1,002	8,217	6,612
Net interest cost	183	74	869	849	38	32	1,122	923
Administrative expenses	43	20	–	–	3	6	52	20
Total pension cost recognised in Statement of Comprehensive Income	**1,143**	**672**	**6,983**	**6,883**	**225**	**1,040**	**9,391**	**7,555**
2022 by scheme								
Service cost	1,240	680	7,071	6,926	206	1,002	9,519	7,606
Net interest cost	314	157	1,117	1,098	70	50	1,551	1,255
Administrative expenses	45	21	–	–	3	7	55	21
Total pension cost recognised in Statement of Comprehensive Income	**1,599**	**858**	**8,188**	**8,024**	**279**	**1,059**	**11,125**	**8,882**

Statement of Comprehensive Income

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2023 by scheme								
Experience on plan assets (excl amounts in net interest cost – (loss)	(26,310)	(12,640)	(2,347)	(2,132)	(134)	(748)	(29,539)	(14,772)
Experience gains and losses on the plan liabilities – gain/(loss)	1,943	749	(13,515)	(13,606)	(1,543)	(3,671)	(16,786)	(12,857)
Re-measurements – demographic assumptions	98	39	6,329	6,235	7,665	958	15,050	6,274
Re-measurements – financial assumptions	22,184	10,856	89,769	88,688	461	9,082	121,496	99,544
Pension surplus deemed not recoverable	–	–	(46,208)	(45,960)	(4,891)	(3,511)	(54,610)	(45,960)
Total – gain/(loss)	**(2,085)**	**(996)**	**34,028**	**33,225**	**1,558**	**2,110**	**35,611**	**32,229**
2022 by scheme								
Experience on plan assets (excl amounts in net interest cost) – gain	3,958	2,731	17,976	17,737	2,062	1,013	25,009	20,468
Experience gains and losses on the plan liabilities – (loss)	(3,026)	(1,476)	(608)	(602)	(44)	(46)	(3,724)	(2,078)
Re-measurements – demographic assumptions	1,015	426	1,517	1,491	–	–	2,532	1,917
Re-measurements – financial assumptions	4,779	2,187	8,608	8,591	157	938	14,482	10,778
Total – gain	**6,726**	**3,868**	**27,493**	**27,217**	**2,175**	**1,905**	**38,299**	**31,085**

Change in Benefit Obligations

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2023 by scheme								
Benefit obligation at 1 April	67,502	29,351	248,403	244,801	20,595	17,005	353,505	274,152
Current service cost	917	578	6,018	5,938	184	1,002	8,121	6,516
Expenses	43	20	–		–	–	43	20
Interest on pension liabilities	1,866	817	6,854	6,757	571	439	9,730	7,574
Member contributions	13	13	887	875	37	135	1,072	888
Past service costs including curtailments	–	–	96	96	–	–	96	96
Experience on plan liabilities (gain)/loss	(1,943)	(749)	10,377	10,468	1,543	3,671	13,648	9,719
Re-measurements (liabilities)								
(Gain) on demographic assumptions	(98)	(39)	(6,329)	(6,235)	(461)	(958)	(7,846)	(6,274)
(Gain) on financial assumptions	(22,184)	(10,856)	(89,769)	(88,688)	(7,665)	(9,082)	(128,700)	(99,544)
Benefits/transfers paid	(1,687)	(300)	(4,809)	(4,734)	(421)	(345)	(7,262)	(5,034)
As at 31 March	**44,429**	**18,835**	**171,728**	**169,278**	**14,383**	**11,867**	**242,407**	**188,113**
2022 by scheme								
Benefit obligation at 1 April	69,897	30,449	249,516	246,016	20,478	16,649	356,540	276,465
Current service cost	1,240	680	6,822	6,731	206	1,002	9,270	7,411
Expenses	45	21	–	–	–	–	45	21
Interest on pension liabilities	1,499	668	5,143	5,072	425	332	7,399	5,740
Member contributions	28	26	873	861	39	142	1,082	887
Past service costs including curtailments	–	–	249	195	–	–	249	195
Experience on plan liabilities loss	3,026	1,476	608	602	44	46	3,724	2,078
Re-measurements (liabilities)								
(Gain) on demographic assumptions	(1,015)	(426)	(1,517)	(1,491)	(157)	–	(2,689)	(1,917)
(Gain) on financial assumptions	(4,779)	(2,187)	(8,608)	(8,591)	–	(938)	(14,325)	(10,778)
Benefits/transfers paid	(2,439)	(1,356)	(4,683)	(4,594)	(440)	(228)	(7,790)	(5,950)
As at 31 March	**67,502**	**29,351**	**248,403**	**244,801**	**20,595**	**17,005**	**353,505**	**274,152**

Change in Plan Assets

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2023 by scheme								
Fair value of plan assets at 1 April	59,807	26,201	218,235	215,371	19,163	15,558	312,763	241,572
Interest on plan assets	1,683	743	5,985	5,908	533	407	8,608	6,651
Return on assets less interest	(26,310)	(12,640)	(5,485)	(5,270)	(134)	(748)	(32,677)	(17,910)
Administration expenses	–	–	–	–	(3)	(6)	(9)	–
Employer contributions	3,184	1,582	3,123	3,088	99	377	6,783	4,670
Member contributions	13	13	887	875	37	135	1,072	888
Benefits/transfers paid	(1,687)	(300)	(4,809)	(4,734)	(421)	(345)	(7,262)	(5,034)
Fair value of plan assets at 31 March	**36,690**	**15,599**	**217,936**	**215,238**	**19,274**	**15,378**	**289,278**	**230,837**
2022 by scheme								
Fair value of plan assets at 1 April	54,550	23,095	196,933	194,318	17,056	13,960	282,499	217,413
Interest on plan assets	1,185	511	4,026	3,974	355	282	5,848	4,485
Return on assets less interest	3,958	2,731	17,976	17,737	2,062	1,013	25,009	20,468
Administration expenses	–	–	–	–	(3)	(7)	(10)	–
Employer contributions	2,525	1,194	3,110	3,075	94	396	6,125	4,269
Member contributions	28	26	873	861	39	142	1,082	887
Benefits/transfers paid	(2,439)	(1,356)	(4,683)	(4,594)	(440)	(228)	(7,790)	(5,950)
Fair value of plan assets at 31 March	**59,807**	**26,201**	**218,235**	**215,371**	**19,163**	**15,558**	**312,763**	**241,572**

Asset Allocation

	2023 £'000	2022 £'000
Equities	19 to 146361.84	19 to 9425
Government bonds	0 to 318	156 to 458
Other bonds	0 to 32285.7	372.32 to 2242
Property	257.76 to 19371.42	229.12 to 1999
Cash/liquidity	112 to 17219.04	114 to 871
Other	70 to 18773	-39 to 18205
Absolute return	169 to 228	1348 to 1348
Alternative risk premia	29 to 39	1108 to 1108
Credit relative value	589 to 796	1117 to 1117
Distressed opportunities	472 to 638	1203 to 1203
Emerging markets debt	84 to 113	978 to 978
Infrastructure	1209 to 2409	924 to 2394
Insurance linked securities	394 to 532	784 to 784
Liability driven investment	7184 to 9715	9377 to 9377
Long lease property	471 to 636	865 to 865
Private debt	694 to 939	862 to 862
Risk sharing	1148 to 1553	1106 to 1106
Secured income	716 to 968	1252 to 1252
Opportunistic illiquid Credit	667 to 902	1129 to 1129
Inflation linked pooled funds	0 to 776	820 to 820
High yield	55 to 74	290 to 290
Opportunistic credit	0 to 1	120 to 120

Financial Assumptions

	2023 %	2022 %
Rate of CPI inflation	2.82 to 3.4	3.12 to 3.4
Pension increase rate	2.95 to 3.5	3.12 to 3.5
Salary Increase rate	3.75 to 4.9	2.8 to 4.9
Discount rate	2.8 to 4.83	2.6 to 2.8

Mortality Assumptions

	Males	Females
Current Pensioners	20.3 to 22.3	20.3 to 22.3
Future retiring in 20 years	21.3 to 23.7	21.6 to 23.7

Defined Contribution Pension Obligations

The Group participates in defined contribution schemes where the amount charged to the statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period.

31. Analysis of Changes in Net Debt

Group	At 1 April 2022	Cash flows	New finance leases	Other non-cash changes	At 31 March 2023
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	61,872	47,645	–	–	109,515
Investments	3,247	146	–	–	3,393
Obligations under finance leases	(4,014)	(2,184)	3,270	–	(2,928)
Bank loans	(688,195)	(121,451)	–	(487)	(809,341)
Net debt	**(627,090)**	**(75,845)**	**3,270**	**(487)**	**(699,362)**

Creating homes. Building lives.

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