Financial Statements for the year ended 31 March 2021

Jigsaw

Creating homes. Building lives.

Contents

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 R. Barker G. Brown P. Chisnell (executive member) E. Clivery G. Cooney B. Groarke B. Moran (executive member) R. O'Connell H. Roberts (executive member) T. Ryan
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	BDO LLP 3 Hardman Street Manchester M3 3AT

1. Introduction

Hanging Around

We help residents get creative with outdoor gardening activities, like hanging basket workshops.

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 2020/21 financial year.

This document sets out a comprehensive account of our activities during 2020/21 and provides an insight into the Group's efforts to deliver on its strategic priorities:

- Caring for our customers, our assets and neighbourhoods
- Building 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.

Responding to COVID-19

Not many people will look back on the last year with fondness, but my colleagues on the board, our executive team and employees can all at least take some satisfaction from the quality of the Group's local response to the global COVID-19 pandemic.

Our initial focus as the pandemic emerged was to ensure that we acted swiftly to protect the safety of our employees and customers. To this end we prioritised the continued safe provision of essential services such as supported housing and repairs services and we tripled our capacity for home working within a matter of days of the announcement of the first national lockdown on 23 March 2020.

Our work throughout the subsequent months was of course impacted by the restrictions placed on our activity as part of the government's lockdown measures. Our development ambitions for the year were affected by the temporary closure of sites and unfortunately in an isolated case, the insolvency of a contractor. In addition, the delivery of services inside the homes of our tenants were delayed due to the fact that some tenants were understandably reticent to permit visitors. Whilst we found this to be a particular issue in the early part of the first national lockdown of March–June 2020, access to the homes of our tenants has continued to present us with some challenges throughout the last 12 months with a corresponding reduction in some non-urgent work including some elements of our planned maintenance programmes.

We have worked hard however to successfully manage the challenge of COVID-19 by securing personal protective equipment, introducing COVID Secure methods of working and through regular communications with tenants, we provided assurance that vital work such as gas inspections and urgent repairs could be carried out safely and these services fully recovered.

As the year progressed, we all became more accustomed to new ways of working and getting things done. Many of our employees found themselves working at home and living online—communicating through video conferencing and collaborating via the web. We also adjusted our service delivery to the constraints of the times. To mention just a few examples: we made thousands of well-being calls to our tenants, assisting and keeping in touch with the most vulnerable throughout the year; we introduced a meal delivery service to the flats of our older tenants; we directly financed and supported foodbanks through the *Jigsaw Foundation*; and we issued much-needed winter warmer and energy advice packs.

In the autumn of 2020, the board revisited the impact of the pandemic on our plans, specifically on our budgets for the year and the Corporate Plan projects and targets we had set out to achieve. Whilst we had correctly anticipated much of the *financial* impact of the pandemic through our stress testing work, concluding that the Group was unlikely to be presented with serious difficulties, it was perhaps still a little surprising to observe just how much we had and would be able to achieve during such an unprecedented period of disruption and change.

Highlights of our work in the year include:

- The safe delivery of vital support and repairs services to our residents.

- A strong build programme for affordable homes.
- Solid sales of shared ownership and homes for outright sale throughout the year.
- The launch of our treasury vehicle, Jigsaw Treasury Limited.
- The completion of a key IT project to move the Group to a new housing management system.
- Further corporate simplification work to reduce the number of separate companies in the Group.

Our response to the pandemic has once again proven that *necessity is the mother of invention* and whilst some of the new ways of working we introduced are perhaps best seen as temporary measures, others have genuine promise to progress the organisation. We will take stock of the lessons learned through a review in the coming year.

At the time of writing, the pandemic is not yet over and its aftershocks may well continue to repeat for years to come with effects that we cannot yet fully foresee. Our stress testing analysis continues to demonstrate however that the Group stands on a very secure financial footing.

Our financial strength and proven ability to adapt give the board and myself great confidence that the Group not only remains well-placed to continue to deliver for our customers during uncertain times, but that we can continue to play our part in the nation's economic recovery, particularly through investment in our homes and through our house building programme.

The pandemic has brought into sharp relief unfairness in our society—perhaps most clearly manifested in the disproportionate deaths due to COVID-19 within black, Asian and minority ethnic communities. More generally, we have seen how those who live on the lowest incomes and live in the poorest housing have been most impacted by health inequality, food poverty, a lack of financial resilience and indeed by a lack of trust in social and health institutions. I sincerely believe that Jigsaw Homes Group Limited has a part to play in helping to address these issues both through our day-to-day work as a social landlord, but also through the work of our specialist subsidiary, Jigsaw Support.

More positively, the national response to the pandemic also presents us with hope. The success of the government's programme to bring *Everybody In* reduced rough sleeping to practically zero overnight and saved hundreds of lives in the process. The success of this scheme proves what can be achieved with political will, national resources and focused effort.

At Jigsaw Homes Group Limited, the experience of this generation-defining event has certainly made us a better team. My hope is that it may also lead to wider change to make us a better society.

Our Future Plans

Last year in my introduction to this document I explained that our Group had reached a crossroads. The board anticipated that the foundational internally-focused work involved with the creation of a new Group of our size would essentially be completed during 2020. I noted that it was time to begin to look outwards, now as a stronger organisation, to reassess the difference we would be able to make to the world around us.

To help us to achieve this, in 2020 the Group launched the *Jigsaw Conversation* to consult on our future direction. The aim of this work was to align our plans with the priorities of our tenants, employees and board members and to better understand the issues our key stakeholders felt we could do more to tackle. Launching a wide-ranging consultation programme in the midst of a global pandemic was not without its challenges but I am pleased to report that through this work we were able to gain the views of close to 700 individuals—employees, residents and board members.

The Jigsaw Conversation identified clear themes which fit well with what the board want the organisation to deliver. The themes are:

- 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.

Notably, environmental concerns and the zero carbon agenda in particular were at the root of many of the issues identified. In this context I am proud to announce that we have now committed to become a carbon neutral business by 2050, adopting an ambitious Sustainability Strategy during the year. As part of this work, in October 2020 the Group became an early adopter of the Good Economy's voluntary reporting framework for housing providers to report Environmental, Social and Corporate Governance (ESG) performance in a transparent, consistent and comparable way, so you can expect to receive clear updates on our progress during the coming years.

I must emphasise that the themes highlighted by the Jigsaw Conversation present us with significant challenges which will touch every part of our business. They will require concerted focus for years to come. However, although the scale of the task may be huge, it is certainly not insurmountable and we begin this new stage in our journey from a position of organisational strength and with great confidence.

I am really pleased that we have identified such a clear mandate from those who are most impacted by our work. We will now move to more direct contact with our key partners, our funders and local authority colleagues in particular, to explore how we can work together to address these very important issues.

As a final postscript to this account of the financial year, I am pleased to report that as part of the ongoing work to reduce the number of corporate entities in the Group, Jigsaw Homes North accepted a transfer of engagements from fellow group members Aksa Housing Association and Beech Housing Association Limited, in June 2021.

At the time of writing, work was underway to progress a transfer of engagements from Chorley Community Housing Limited which we expect to complete well before the close of 2021.

Fay Selvan

Group Chair

Our vision:
We want everyone to live successfully in a home they can afford.

Our mission:
Creating homes. Building lives.

Our values and behaviours:

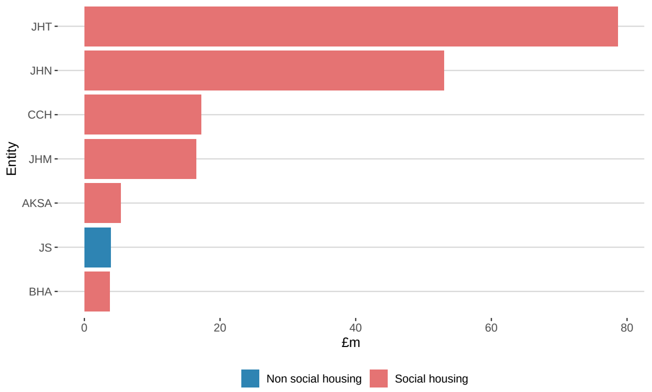
About Jigsaw Homes Group

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

Following further work to simplify our corporate structure in the year (see Note 1 to the Financial Statements on page 56), the principal members of the Group are:

- Chorley Community Housing Limited
- Jigsaw Homes Midlands
- Jigsaw Homes North
- Jigsaw Homes Tameside
- Jigsaw Support

As measured by financial turnover, together we are the 34th largest housing group in the country[1]. The turnover of the Group's principal members during 2020/21 is shown in Figure 1 on the current page.



Source: financial statements 2020/21.

Figure 1: Turnover analysis — the vast majority of the Group's turnover is based on social housing activities. Note that AKSA and BHA transferred their engagements to Jigsaw Homes North in June 2021.

Our Activities

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

The core of our business is centered on the management of 35,482 homes — principally social housing for rent. The location of homes managed by our members is shown in Figure 2 on this page. The Group is active in 29 local authority areas.

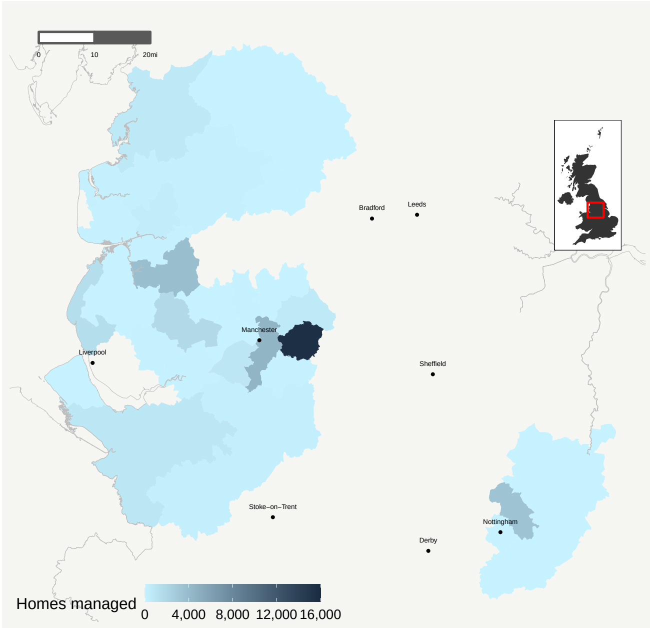


Figure 2: Location of housing stock — shading shows local authority concentrations in Greater Manchester, Lancashire, Nottinghamshire and Merseyside.

We work to help regenerate neighbourhoods and increase life opportunities for disadvantaged individuals and communities. Our largest members are five housing associations, regulated by the Regulator of Social Housing (RSH) and legally known as Registered Providers. The latest *Regulatory Judgement* 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.

We also provide 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."

[1]https://www.gov.uk/government/publications/2019-global-accounts-of-private-registered-providers

Mission

We will do this by:

> "Creating homes. Building lives."

Corporate Values

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

- Empowerment
- Social Impact
- Efficiency
- Collaboration
- Innovation

2. Strategic Report

Dig this

Residents take part in an eight week horticulture course at Bourne Mews Community allotment in Netherfield.

Review of the Year

In this section, we review our work during 2020/21.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic dominated our operating environment during 2020/21. In this section we provide a brief overview about how the pandemic affected our business in the year.

Prevalance in Areas of Operation

Figure 3 on the current page shows the timeline of the pandemic both nationally and in our areas of operation. The peaks in the pandemic that were experienced in our areas of operation are similar to the national picture albeit with relatively more of the nation's cases experienced in our regions during the autumn 2020 peak prior to the second national lockdown. Unsurprisingly, cases of the virus have at times been high in all of the areas where we work. Case numbers have been particularly high however in south Manchester and in parts of Oldham.

In addition to the impact of national lockdowns, we have also been subject to local restrictions in Greater Manchester, Merseyside and Lancashire at different stages of the year. At times lockdowns required us to limit the delivery of non-essential face-to-face services.

At the time of writing, case rates are once again high, but are no longer having the same impact on our operations. This is due to the roll-out of the nation's vaccine programme in the first half of 2021 which has broken the link between inflections and deaths, and the removal of national lockdown restictions.

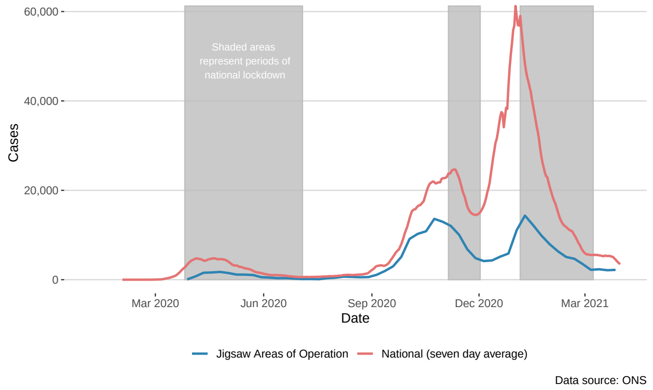


Figure 3: COVID-19 case prevalance.

Impact on Demand

Our experience has been that the pandemic supressed demand for our services. This is perhaps best illustrated by Figure 4 on this page which shows how calls to our contact centres dropped by more than half during the first national lockdown. Whilst the impact of successive lockdowns has not been as severe, demand had not quite returned to pre-lockdown levels by the year-end.

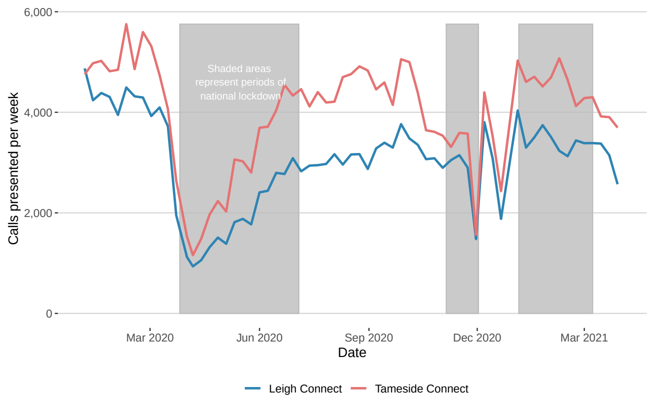


Figure 4: Calls presented to our contact centres. Call volumes have not yet returned to pre-lockdown levels.

Impact on Operations

The Group's business continuity arrangements ensured that essential services were maintained throughout the year with full services being re-established as and when Government restrictions permitted.

We did experience some difficulties in gaining access to the homes of our tenants, particularly during the early months of the pandemic. This point is illustrated by our gas servicing performance, shown in Figure 5 on the current page but is also reflected in other areas of our maintenance service.

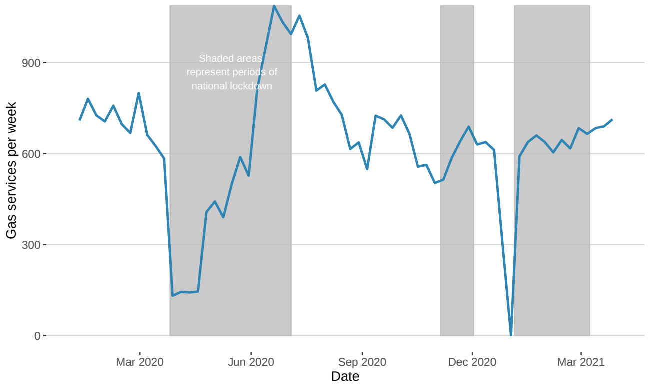


Figure 5: Our gas servicing programme was impacted by the first national lockdown but subsequently recovered during the summer months.

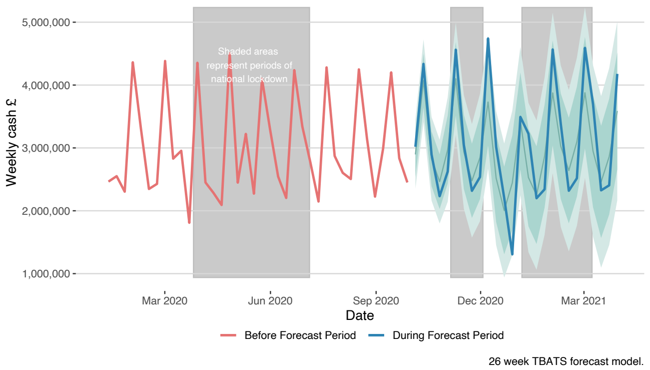


Figure 6: Weekly cash collection has been closely monitored throughout the year and remains in line with expectations.

During the early stages of the pandemic, the board approved mechanisms to monitor cash collection to provide an early warning should the pandemic result in a significant change in the payment behaviour of tenants. Figure 6 on this page shows performance against one such mechanism—actual collection versus forecast. We are pleased to report that cash collection performance remained broadly in line with our expectations throughout the year.

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"[2].

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 32–37) comprise our *Value for Money Statement* for 2020/21.

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
- Building a strong corporate foundation
- Valuing staff
- Growing the business

Each Strategic Priority is mapped to medium-term Goals. Those that were in place for 2020/21 are shown in Table 1 on the next 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 2020/21.

[2] https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/

Delivery of Key Projects

During 2020/21 the delivery of the Group's Corporate Plan was supported by the following key projects:

- Building Safety
- Business Continuity
- Business Recovery
- Corporate Structures Review
- Customer Contact Strategy
- Development Strategy
- Jigsaw Foundation
- Jigsaw Support Strategy
- Pensions Provision
- The Jigsaw Conversation

Building Safety

Changes to the building safety regime have continued to evolve in response to both the Hackitt review of fire safety regulation and the publication of the *Public Inquiry Phase 1 report* into the terrible fire at Grenfell Tower in 2017. The *Fire Safety Bill*, which responds to the public inquiry findings, passed through parliament during the 2020/21 and achieved Royal Assent as the *Fire Safety Act 2021* shortly after the end of the financial year. Meanwhile, the *Building Safety Bill*, which responds to the Hackitt *Independent Review of Building Regulations and Fire Safety*, is currently progressing through parliament.

During the year we worked to anticipate likely changes to the regulatory and statutory fire safety regime and took action to progress the suggestions of 2019's *Building a Safer Future* consultation paper. To this end we made the key appointment of a building safety manager at the start of the 2020/21 financial year and then developed and began to deliver a comprehensive building safety implementation plan.

The implementation plan focuses initially on 13 buildings that are over 18 metres in height: six high rise towers owned by Jigsaw Homes Tameside in Tameside, and seven high rise towers

Corporate Priority	Goal	Goal Target
Caring for our customers, our assets and neighbourhoods	Achieve an overall Net Promoter Score of 30	31/03/2021
	Maintain compliance with the Decent Homes Standard	Throughout
	Provide £1.5m investment into community projects	31/03/2022
Building a strong corporate foundation	Maintain G1 V1 ratings across the Group	Throughout
	Deliver the business case for merger	31/03/2023
Valuing staff	Attain three star accreditation with Best Companies	31/03/2023
Growing the business	Increase development output to 800 homes per annum	31/03/2022
	Leverage external funding to deliver services to vulnerable groups	Throughout

Table 1: 2020/21 Strategic Priorities and Goals.

managed at Miles Platting, Manchester. The seven towers in Miles Platting are owned by Manchester City Council and managed by Jigsaw Homes North, under a Private Finance Initiative contract.

Business Continuity & Recovery

Our focus throughout this most exceptional of years was on two projects to ensure the *Business Continuity* of key services during the pandemic and our subsequent *Business Recovery* to near-normal operations. This work was supervised by a COVID Response Team comprised of senior managers from the organisation who met throughout the year via video conferencing and—at the time of writing—continue to meet on a fortnightly basis.

In accordance with our procedures for responding to a stress event, the board met more frequently during the early stages of the pandemic to oversee the measures taken, but returned to a normal cycle of meetings in the summer months.

Our response to the pandemic included:

- The continued provision of key maintenance and tenancy support services throughout the pandemic.
- Ensuring that our front-line employees had adequate PPE throughout the pandemic.
- Making thousands of outbound welfare calls to our tenants.

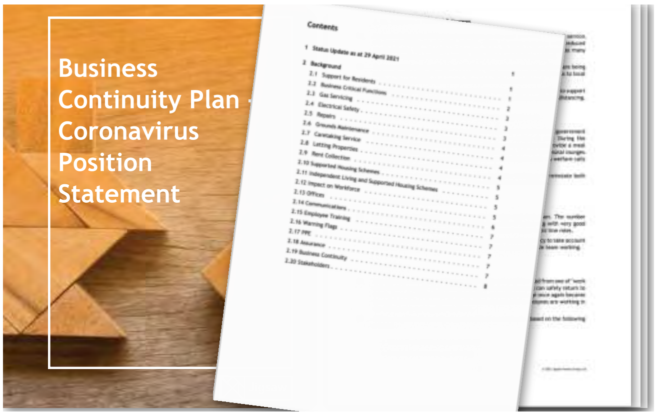


Figure 7: Throughout the year, we regularly published our latest position in response to the COVID-19 pandemic.

- An early (and accurate) assessment of the likely financial impact of the pandemic.
- The rapid extension of home working, supported by new equipment and systems.
- Ensuring that our offices and housing schemes were COVID Secure.
- Food provision to the vulnerable and the direct financial support of foodbanks in our areas of operation.

We felt it was important to be clear with stakeholders about our response to the very fluid challenges presented by the pandemic. We have published and updated our *Business Continuity — Coronavirus Position Statement* throughout the pandemic. Our latest statement can be found at https://www.jigsawhomes.org.uk/

Helping to ensure the safety of our employees and customers have been our paramount considerations during this time. Our People and Health & Safety teams provided continual support and advice to the Group's employees during an unprecedented and unsettling period. Despite successive lockdowns, we ensured that employees were able to undertake productive work through home-based working.

We are pleased to report that we have not needed to furlough any staff under the government's Coronavirus Job Retention Scheme.

Corporate Structures Review

During the year, we continued our work to simplify our structure through the delivery of work as part of a *Corporate Structures Review*. This work led to:

- The business transfer of New Charter Building Company Limited to Jigsaw Homes Group Limited on 31 March 2021.
- The renaming of New Charter Homes to Jigsaw Homes Tameside.
- The renaming of Adactus Housing Association Limited to Jigsaw Homes North.
- The transfer of engagements of AKSA Homes and Beech Housing Association into Jigsaw Homes North, registered on 30 June 2021.

At the time of writing work is underway to complete the transfer of engagements of Chorley Community Housing Limited into Jigsaw Homes North.

Please see 'Corporate Structure and Governance' on page 29 for further information about our current board membership and governance structure.

Customer Contact Strategy

Throughout the pandemic, contact centre services were able to be maintained with minimal disruption thanks to previous investment which improved the flexibility of our telephone systems. This enabled services to be provided, uninterrupted, from the homes of our customer advisors.

The delivery of the third year of our *Customer Contact Strategy* focused on the roll-out of a new Customer Relationship Management system which will improve our understanding of customer demand, and the launch of common Group-wide online customer services through *My Jigsaw*.

Development Strategy

Figure 8: The site of our first ever modular build construction scheme in Arnold, Gedling.

The Group's *Development Strategy* supported the delivery of 524 new homes in the year, and we plan to resource a further 5,777 by 2,028.

We are actively seeking to develop in 15 local authority areas throughout the North West and East Midlands.

During the year, the Group committed to its first ever modular build construction scheme to pilot off-site building. The scheme will deliver 131 new homes in Gedling to high energy standards. In comparison to traditional methods, we expect that the scheme will reduce the embedded carbon associated with the construction process by 50%. We are hopeful that modular build will form an important element of our future development programme.

Jigsaw Foundation

The *Jigsaw Foundation* continued its work in the year, providing £247k of funding to support community initiatives in the Group's areas of operation. Funding is allocated according to the preferences of our customers who vote for their favoured community projects through the innovative online consultation vehicle, *Jigsaw Rewards*. During 2020/21, the funding of foodbanks were prioritised by the Foundation with £80,280 of funding provided, including the donation of monies that had been budgeted for the Group's staff Christmas party.

Investment through the Jigsaw Foundation is informed by a Neighbourhood Plan Model. By combining socio-economic data with the Group's own performance data, the model helps the Group to understand the health of its neighbourhood areas.

Jigsaw Support Strategy

The Group continues to deliver its *Jigsaw Support Strategy* which provides a strategic framework for contract funded work to help meet the needs of vulnerable people, adding value to the landlord services we provide. The strategy commits the Group to further targeted service provision in:

- Homelessness and housing advice services.
- Supported accommodation.
- Domestic abuse support.
- Employment support.
- Family support.
- Health services.

Our employees continued to deliver much needed services to our most vulnerable service users throughout the pandemic.

During the year, Jigsaw Support was chosen as a partner to provide support to rough sleepers under the Rough Sleepers Accommodation Programme. This service commenced in March 2021.

Jigsaw Support continues to be a successful partner in the Greater Manchester Housing Providers Housing First Pilot, which is one of the large scale pilots focused on preventing homelessness being delivered in England.

During the year, the board of Jigsaw Support made a key decision to use some of their organisation's reserves to provide an *Innovation Fund* in order to trial new support initiatives. The first projects to be funded in this way focus on providing additional mental health support to tenants and will launch in 2021/22.

Jigsaw Treasury

An important area of work during the year was the realisation of proposals to form a *Group Treasury Vehicle*. This work completed shortly after the start of the financial year in May 2020. At 31 March 2021, all of the housing associations in the Group, with the single exception of Beech Housing Association—which subsequently transferred its engagements to Jigsaw Homes North—were members of a combined borrowing group managed by Jigsaw Treasury Limited. The borrowing group members pool assets, share common loan covenants, jointly guarantee funding, and have freedom to move cash within the borrowing group.

The consequence of this work is to greatly increase the Group's borrowing capacity and allow its members to share in the Group's collective financial strength. The delivery of this project is a necessary foundational step to deliver on our aim to increase the output of our development programmes to 4,000 homes over five years (approximately 800 homes per annum).

Pensions Provision

Our *Pensions Provision* project completed during the year. This project focused on the fairness of the pension offer provided to all new employees across the Group. Following the conclusion of the project, all defined benefit pension schemes are now closed to new employees which will limit the risk of the costs of these pension schemes becoming unsustainable in the future. In response to consultation with employees, a new Sharia pension offer has been developed and will be launched during 2021/22. The Group was also able to increase its defined contribution schemes' employer contribution rate to a much more generous level to encourage pension savings by employees.

The Jigsaw Conversation

From a strategic point of view, the most important piece of work undertaken in the year was *The Jigsaw Conversation* which aimed to set a new long-term direction for the Group following the completion of our foundational post-merger work.

Despite the challenges presented by the pandemic, we were able to gain the views of close to 700 individuals—employees, residents and board members—to influence this work. Through meetings, workshops and surveys we were able to clearly identify the issues our key stakeholders felt we should be placing our future focus on:

- 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.

These themes influenced the development of a new Corporate Plan during the year which sets out projects to move forward this agenda. Our Corporate Plan is supported by changes to the Group's 30 Year Financial Plan which includes significant new financial commitments to progress these issues, most notably a c. £535m provision to take forward the zero carbon and sustainability agenda.

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 performance is shown in Table 2 on page 19 and is discussed below.

Caring for Our Customers, Our Assets and Neighbourhoods

Table 2 on the following page shows that 12 of the 22 KPIS established to monitor the delivery of this strategic objective were achieved in the year.

The COVID-19 pandemic resulted in three national lockdowns during 2020/21 and a series of regional restrictions which impacted on the Group's operations. Understandably, we also found that many tenants refused visitors to their homes — particularly during the early months of the pandemic — and fewer people chose to move home during the year.

These aspects of the pandemic's impact therefore resulted in the following targets being missed in the final quarter of 2020/21:

- Median Void Length.
- Progress of Planned Programme.
- Number of Properties Improved to SAP-D or above.
- Properties with Invalid Gas Certificates during Reporting Period.

During the early months of the 2020/21 financial year, whilst the first national lockdown was in place, we developed a backlog in gas and fire safety works. We understand that our experience was fairly typical in the housing sector, but this situation was of course a matter of concern for the board and one that was given due focus. The board is satisfied that reasonable and appropriate steps were taken to gain access to all properties that required gas or fire safety works. Furthermore we are pleased to report that as the first national lockdown eased somewhat in June and July 2020, and public confidence returned, we were able to increase access rates and the services recovered. The impact of subsequent lockdowns on our performance in this area was much diminished.

Of the remaining three targets that were not achieved in this area, two were high priority KPIS: *Customer Net Promoter Score* and CRM *Actions Completed*.

Year-end performance for Customer Net Promoter Score was 24 against a KPI target of 30. This KPI continued to display wide variation across the

	KPI	KPI priority	Target	Actual	Trend
	Caring for our customers our assets and neighbourhoods				
	Current Tenant Arrears	VH	3.64%	2.59%	↑
●	Customer Net Promoter Score	VH	30	24	↓
	Income Collected	VH	97.5%	100.1%	↑
●	CRM actions completed	H	80%	70%	↓
	Out-of-date Fire Risk Assessments	H	0	0	—
	Percentage of non compliant Jigsaw Support contracts	H	8%	8%	—
	Satisfaction with Repairs	H	88.0%	89.2%	↑
	Void Loss	H	1.66%	0.91%	↑
	Average Time for Non-Emergency Repairs	M	15 days	7.3 days	↑
	Emergencies Attended and Made Safe within 24hrs	M	97.0%	97.5%	↑
	Enquiry Resolved at First Point of Contact	M	75%	N/A	—
●	Lost/Abandoned Calls	M	10%	12.8%	↓
●	Median Void Length – General Needs	M	30 days	42 days	↓
●	Median Void Length – Retirement Living	M	30 days	47 days	↓
●	Median Void Length – Supported	M	7 days	10 days	↓
●	Number of Properties Improved to Level D or above	M	76	47	↓
●	Progress of Planned Programme	M	88%	87.8%	↑
	Properties compliant with gas safety requirements at quarter end	M	100%	100%	—
●	Properties with Invalid Gas Certificates during Reporting Period	M	0	33	↓
	Responsive and Void Cost Per Unit	M	£725.10	£706.76	↑
	RIDDOR incidents	M	0	0	—
	Satisfaction with handling of ASB Case	M	70.0%	86.2%	↑
	Building a strong corporate foundation				
	EBITDA MRI Interest Cover	VH	208.17	241.36%	↑
	Gearing	VH	47.31%	45.25%	↑
	Headline Social Housing Cost Per Unit	VH	2,638	2,425	↑
	Operating Margin	VH	33.8%	41.7%	↑
●	Reinvestment	H	7.4%	6.1%	↓
	Return on Capital Employed	H	4.5%	5.4%	↑
	Valuing staff				
●	Compliance With Mandatory Training	M	98%	96.7%	↓
	Employee Net Promoter Score	M	20	52	↑
	Employee Sickness	M	4.4%	2.8%	↓
	Employee Turnover	M	3.8%	2.6%	↑
	Growing the business				
	New Supply Delivered	H	1.5%	1.5%	—
	New Property Sales	H	132 units	153 units	↑
	Starts on Site	H	344 units	645 units	↑

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

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

Group's members and also between quarters within the year (the target being achieved in the previous quarter). Due to the nature of how Net Promoter Score is calculated, it is prone to wider sampling error than other measures of satisfaction. We undertook research during the year to identify the drivers of Net Promoter Score and found that there are some linkages to the age of the tenant, the balance of their rent account, the number of times they ordered repairs in the last 12 months and the level of deprivation in the local area. We will explore these findings further with our tenants during the coming year, with a focus on how we can improve the repairs service to increase tenant satisfaction.

CRM Actions Completed was a new KPI that was set following the introduction of a new Customer Relationship Management system part-way through the year. Year-end performance was 70% against the 80% target. We believe that the target was missed due to staff adapting to the new system and expect it to be achieved in the coming year.

Building a Strong Corporate Foundation

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

Again, the impact of COVID-19 directly led to one target in this area being missed—*Reinvestment*—due to a decline in planned maintenance and development activity during periods of national and regional lockdown.

A summary of the Group's recent financial results is shown in Table 3 on page 23 and highlights of the Group's financial position are shown in Table 4 on page 23[3].

The board is pleased to report that *Operating Surplus* amounted to £73.4m or 38% of turnover.

Jigsaw holds a rating with Moody's Investors Service of "A2 stable".

During the year, the Group consolidated the majority of its external third-party funding into Jigsaw Treasury Limited and Jigsaw Treasury Limited now acts as the main funding vehicle for all members of the Group.

[3]Figures prior to 2019 relate solely to Adactus Housing Group Ltd.

With regard to loan finance, during the year the Group repaid £7.6m in line with agreed debt profiles. £2m of loan finance was drawn-down in the year. At the year-end debt borrowings amounted to £703m, maturing as outlined in Note 19 to the financial statements.

Valuing Staff

Table 2 shows that 3 of the 4 KPI targets established to monitor the delivery of this strategic objective were achieved in the year.

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

Notably, the year-end result for *Employee Net Promoter Score* far exceeded target. This was at least in part due to the strong endorsement by employees of the Group's response to the COVID-19 pandemic, with the speed of decision making and communication with employees particularly praised in feedback from employees.

Growing the Business

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

The Group's development targets were reduced during the year in response to the impact of the pandemic in the first quarter of 2020/21. Our programme recovered during the remainder of the year however and the revised targets were far exceeded.

In 2020/21 the Group's members delivered 524 units of affordable housing, as shown in Figure 9.

The economic impact of housing development can be estimated through the National Housing Federation's CEBR database[4].

An estimate of the impact of the Group's development activity during the year is shown in Table 5. 1,168 jobs are estimated to have been supported through the Group's investment in new development in the year.

[4]http://www.housing.org.uk/topics/research/economic-impact-tool/

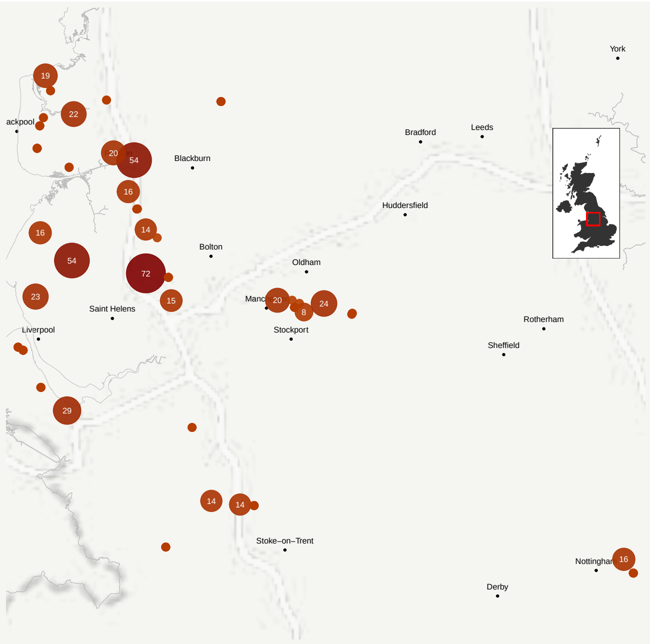


Figure 9: New affordable housing delivered in 2020/21.

Homes provided	Jobs supported	Impact
524	1,168	£68m

Table 5: Local economic impact of housing development 2020/21.

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 10 on page 22 presents a selection of the new housing delivered by the Group's members in 2020/21, showcasing high design standards.

The Group's *Development Strategy* will yield 5,777 new affordable homes between 2021 and 2,028.

This is expected to inject an additional £618m into the local economies, supporting in excess of 10,646 jobs per annum.

At 31 March 2021, 1357 properties were on-site.

Following the delivery of its *Development Strategy*, the Group's clear intention will be to deliver on our aim to maintain the output of the group-wide development programmes at 800 homes per annum.

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 41.

Figure 10: Good design in new housing 2020/21.

Year	Turnover £'000	Operating expenditure £'000	Operating surplus %	Retained surplus £'000	Retained surplus %
2017	74,058	37,127	41	17,240	23
2018	171,723	117,548	34	28,335	17
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**

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

Table 3: Five-year financial performance.

Year	2021	2020	2019	2018	2017
Housing properties at cost	1,502,838	1,421,879	1,346,984	732,218	632,190
Properties for sale	6,260	15,394	6,166	3,280	1,208
Investments	3,039	3,178			
Cash at bank and short term deposits	96,985	96,192	80,662	43,331	43,997
Creditors amounts falling due within one year	50,922	52,194	38,654	34,373	29,897
Net current assets / (liabilities)	80,636	89,434	85,105	22,182	28,289
Total assets less current liabilities	1,437,179	1,382,493	1,321,959	642,469	605,364
Creditors amounts falling due after more than one year	974,804	961,508	930,802	525,883	507,167
Capital and reserves	384,605	363,940	331,506	113,868	95,209

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

Table 4: Consolidated financial position.

Future Plans

In response to the *Jigsaw Conversation*, the board approved significant revisions to its *Corporate Plan* in June 2021, summarised in Table 6 on page 26.

Perhaps of most note, the board have committed the Group to aim to become a carbon neutral business by 2050. We anticipate that this will require c. £535m of investment over the 30 year life of the financial plan.

Figure 11 on the following page illustrates the main themes of our Corporate Plan and the initial actions that we will be undertaking in 2021/22.

In order to take forward our aspirations to improve building safety, invest in our homes and spaces and build more homes, during 2021/22 we will review available options for further funding.

An abridged version of the Group's Corporate Plan is available on the Group's website.

Figure 11: Blueprints for our Future: our immediate plans to progress the findings of the Jigsaw Conversation.

Corporate Priority	Goal	Goal Target
Caring for our customers, our assets and neighbourhoods	Achieve an overall Net Promoter Score of 30	31/03/2022
	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 into community projects over three years	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	Increase development output to 800 homes per annum	31/03/2022
	Leverage external funding to deliver services to vulnerable groups	Throughout

Table 6: 2021/22 Strategic Priorities and Goals.

3. Governance

Summer Fun
Summer project at Lalley Centre allotment in Collyhurst.

Corporate Structure and Governance

In 2020/21 work continued to simplify the Group's corporate and governance arrangements[5], resulting in the structure shown in Figure 12 on the following page. Figure 12 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.

At the time of writing, the Group is progressing the transfer of engagements of Chorley Community Housing into Jigsaw Homes North, a process that is expected to complete during 2021/22.

Board Members Serving at the End of the Financial Year

Fay Selvan

Chair of the Group board

Attendance: 5/5 100% (Board), 3/4 75% (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.

Dave Addy

Chair of Pensions Committee

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

Dave has wide ranging public sector experience as both an executive and non-executive. He has worked as chief executive of the NHS Pensions Agency and as a regional director of the Legal Services Commission. His previous non-executive experience includes service as Chair of Liverpool Citizens Advice, Treasurer at Pennine West Citizens Advice, Governor at Tameside College and Trustee at the University of Salford Students Union.

Roli Barker

Chair of the North board

Attendance: 5/5 100% (Board), 4/4 100% (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*. Roli has extensive experience as a Senior Project and Development Manager for a diverse range of corporate and non-profit organisations, including the London 2012 Olympic and Paralympic Games and Shelter. Most recently she was responsible for the design, implementation, and delivery of a £1.2 million project to transform Greater Manchester's private rented sector for low-income households. Roli is a fellow of the Royal Society of Arts and a member of the Institute of Fundraising.

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 St Helens and Knowsley Hospitals NHS Trust. Previous roles include 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. Gill is also a mentor for the Board Diversity Network and an Independent Member of Blackpool Council's Audit Committee.

Paul Chisnell

Executive Director of Finance

Attendance: 5/5 100% (Board), 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.

Ed Clivery

[5] See Note 1 to the Financial Statements on page 56 for details.

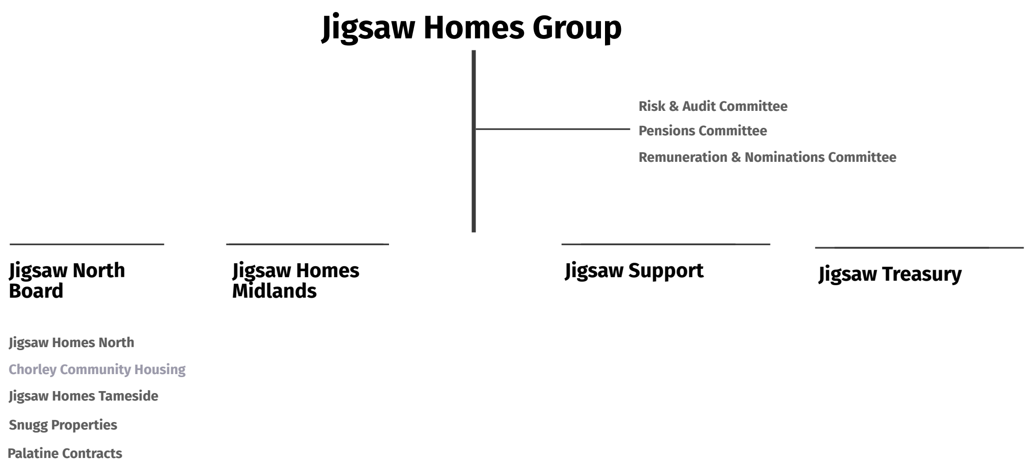


Figure 12: Corporate and governance structure — board meetings for the organisations that fall under Jigsaw North are held contemporaneously using overlapped meetings.

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

Ed is a highly qualified banking specialist. He has spent over 20 years working in commercial and corporate banking for a number of large retail banks. He currently heads the North West Corporate business development team for Santander.

Ged Cooney

Attendance: 5/5 100%

Ged is a Tameside MBC executive cabinet member for economic growth, employment and housing. He holds the positions of chair of the Northern Local Government Pension Fund and vice deputy for the Greater Manchester Pension Fund. 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), 4/4 100% (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.

Brian Moran

Deputy Chief Executive

Attendance: 5/5 100% (Board), 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.

Richard O'Connell

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

Richard is currently a Director of Finance and Resources working in the education sector. As a qualified accountant, he has previously worked at PWC and as a management consultant with IBM and Capgemini. He has a wide range of experience in business and IT transformation in a number of organisations in the charitable, public and private sectors.

Hilary Roberts

Group Chief Executive

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

Value for Money Metrics

The board has considered the latest annual financial benchmark information published by the Regulator of Social Housing (RSH)[6]. This information includes a series of 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 2019/20 financial year — the second 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:

During the final weeks of 2019/20 the pandemic led to a reduction in corporate activity alongside an understandable reluctance from many of our tenants to permit visitors into their homes.

There was an associated sharp decline in development and planned maintenance activity which impacted the Reinvestment and New Supply Social Housing metrics reported below.

2019/20 marked the fourth and final year of annual sector-wide rent reductions introduced by the Welfare Reform and Work Act 2016. Other things being equal, the impact of the rent reduction regime has been to reduce income, suppressing performance with respect to some of the Efficiency VFM metrics.

By the conclusion of the 2019/20 financial year, the restructuring of the business which had begun in 2018 had largely been completed. The Group's restructure aimed to reduce costs and increase operating surpluses.

Analysis

Table 7 on page 33 sets out the complete VFM metrics results for all members of Jigsaw Homes Group[7] in 2018/19 and 2019/20.

Intra-Group Comparisons

As might be expected, the data shows that two years after merger there remain differences in the operating performance of the Group's members. Perhaps most notably, *Headline Social Housing Cost per Unit* is relatively high for both New Charter Homes and Jigsaw Homes Midlands. Correspondingly, both organisations' measures of *Operating Margin* are also lower than those of the other members of Jigsaw.

Headline Social Housing Cost per Unit for New Charter Homes is likely to remain higher than other members of the Group into the medium-term, with higher costs of legacy pension provision and stock investment requirements key explanatory factors. In general terms, we do expect the differences in operating costs between Group members to tend to converge however over the coming years as common approaches to the delivery of services continue to roll-out and development output increases from 2022 onwards. This will also have a positive future impact on several other VFM metrics. Positively, it can be seen that Jigsaw Homes Midlands benefited from a notable reduction in per unit operating costs during the year.

The bold numbers in Table 7 identify metrics that demonstrate year-on-year changes in excess of national sector norms. At the consolidated level it can be seen that only one metric — *Reinvestment* — changed by more than the typical variation for the sector in 2019/20, increasing by 2.8 percentage points to record 7.3% of the value of our homes invested in new and existing properties in 2019/20.

Three of the Group's internal VFM metrics targets were not hit at the end of the 2019/20 financial year, indicated by the red dots in Table 7. Two of the missed targets — *Reinvestment* and *New Supply — Social Housing* — can be directly attributed to the impact of the COVID-19 pandemic which caused a reduction in planned maintenance and development actvity in February and March of 2020.

The third target to be missed was *EBITDA-MRI Interest Cover*. This was due to a value for money

[6] https://www.gov.uk/government/publications/2020-global-accounts-of-private-registered-providers

[7] For completeness, we have included results for AKSA although, as a smaller organisation, the Association is not included in the RSH's dataset. There have been some company name changes in the Group since 2019/20, in the analysis below we use the names in place at the time.

Metric	AHA	AKSA	BHA	CCH	JHM	NCH	Jigsaw
2019/20							
Economy							
Headline Social Housing Cost per Unit	£2.45k	**£2.12k**	£1.63k	£2.03k	**£2.98k**	£3.25k	£2.99k
Efficiency							
Return on Capital Employed	4.1%	**3.4%**	**5.0%**	6.2%	**9.1%**	4.3%	4.5%
Operating Margin — Overall	42.0%	**43.3%**	**44.4%**	43.7%	31.0%	26.6%	32.0%
Operating Margin — Social Housing Lettings	44.2%	34.8%	**43.5%**	44.4%	**27.3%**	28.3%	35.3%
Gearing	**40.3%**	**36.7%**	**29.7%**	**58.8%**	**6.7%**	**63.3%**	47.7%
● Reinvestment	**12.2%**	**1.9%**	0.2%	12.7%	**6.6%**	1.1%	**7.3%**
● EBITDA MRI Interest Cover	**216%**	**322%**	**211%**	250%	344%	159%	189%
Effectiveness							
New Supply — Non-Social Housing	0%	0%	0%	0%	0%	0%	0%
● New Supply — Social Housing	**4.1%**	**0.2%**	0%	**3.9%**	0.9%	**0.1%**	1.6%
2018/19							
Economy							
Headline Social Housing Cost per Unit	£2.66k	£2.77k	£1.71k	£2.11k	£3.34k	£3.16k	£3.13k
Efficiency							
Return on Capital Employed	4.2%	4.8%	4.1%	6.6%	7.7%	4.5%	4.5%
Operating Margin — Overall	41.3%	34.9%	39.8%	42.6%	27.3%	28.0%	30.8%
Operating Margin — Social Housing Lettings	43.9%	34.8%	39.2%	42.4%	23.5%	28.2%	34.1%
Gearing	37.9%	44.0%	33.5%	62.4%	14.3%	65.8%	48.8%
Reinvestment	5.4%	5.3%	0.4%	13.8%	4.5%	1.7%	4.5%
EBITDA MRI Interest Cover	256%	283%	171%	238%	333%	154%	186%
Effectiveness							
New Supply — Non-Social Housing	0%	0%	0%	0%	0%	0%	0%
New Supply — Social Housing	3.1%	6.9%	0%	2.5%	1.3%	0.8%	1.8%

● Out of target performance. Year-on-year changes are shown with colour: a decrease or an increase. **Bold** text highlights changes in excess of national sector norm.

Table 7: VFM metric results for members of Jigsaw Homes Group.

decision taken by the board to repay a loan early to simplify the implementation of the Group's new treasury vehicle, *Jigsaw Treasury Limited*.

Sector 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"[8].

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[9].

We have selected our sub-sector benchmark group by simply filtering for 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 (over 12 years old), such as the organisations which are members of our Group.

This sub-sector benchmark group includes 64 organisations in the 2019/20 data (97 in the 2018/19 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)[10].

[8] *Value for money metrics and reporting 2020: Annex to 2020 Global accounts*, May 2021

[9] 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.

[10] See: *VFM Technical Regression Report* https://www.gov.uk/government/publications/value-for-money-summary-and-technical-reports

Figure 13 and Figure 14 on page 35 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 2019 and 2020 is shown through the Group's percentile placement in each years' benchmark group[11].

Note

The Group's percentile position with respect to the *New Supply — Non-Social Housing* metric is a special case that should be highlighted. Whilst the registered providers in the Group did not directly develop *any* non-social homes in 2018/19 or in 2019/20, the Group places within the "average" performance indicated by the interquartile range in both benchmark groups in both years. This is because the majority of peers also did not develop any non-social housing.

Jigsaw therefore shares its position in the benchmark groups for this metric with the majority of other housing associatons, for whom developing non-social housing is also not a significant part of their business. The diagrams demonstrate that less than 40% of organisations place above Jigsaw in the benchmark groups. Given this point, no further analysis of the *New Supply — Non-Social Housing* results is made in the sections below.

Benchmarking with the Sector Dataset

Jigsaw's position:

- Best performing quartile: 4 metrics
- Interquartile range: 5 metrics
- Lowest performing quartile: 0 metrics

Figure 13 compares Jigsaw to the national sector data published by the regulator. It shows that Jigsaw placed in the lowest cost quartile for

[11] To illustrate: the Group's 2020 *Operating Margin Overall (%)* result places on the 88th percentile nationally. It follows that 100 - 88 = 12% of the organisations in this peer group recorded a higher Operating Margin than Jigsaw.

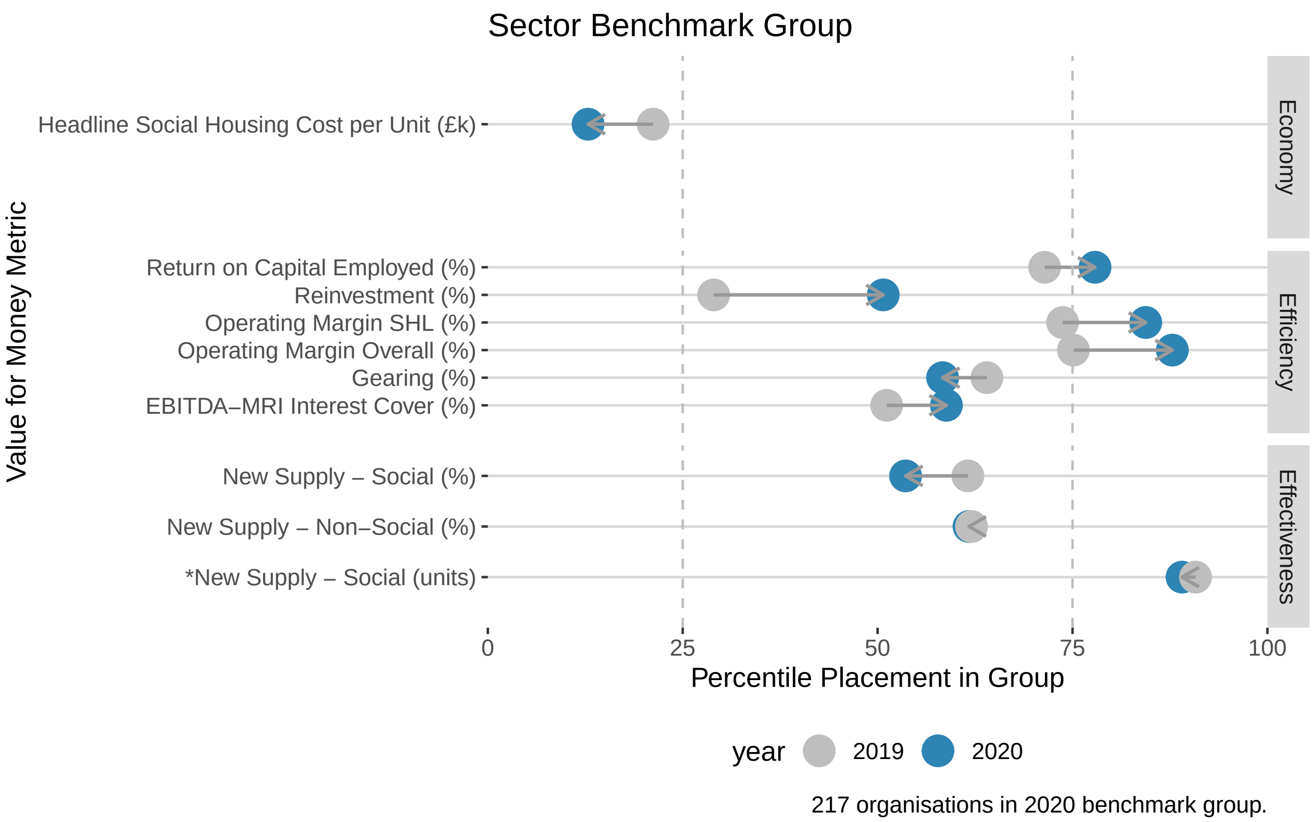


Figure 13: VFM metrics — year-on-year comparison of Jigsaw to all large providers of social housing. *New Supply - Social (units) is not one of the regulator's VFM metrics but is provided here for additional context.

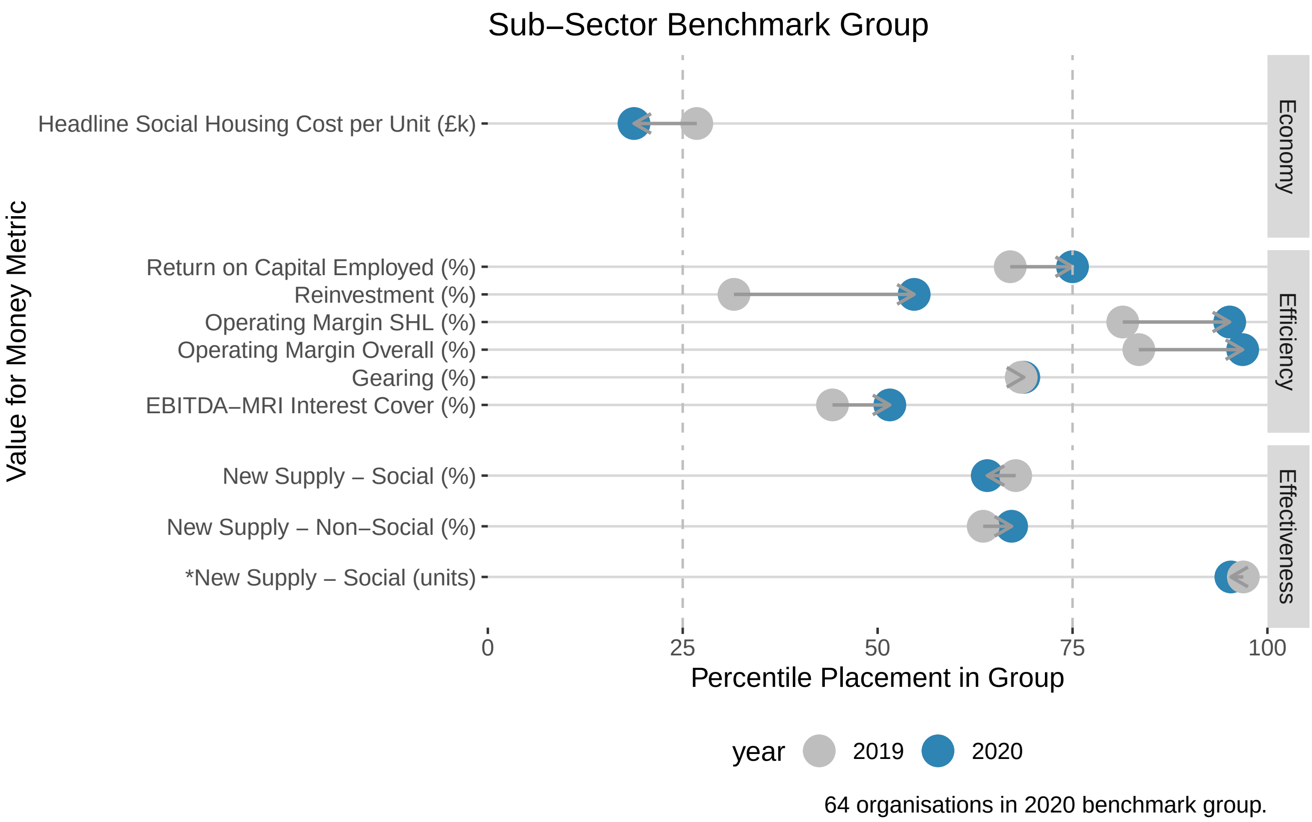


Figure 14: VFM metrics — year-on-year comparison with benchmark group. *New Supply - Social (units) is not one of the regulator's VFM metrics but is provided here for additional context.

Headline Social Housing Cost Per Unit in both 2019 and 2020. Meanwhile, the Group improved its ranking between 2019 and 2020 to place inside the top performing quartile for *Operating Margin — Social Housing Lettings*, *Operating Margin Overall* and *Return on Capital Employed*.

The Group's placement in the national data for *Reinvestment* demonstrates the biggest increase relative to the peer group.

Performance with respect to *New Supply — Social Housing %* fell between 2019 and 2020 relative to peers from the 62nd to the 54th percentile. This metric presents new social housing homes delivered as a proportion of total social housing owned. It can be seen however that in terms of the delivery of absolute numbers of social homes, Jigsaw remains firmly within the top quartile of delivery with only 11% of organisations nationally delivering more new social housing homes than the Group.

Benchmarking with Sub-Sector Benchmark Group

Jigsaw's position:

- Best performing quartile: 4 metrics
- Interquartile range: 5 metrics
- Lowest performing quartile: 0 metrics

Figure 14 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* and also records relatively high operating margin results: both *Operating Margin — Social Housing Lettings* and *Operating Margin — Overall* show improvement against the benchmarked organisations between 2019 and 2020, retaining placement within the highest quartile and near the very top of the benchmark group. *Return on Capital Employed* shows a small improvement year-on-year to place just within the top quartile in the 2020 data.

The Group's position in the peer group with respect to *New Supply — Social Housing (%)* fell from the 68th percentile in 2019 to the 64th percentile in 2020. The Group's delivery of new social housing units was similar in both years and only three of the 64 benchmarked organisations (5%) delivered more new social homes than Jigsaw in 2020 which is an identical result to the previous year.

Again, mirroring the results of the national sector dataset, *Reinvestment* is seen to be the VFM metric to increase the most relative to peers.

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 the national sector dataset published by the regulator and 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 — despite the rent reduction regime — between 2019 and 2020 the Group continued to improve the generation of surpluses relative to its peers. Encouragingly, and as anticipated by the Group's business case for merger, overall per unit operating costs have reduced in the post-merger period.
- 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 has consistently produced one of the largest numbers of new social homes. As anticipated in the previous year's report, Jigsaw's *Reinvestment* metric increased markedly between 2018/19 and 2019/20 having been suppressed in 2018/19 by the post-merger moratorium that was placed on non-essential planned maintenance work whilst practices in the Group were aligned.

Through the delivery of the Group's Corporate Plan (see page 24), the board anticipate that the

VFM targets shown in Table 8 on page 38 will be achieved over the coming years.

		Targets		
Metric	**2020/21**	**2021/22**	**2022/23**	**2023/24**
Reinvestment (%)	6.71	11.93	8.69	8.23
New supply delivered (%)	1.58	2.20	2.39	2.45
Gearing (%)	44.95	47.65	47.79	48.85
EBTIDA MRI Interest cover (%)	231.40	212.10	223.01	221.10
Headline social housing cost per unit (£k)	2.63	3.10	3.12	3.11
OperatingMargin (%)	37.99	33.00	31.91	33.93
Return on capital employed (%)	5.10	3.95	3.64	3.71

Table 8: VFM metric 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, belief or lack of religion or belief, gender, gender reassignment status, being married or a civil partner, 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 2021 our reportable mean gender pay gap was 2.6% (5.1% at 31 March 2020) and the median gender pay gap was -0.3% (-5.0% at 31 March 2020).

For the first time this year, we have applied the same methodology to explore whether the organisation has an ethnicity pay gap. Our results at 31 March 2021 are a mean ethnicity pay gap of 2.2% and a median ethnicity pay gap of -2.1%.

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)

The green house gas emissions and energy usage for Jigsaw Homes Group for the period April 2020 to March 2021 are reported below. We have decided to disclose emissions for the whole Group to show good practice in reporting and completeness of activities.

Scope 1 & Scope 2 Emissions

Table 9 on page 40 summarises Scope 1 and Scope 2 emissions.

Scope 3 Emissions

We calculate Scope 3 emissions to be 65,906 tCO_2e and this includes emissions from downstream leased assets, business travel, transmission and distribution of electricity including estimates of homeworking electricity and gas useage.

Methodology Used

The reporting boundary covers the emissions within the operational control of Jigsaw Homes Group. We have followed the 2019 UK Government environmental reporting guidance. We have used the GHG *Protocol Corporate Accounting and Reporting Standard (revised edition)* and emission factors from the UK Government's *GHG Conversion Factors for Company Reporting 2020* to calculate the above disclosures. The emissions from our stock were calculated using SAP10.2 values.

	Emission Source	2021 Activity Data	2021 tCO_2e	2020 Activity Data	2020 tCO_2e
Scope 1	Combustion of gas for heating offices and communal areas of housing stock	24,961,787 kWh	4,590	24,734,990 kWh	4,731
	Combustion of fuel for transport purposes	415,304 l	1,055	528,000 l	1,365
	Refrigerants and other process gases from own maintenance activities	80 kg	0.24	250 kg	0.75
Total Scope 1			**5,645**		**6,097**
Scope 2	Purchased electricity (location based)	6,830,791 kWh	1,593	8,691,442 kWh	2,222
Total Scope 1 & 2			**7,238**		**8,318**
Intensity Ratio /home managed			**0.22**		**0.26**

Table 9: SECR Scope 1 and Scope 2 Emissions.

Homeworking emissions were calculated using the methodology laid out in the white paper by EcoAct[12]. As working conditions are still being established, there remains uncertainty around the data available to calculate these emissions.

Energy Efficiency Action

Our Corporate Plan is supported by changes to the Group's 30 Year Financial Plan which includes significant new financial commitments amounting to c. £535m to progress the Group's zero carbon and sustainability agenda.

In the reporting year some notable successes include the installation of:

- seventeen vehicle charging stations at office sites to add to our existing stock of vehicle chargers that were already installed.
- new energy-efficient boilers at one of our depots which has helped save c.10,000 kWh of energy over the year.
- new LED lights throughout all of our offices and depots saving c. 14,500 kWh of energy year on year.
- new LED emergency lighting to 1,302 general needs communal sites and where applicable fitted with motion sensors, which we estimate will save 11.72t CO_2e per year.
- a further 266 energy saving lights across our Miles Platting PFI project which we estimate has saved 2.39t CO_2e in the year.

[12] https://eco-act.com/resources/

In addition, we have:

- We are supported our tenants to reduce energy by continuing to fit LED lights in some kitchens and bathrooms in their homes and providing them with replacement bulbs.
- We have continued to use our scheduling system to help reduce travel distances and ensure that drivers are directed to jobs close to their current location to help reduce mileage.

Further Information

There is some uncertainty within the data we report as we did not have a full set of mileage data and approximately half of our properties currently do not have smart meters. Where data was missing, an average based on known data was calculated. All electricity and gas data is taken from invoices and much of this was from estimated meter readings. We continue to work on improving our data collection and verification.

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*. The Risk & Audit Committee is responsible to the board for monitoring these arrangements and reporting on their effectiveness.

Risk Management

Figure 15 on page 42 summarises the Group's risk map at 31 March 2021. The assessment shows 61 risks which could impact on the delivery of the Group's corporate objectives categorised by the impact areas of 'People', 'Strategic', 'Financial', 'Business Interuption' and 'Reputation'.

The diagram highlights that the ongoing COVID-19 pandemic continues to expose the Group to a significant risk of Non-Cyber Business Disruption due to the potential for staff shortages and / or restrictions on corporate activity. This risk continues to be actively managed by the Group's COVID Response Team.

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

Figure 15 also 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.

Our most significant residual risks are:

- Non-Cyber Disruption to the Business.
- Failure of Controls Leads to Death or Injury from Fire.
- Death or Serious Injury (Staff / 3rd Party).
- Ineffective Safeguarding of Staff, Customers and Third Parties.
- Cyber Disruption.
- Breach of Data Regulations.

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.

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 2020 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 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.

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

Figure 15: Risk analysis — the ongoing COVID-19 pandemic has resulted in a significant risk to the business of Non-Cyber Business Disruption.

Figure 16: Examples from the Group's suite of performance dashboards.

- 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 17: 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 bank 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 78% (2020: 86%) of borrowings were at fixed rates between 2.1% and 10.9% with an average borrowing rate of 4.6%.

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 £6m (2020: £4m) of cash balances and in excess of £2.3m (2020: £113.1m) of undrawn committed bank facilities.

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 2021 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 pre-let screening 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 56). 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 2020/21 the Group's Code of Governance was *Excellence in Governance* (National Housing Federation, 2015). The board is pleased to report full compliance with the Code.

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: Accounting by registered social housing providers 2018* have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions of the Group and the Association and disclose with reasonable accuracy at any time the financial position of the Group and the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the Group and the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the report of the board is prepared in accordance with the *Statement of Recommended Practice: Accounting by registered social housing providers 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 2021/22 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 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

- A forecast based on central estimates of the Economic and Fiscal Outlook published by The Office for Budget Responsibility where available and otherwise, on sector norms.
- The 2021 Bank of England stress test scenario which outlines an imagined severe path for the economy during 2021-25 based on a deep double dip recession caused by the COVID-19 pandemic.
- A *Black Swan Event* which combines the worst independent ten year movements in recent memory of each macroeconomic variable into a single unprecedentedly challenging scenario.

The stress tests also considered the materialisation of significant financial risk to the business using current risks as recorded in the Group's Risk Map to explore further where combinations of key risks unexpectedly materialise and when combined with the more pessimistic macroeconomic scenarios outlined above, where either risk event would present the business with variants of a *Perfect Storm*.

The board continues to review the financial plan with the executive team to make any necessary changes and continue to work with our customers and stakeholders to deliver our services.

The length of the COVID-19 pandemic and the impact of the measures taken by the Government to contain this remain unknown and outside of the Group's control. However in 2020/21, the board implemented processes to manage cashflow on a weekly basis and review financial stability as the situation progresses. Board approved Recovery Plans are in place should further corrective action be required.

The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has long-term financial plans which show that it is able to service these 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.

BDO LLP has expressed their willingness to continue in office as the Group's auditors.

Approved by the Board on 16th September 2021 and signed on its behalf on 23rd September 2021 by:

Fay Selvan

Group Chair

Blooming Lovely

Residents win gardening award from RHS.

4. Financial Statements

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

Opinion on the Financial Statements

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 2021 and of the Group's surplus and the Association's deficit 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 2019.

We have audited the financial statements of Jigsaw Homes Group Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the board members' 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 and of 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 board are responsible for the other information. The other information comprises the information included in the Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Chair's report, Strategic Report and Statement of Corporate Governance and Internal Controls 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:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the parent Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the parent Association financial statements are not in agreement with the accounting records and returns; 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 45, 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 members determine 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 are 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 intend 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.

Extent to Which the Audit Was Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for

Private Registered Providers of Social Housing and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in relation to the impairment, revaluation of investment properties, defined benefit obligation and useful economic lives.
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management and journals posted after the year end.
- In respect of income from contracts, projects and property sales, these will be agreed to support providing evidence of delivery and timing of delivery.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Use of Our Report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Julien Rye

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BDO LLP, Statutory Auditor

Manchester 30 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income

Year ended 31 March 2021	**Notes**	**2021 Group £'000**	**2021 Association £'000**	**2020 Group £'000**	**2020 Association £'000**
Turnover	3	191,373	38,841	180,934	40,525
Cost of sales	3	(12,909)	–	(2,704)	
Operating expenditure	3	(108,408)	(40,381)	(120,374)	(43,390)
Profit on disposal of fixed assets	5	3,310	–	4,722	
Operating surplus/(deficit)	**8**	**73,366**	**(1,540)**	**62,578**	**(2,865)**
Interest receivable	6	209	3	680	31
Interest and financing costs	7	(36,239)	(1,062)	(38,112)	(1,226)
Surplus/(deficit) before tax	**8**	**37,336**	**(2,599)**	**25,146**	**(4,060)**
Taxation	9	2,585	2,600	742	797
Surplus/(deficit) for the year after tax		**39,921**	**1**	**25,888**	**(3,263)**
Other comprehensive income					
Actuarial (loss)/gain in respect of pension schemes	29	(19,256)	(11,305)	6,546	4,127
Total comprehensive income for the year		**20,665**	**(11,304)**	**32,434**	**864**

The Financial Statements and notes on pages 52 to 87 were approved and authorised for issue by the Board on 16th September 2021 and signed on its behalf on 23rd September 2021 by:

F. Selvan
Chair

B. Moran
Secretary

H. Roberts
Executive Member

Consolidated Statement of Financial Position

At 31 March 2021		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	12	1,356,182	3,109	1,292,698	3,387
Investment properties	13	361	–	361	–
		1,356,543	**3,109**	**1,293,059**	**3,387**
Current assets					
Stock	14	6,260	964	15,394	250
Trade and other debtors	15	25,274	13,701	26,864	13,638
Investments		3,039	–	3,178	–
Cash and cash equivalents	16	96,985	5,978	96,192	3,551
		131,558	**20,643**	**141,628**	**17,439**
Less: Creditors: amounts falling due within one year	17	(50,922)	(8,999)	(52,194)	(13,106)
Net current assets		**80,636**	**11,644**	**89,434**	**4,333**
Total assets less current liabilities		**1,437,179**	**14,753**	**1,382,493**	**7,720**
Creditors: amounts falling due after more than one year	18	(974,804)	–	(961,508)	–
Provisions for liabilities					
Pension provision	29	(74,041)	(59,052)	(53,109)	(45,714)
Other provisions		(3,729)	–	(3,937)	–
Total net assets/(liabilities)		**384,605**	**(44,299)**	**363,940**	**(37,994)**
Reserves					
Revenue reserve		384,372	(44,299)	363,707	(37,994)
Designated reserve		233	–	233	–
Total reserves		**384,605**	**(44,299)**	**363,940**	**(37,994)**

The Financial Statements and notes on pages 52 to 87 were approved and authorised for issue by the Board on 16th September 2021 and signed on its behalf on 23rd September 2021 by:

F. Selvan
Chair

B. Moran
Secretary

H. Roberts
Executive Member

Consolidated Statement of Changes in Equity

Group	**Designated reserve £'000**	**Revenue reserve £'000**	**Total £'000**
Balance at 31 March 2019	**233**	**331,273**	**331,506**
Surplus from Statement of Comprehensive	–	25,888	25,888
Actuarial gain in respect of pension schemes (Note 29)	–	6,546	6,546
Balance at 31 March 2020	**233**	**363,707**	**363,940**
Surplus from Statement of Comprehensive Income	–	39,921	39,921
Actuarial loss in respect of pension schemes (Note 29)	–	(19,256)	(19,256)
Balance at 31 March 2021	**233**	**384,372**	**384,605**

Association	**Revenue reserve £'000**	**Total £'000**
Balance at 31 March 2019	**(38,858)**	**(38,858)**
Surplus from Statement of Comprehensive	(3,263)	(3,263)
Income	4,127	4,127
Balance at 31 March 2020	**(37,994)**	**(37,994)**
Surplus from Statement of Comprehensive Income	1	1
Actuarial loss in respect of pension schemes	(11,305)	(11,305)
Business transfer (Note 31)	4,999	4,999
Balance at 31 March 2021	**(44,299)**	**(44,299)**

The results for the year relate wholly to continuing activities and the notes on pages 56 to 87 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 March 2021	**2021**	**2020**
	£'000	**£'000**
Net cash generated from operating activities (see below)	**106,630**	**83,031**
Cash flow from investing activities		
Purchase of tangible fixed assets	(83,489)	(93,031)
Proceeds from sale of tangible fixed assets	8,476	11,083
Grants received	11,739	23,602
Interest received	209	680
	(63,065)	**(57,666)**
Cash flow from financing activities		
Interest paid	(37,299)	(38,971)
New secured loans	2,000	40,250
Repayment of borrowings	(7,613)	(10,566)
	(42,912)	**(9,287)**
Net change in cash and cash equivalents	**653**	**16,078**
Cash and cash equivalents at beginning of the year	99,370	83,292
Cash and cash equivalents at end of the year	**100,023**	**99,370**

	2021	**2020**
	£'000	**£'000**
Cash flow from operating activities		
Surplus for the year	39,921	25,888
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	19,132	22,852
Taxation expense	(2,585)	(742)
Decrease/(increase) in stock and properties for sale	13,551	(1,317)
Decrease/(increase) in trade and other debtors	6,166	6,072
Increase/(decrease) in trade and other creditors	(4,712)	(7,207)
Pension costs less contributions paid	1,676	4,618
Surplus on the sale of fixed assets	448	(1,134)
Adjustments for investing or financing activities:		
Government grants utilised in the year	(2,968)	(3,217)
Interest payable	36,239	38,112
Interest receivable	(209)	(680)
Taxation paid	(30)	(214)
Net cash generated from operating activities	**106,630**	**83,031**

The notes on pages 56 to 87 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 Association 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
AKSA Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Beech Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Cavendish Property Developments Limited	Companies Act 2006	Non-registered	JHG
Chorley Community Housing Limited	Co-operative and Community Benefit Societies Act 2014	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	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 10: Principal group members.

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

During the year, the following changes to the Group's corporate structure were made:

- In January 2021 New Charter Homes changed its name to Jigsaw Homes Tameside.
- In February 2021 Adactus Housing Association changed its name to Jigsaw Homes North.
- On 31 March 2021 New Charter Building Company Limited transferred its assets and liabilities by way of a Business Transfer Agreement to Jigsaw Homes Group Limited.

Shortly after the financial year-end, further changes were made:

- In June 2021 AKSA Housing Association Limited transferred its engagements to Jigsaw Homes North.
- In June 2021 Beech Housing Association Limited transferred its engagements to Jigsaw Homes North.

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.

Business Combinations

On merger there was equal representation of both parties within the new management structure. As a public benefit entity combination in which the rights of the controlling parties of the combined entity remain unchanged relative to other controlling parties the transaction has been accounted for following the principles of merger accounting as set out in FRS 102 section 34.

Accordingly the consolidated results, Statements of Financial Position and cash flows of the combining entities are brought into the financial statements of the combined entity from the beginning of the financial year in which the combination occurred. The corresponding figures are restated by including the results of all entities for the previous period and their Statements of Financial Position for the previous accounting date.

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 2021. 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 2021/22 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 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

- A forecast based on central estimates of the Economic and Fiscal Outlook published by The Office for Budget Responsibility where available and otherwise, on sector norms.
- The 2021 Bank of England stress test scenario which outlines an imagined severe path for the economy during 2021-25 based on a deep double dip recession caused by the COVID-19 pandemic.
- A *Black Swan Event* which combines the worst independent ten year movements in recent memory of each macroeconomic variable into a single unprecedentedly challenging scenario.

The stress tests also considered the materialisation of significant financial risk to the business using current risks as recorded in the Group's Risk Map to explore further where combinations of key risks unexpectedly materialise and when combined with the more pessimistic macroeconomic scenarios outlined above, where either risk event would present the business with variants of a *Perfect Storm*.

The board continues to review the financial plan with the executive team to make any necessary changes and continue to work with our customers and stakeholders to deliver our services.

The length of the COVID-19 pandemic and the impact of the measures taken by the Government to contain this remain unknown and outside of the Group's control. However in 2020/21, the board implemented processes to manage cashflow on a weekly basis and review financial stability as the situation progresses. Board approved Recovery Plans are in place should further corrective action be required.

The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has long-term financial plans which show that it is able to service these 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 62. 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

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 identified a cash generating unit for impairment assessment purposes at a property scheme level.

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.

Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine fair value at 31 March 2021. The valuer used a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate.

Pension and other post-employment benefits

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

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.

Following the assessment of the indicators of impairment, it was viewed that the COVID-19 pandemic was a potential trigger for impairment in relation to stock and work in progress. Following a review, no adjustment to carrying values was required.

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 of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

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.

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, and
- 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 tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

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.

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 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.

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.

Major repairs to properties of a capital nature, which will result in an increase in the net rental income over the life of the property, are capitalised under the component accounting principles described below.

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
Bathrooms	30
Doors	30
Windows	30
Roofs	80
Structure	100

Table 11: 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 12: 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. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in operating expenditure.

Sinking Fund

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

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. 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.

If 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.

Disposal Proceeds Fund (DPF)

Receipts from the sale of certain properties less the net book value of the property and the costs of disposal were credited to the DPF until 6 April 2017. In these cases, the creditor can be carried forward until it is used to fund the acquisition of new social housing so long as this is before 6 April 2020 or the Group has sought permission from the Regulator of Social Housing to extend this period.

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 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

The Group designates those reserves which have been set aside for uses which, in the judgement of the board, prevent them from being regarded as part of the general reserves of the Group.

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

3. Turnover

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

	2021				
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of property, plant & equipment £'000	Operating surplus £'000
Social housing lettings (Note 3c)	157,108	–	(92,602)	–	64,506
Other social housing activities:					
Housing management contracts	8,095	–	(5,267)	–	2,828
First tranche low cost home ownership sales	8,682	(7,289)	–	–	1,393
Sales of other housing properties	6,291	(5,620)	–	–	671
Other rental	1,691	–	(1,644)	–	47
Supporting people contract income	1,020	–	(992)	–	28
Other activities	8,410	–	(7,890)	–	520
Non-social housing activities:					
Disposal of fixed assets (Note 5)	–	–	–	3,310	3,310
Other activities	76	–	(13)	–	63
Total	**191,373**	**(12,909)**	**(108,408)**	**3,310**	**73,366**

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.

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

2020	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of property, plant & equipment £'000	Operating surplus £'000
Social housing lettings (Note 3c)	155,328	–	(100,485)	–	54,843
Other social housing activities:					
Housing management contracts	7,591	–	(5,008)	–	2,583
First tranche low cost home ownership sales	3,660	(2,704)	–	–	956
Other rental	1,915	–	(1,715)	–	200
Supporting people contract income	988	–	(885)	–	103
Other activities	9,178	–	(10,293)	–	(1,115)
Non-social housing activities:					
Disposal of fixed assets (Note 5)	–	–	–	4,722	4,722
Other activities	2,274	–	(1,988)	–	286
Total	**180,934**	**(2,704)**	**(120,374)**	**4,722**	**62,578**

The turnover reported for the Association of £40.5m (2020: £45.3m) relates in the main to recharges for services provided to subsidiary members of the Group.

3c) Turnover and operating expenditure.

	General housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total 2021 £'000	Total 2020 £'000
Income					
Rent receivable net of identifiable service charges and net of voids	124,235	15,705	2,663	142,603	140,315
Service charge income	5,868	4,635	526	11,029	11,578
Charges for support services	–	507	–	507	557
Amortised government grants	2,220	509	240	2,969	2,878
Turnover from social housing lettings	**132,323**	**21,356**	**3,429**	**157,108**	**155,328**
Operating expenditure					
Management	22,887	2,869	439	26,195	32,289
Service charge costs	4,327	5,126	524	9,977	7,704
Routine maintenance	20,392	2,590	238	23,220	21,356
Planned maintenance	8,338	1,447	79	9,864	13,334
Major repairs expenditure	2,636	141	–	2,777	2,178
Bad debts	732	98	33	863	1,496
Property lease charges	352	3	–	355	110
Depreciation of housing properties	16,355	1,756	692	18,803	21,608
Depreciation of other fixed assets	165	163	1	329	126
Other costs	182	29	8	219	284
Operating expenditure on social housing lettings	**76,366**	**14,222**	**2,014**	**92,602**	**100,485**
Operating surplus on social housing lettings	**55,957**	**7,134**	**1,415**	**64,506**	**54,843**
Void losses	1,179	348	433	1,960	1,418

4. Accommodation Owned, Managed and in Development

Group	2021 Owned	No. of units Managed	2020 Owned	No. of units Managed
Social Housing				
General needs housing				
Social rent	21,187	1,300	21,330	1,303
Affordable rent	6,297	10	5,825	–
Market rent	88	–	88	–
Intermediate rent	183	–	166	–
Sheltered housing for older people	3,119	71	3,147	71
Supported housing	648	90	568	–
Low-cost home ownership	1,059	79	1,009	97
Leasehold where the Group owns the freehold	1,351	–	1,347	–
Total units social housing	**33,932**	**1,550**	**33,480**	**1,471**

The Association had five units in management (2020: five).
The Group owns 284 (2020: 255) properties which are managed by others.

Group – In Development	2021 No. of units	2020 No. of units
Social Housing		
General needs housing		
Social rent	6	19
Affordable rent	1,092	872
Supported housing	184	33
Low-cost home ownership	75	165
Total units social housing	**1,357**	**1,089**

Group – Movement in the year (owned properties)	No.of units
Opening number of units at 1 April 2020	**33,480**
New units developed	
Social rent	32
Affordable rent	409
Shared Ownership	62
Supported housing	33
Units sold	
Social rent	(65)
Affordable rent	(8)
Shared Ownership	(8)
Units demolished	
Social rent	(6)
Supported housing	(7)
Sheltered housing for older people	(28)
Other adjustments	
Social rent	83
Affordable rent	40
Shared Ownership	(2)
Supported housing	(105)
Sheltered housing for older people	20
Leasehold where the Group owns the freehold	2
Closing number of units at 31 March 2021	**33,932**

5. Profit on Disposal of Fixed Assets

Group	**2021**	**2020**
	£'000	**£'000**
Proceeds of sales	8,573	11,081
Carrying value	(5,166)	(6,219)
Incidental costs	(97)	(140)
Total profit	**3,310**	**4,722**

6. Interest Receivable

Group	**2021**	**2020**
	£'000	**£'000**
Bank interest receivable	209	680
Total	**209**	**680**

7. Interest and Financing Costs

Group	**2021**	**2020**
	£'000	**£'000**
Loans and bank overdrafts	35,972	37,233
Early redemption costs	–	83
Amortisation of loan fees	106	120
Notional interest on RCGF/DPF (Note 21, 22)	2	18
Interest on pension deficit (Note 29)	1,219	1,459
Interest capitalised on housing properties under construction	(1,060)	(801)
Total	**36,239**	**38,112**

The weighted average interest on borrowings of 4.6% (2020: 4.6%) was used for calculating capitalised finance costs.

8. Operating Surplus

Group	**2021**	**2020**
	£'000	**£'000**
The operating surplus is stated after charging:		
Auditor's remuneration (excluding VAT):		
Audit of the Group financial statements*	24	21
Audit of subsidiaries	96	75
Taxation advice	21	22
Other	3	3
Operating lease rentals:		
Land and buildings	273	89
Other	1,868	333
Depreciation:		
Depreciation of housing properties	18,802	21,609
Depreciation of other fixed assets	1,327	1,242

£24,300 (2020: £21,000) of auditor's remuneration charged to operating surplus relates to the Association.

9. Taxation

Group	**2021**	**2020**
	£'000	**£'000**
Current tax		
Current tax on income for the year	13	63
Adjustments in respect of previous periods	1	(14)
Total current tax charge	**14**	**49**
Deferred tax		
Origination and reversal of timing differences	(2,597)	67
Adjustment in respect of previous years	(2)	76
Effect of tax rate change on opening balance	–	(934)
Total deferred tax charge	**(2,599)**	**(791)**
Total tax recognised in the Statement of Comprehensive Income	**(2,585)**	**(742)**

	2021			**2020**		
	Current tax	**Deferred tax**	**Total tax**	**Current tax**	**Deferred tax**	**Total tax**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Recognised in Statement of Comprehensive Income	14	(2,599)	(2,585)	49	(791)	(742)
Total tax	**14**	**(2,599)**	**(2,585)**	**49**	**(791)**	**(742)**

Reconciliation of effective tax rate	**2021**	**2020**
	£'000	**£'000**
Surplus for the year	39,921	25,888
Total tax expense	(2,585)	(742)
Surplus excluding taxation	**37,336**	**25,146**
Tax using the UK corporation tax rate of 19% (2020: 19%)	7,094	4,778
Effect of tax free income due to charitable activities	(7,151)	(5,244)
Amounts credited directly to other comprehensive income	(2,577)	541
Fixed asset differences	43	70
Other permanent differences	14	–
Net expenses not deductable for tax purposes	2	5
Income not taxable for tax purposes	(35)	(35)
Adjustments in respect of prior periods	(1)	61
Tax rate differences on deferred tax	–	(932)
Chargeable gains	68	41
Deferred tax not recognised	(43)	(27)
Total tax charge	**(2,585)**	**(742)**

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**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Accelerated capital allowances	–	–	45	45	45	45
Unused tax losses	185	97	–	–	185	97
Other short term timing	11,270	8,762	–	–	11,270	8,762
Tax (assets) / liabilities	**11,455**	**8,859**	**45**	**45**	**11,500**	**8,904**

In addition to the deferred tax asset above, the Group has additional unrecognised gross tax losses of £83,406 (2020: £41,059) 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 2020/21 for the group chief executive, who was the highest paid director in the year.

Group	**2021**	**2020**
	£'000	**£'000**
Executive directors' emoluments	1,138	1,062
Amounts paid to non-executive directors	207	203
Compensation for loss of office	–	–
Contributions made to pension schemes	61	52
Emoluments payable to the highest paid Executive (excluding pension contributions)	**237**	**226**

Board members	**Total**	**Total**
	2021	**2020**
Non-executive		
F Selvan	25,750	25,750
G Brown	15,915	16,362
B Groarke	15,750	15,750
T Ryan	11,571	11,711
R Barker	11,500	10,674
D Addy	9,500	9,500
E Clivery	9,500	9,500
G Cooney	9,500	9,500
R O'Connell	9,500	9,500
S Dunn	6,000	6,073
D Jackson	4,510	2,080
M McDermott	4,510	1,880
A Leah	4,500	4,523
C Beaumont	4,500	4,332
C Green	4,500	4,500
J Mutch	4,500	4,500
K Potts	4,500	4,500
M Kenyon	4,500	5,302
M Rudkin	4,500	4,500
O Ryan	4,500	2,250
S Akhtar	4,500	4,500
S Normansell	4,500	4,541
S White	4,500	4,550
A Powell	4,500	4,378
Cllr R Lees	4,475	4,525
L Garsden	4,475	4,525
P Lees	4,475	4,525
A.Margai	2,440	–
P.Joyce	2,440	–
S.Walker	1,489	–
G Durbin	–	4,500
J Clarke	–	4,125
Total	**207,300**	**202,856**

11. Employee Information

	Group		Association	
	2021	**2020**	**2021**	**2020**
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Management and administration	356	366	308	306
Development	23	27	23	27
Housing, support and care	619	673	315	335
Manual	154	153	–	–
Other	35	49	–	–
Total	**1,187**	**1,268**	**646**	**668**

	Group		Association	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Staff costs				
Wages and salaries	39,605	38,703	22,129	21,158
Social security costs	3,735	3,468	2,131	1,988
Other pension costs	5,221	4,833	2,527	2,480
Total	**48,561**	**47,004**	**26,787**	**25,626**

	Group	
Aggregate number of full time equivalent staff whose remuneration (including pension contributions) exceeded £60,000 in the period:	**2021**	**2020**
£60,001 – £70,000	9	7
£70,001 – £80,000	10	11
£80,001 – £90,000	4	3
£90,001 – £100,000	4	3
£100,001 – £110,000	1	2
£110,001 – £120,000	–	–
£120,001 – £130,000	–	2
£130,001 – £140,000	1	–
£140,001 – £150,000	–	–
£150,001 – £160,000	1	–
£160,001 – £170,000	1	–
£170,001 – £180,000	–	–
£180,001 – £190,000	1	2
£190,001 – £200,000	1	–
£200,001 – £210,000	1	2
£210,001 – £220,000	1	–
£220,001 – £230,000	–	1
£230,001 – £240,000	1	–

12. Tangible Fixed Assets

Housing properties pasted as values from below	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	1,300,308	44,442	73,975	3,154	1,421,879
Additions to properties acquired	14	71,994	–	10,939	82,947
Capitalised administration costs	–	1,262	–	498	1,760
Interest capitalised	–	863	–	197	1,060
Transfers to/from stock	–	–	4,750	(333)	4,417
Reclassification cost	111	–	(111)	–	–
Component replacements	3,753	–	–	–	3,753
Components replaced cost	(1,464)	–	–	–	(1,464)
Schemes completed	58,027	(58,027)	8,443	(8,443)	–
Disposals cost	(3,313)	–	(8,201)	–	(11,514)
At end of the year cost	**1,357,436**	**60,534**	**78,856**	**6,012**	**1,502,838**
Depreciation and impairment					
At start of the year	147,078	–	4,059	–	151,137
Charge for the year	18,106	–	693	–	18,799
Components replaced	(1,464)	–	–	–	(1,464)
Reclassification	(31)	–	31	–	–
Disposals	(522)	–	(129)	–	(651)
At end of the year	**163,167**	**–**	**4,654**	**–**	**167,821**
Net book value:					
At 31 March 2021	**1,194,269**	**60,534**	**74,202**	**6,012**	**1,335,017**
At 31 March 2020	1,153,230	44,442	69,916	3,154	1,270,742

All properties are held on either a freehold or long leasehold basis. There are 2,288 properties held on a long leasehold basis with an associated cost of £134m. 82% of the remaining lease periods are greater than 70 years.

The weighted average interest on borrowings of 4.6% (2020: 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 SORP 2018. 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. Perhaps of most note is the fact that COVID-19 has not to date had a detrimental impact on the market value of housing properties and demand remains healthy. There were no indicators identified that required a full impairment review to be carried out using the depreciated replacement cost methodology. Details of Social Housing Grant received during the year are provided in Note 20 on page 77.

Group	2021 £'000	2020 £'000
Works to existing properties in the year:		
Improvement works capitalised	3,754	4,942
Amounts charged to expenditure	35,860	36,867
Total	**39,614**	**41,809**

Group – Other fixed assests	Land and buildings £'000	Motor vehicles, plant & machinery £'000	Furniture and equipment £'000	Total other fixed assets £'000
Cost				
At start of the year	24,540	637	20,488	45,665
Additions	–	39	503	542
Disposals	–	(37)	(3)	(40)
At end of the year	**24,540**	**639**	**20,988**	**46,167**
Depreciation and impairment				
At start of the year	6,255	463	16,991	23,709
Charge for the year	410	65	852	1,327
Disposals	–	(32)	(2)	(34)
At end of the year	**6,665**	**496**	**17,841**	**25,002**
Net book value:				
At 31 March 2021	**17,875**	**143**	**3,147**	**21,165**
At 31 March 2020	18,285	174	3,497	21,956

Other fixed assets – Association	Freehold premises £'000	IT equipment £'000	Furniture and equipment £'000	Total other fixed assets £'000
Cost				
At start of the year	3,458	13,265	–	16,723
Additions to properties acquired	–	–	–	–
At end of the year	**3,458**	**13,265**	**–**	**16,723**
Depreciation and impairment				
At start of the year	482	12,854	–	13,336
Charge for the year	36	241		278
At end of the year	**518**	**13,095**	**–**	**13,614**
Net book value:				
At 31 March 2021	**2,940**	**170**	**–**	**3,109**
At 31 March 2020	2,976	411	–	3,387

13. Investment Properties

Group	2021 £'000	2020 £'000
At start of year	361	361
Gain/(loss) from adjustment in value	–	–
At end of year	**361**	**361**

Fair value of the investment properties is based on a valuation on 31 March 2019 by independent valuer Bruton Knowles. The valuer holds a Royal Institution of Chartered Surveyors qualification and has recent experience in the location and class of investment property being valued. The valuation was made on an existing use value basis in accordance with the RICS Valuation - Professional Standards January 2014 Global & UK Edition (as amended April 2015). A formal valuation is carried out every three years.

14. Stock

	Group 2021 £'000	2020 £'000	Association 2021 £'000	2020 £'000
First tranche shared ownership properties				
Completed	2,404	7,370	–	–
Work in progress	2,048	2,013	–	–
Outright sale properties				
Work in progress	585	4,840	69	–
Materials stock	1,223	1,171	895	250
Total	**6,260**	**15,394**	**964**	**250**

15. Trade and Other Debtors

	Group 2021 £'000	2020 £'000	Association 2021 £'000	2020 £'000
Rent arrears	9,825	8,649	–	–
Less: provision for bad debts	(7,182)	(6,156)	–	–
Sub-total	**2,643**	**2,493**	**–**	**–**
Trade debtors	2,413	1,959	4	–
Less: provision for bad debts	(656)	(533)	–	–
Sub-total	**1,757**	**1,426**	**4**	**–**
Prepayments and accrued income	4,699	4,408	808	575
Amounts owed by group undertakings	–	–	1,402	3,422
Other taxation and social security	38	30	–	–
Social housing grant receivable	499	1,833	–	–
Deferred tax	11,456	8,857	11,456	8,856
Other debtors	758	5,743	31	785
Total due within one year	17,449	20,871	13,701	13,638
Debtors due after more than one year	3,425	2,074	–	–
Total	**25,274**	**26,864**	**13,701**	**13,638**

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 2021/22.

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 17. The debtor will reduce as Jigsaw Homes Midlands completes the contracted work.

16. Cash and Cash Equivalents

	Group 2021 £'000	2020 £'000	Association 2021 £'000	2020 £'000
Cash at bank	96,985	96,192	5,978	3,551
Total	**96,985**	**96,192**	**5,978**	**3,551**

17. Creditors: Amounts Falling Due Within One Year

	Group 2021 £'000	2020 £'000	Association 2021 £'000	2020 £'000
Loans and overdrafts (Note 19)	8,457	18,604	–	–
Trade creditors	3,008	3,335	1,145	274
Social housing grant received in advance	12	353	–	–
Amounts owed to group undertakings	–	–	6,001	10,019
Funds held on behalf of homeowners	1,423	1,191	–	–
Rents and service charges paid in advance	5,684	4,823	–	–
Deferred tax	45	45	–	–
Corporation tax	(10)	5	13	–
Other taxation and social security payable	424	1,114	(6)	506
Accruals and deferred income	22,666	14,433	1,044	1,413
Deferred capital grant (Note 20)	3,049	2,927	–	–
Recycled capital grant fund (Note 21)	165	455	–	–
Other creditors	5,998	4,909	802	894
Total	**50,922**	**52,194**	**8,999**	**13,106**

The provision for the developement 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.

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

	Group 2021 £'000	2020 £'000	Association 2021 £'000	2020 £'000
Social housing loans (Note 19)	688,671	684,088	–	–
Deferred capital grant (Note 20)	283,953	274,326	–	–
Recycled capital grant fund (Note 21)	2,052	1,535	–	–
Disposal proceeds fund (Note 22)	19	1,074	–	–
Local authority loan	105	105	–	–
Empty properties funding	5	20	–	–
Other creditors	–	360	–	–
Total	**974,804**	**961,508**	**–**	**–**

19. Debt Analysis

Group	2021	2020
	£'000	£'000
Social housing loans		
Loans repayable by instalments:		
Within one year	8,217	5,364
In one year or more but less than two years	7,584	13,767
In two years or more but less than five years	28,988	49,376
In five years or more	451,493	475,317
Loans not repayable by instalments:		
Within one year	–	13,000
In one year or more but less than two years	35,000	31,519
In two years or more but less than five years	126,445	56,500
In five years or more	39,900	58,400
Fair value adjustment on financial instruments	434	541
Less: loan issue costs	(6,307)	(6,705)
Loans premium:		
Amount due to be released within one year	240	240
Amount due to be released after more than one year	5,134	5,373
Total loans	**697,128**	**702,692**

Loans from external funders are secured by fixed charges on individual housing properties. All loans are repayable with interest chargeable at varying rates from 1.1% to 10.9% during the year.

The interest rate profile of the Group at 31 March 2021 was	Total	Variable rate	Fixed rate	Weighted average rate	Weighted average term
	£'000	£'000	£'000	%	Years
Instalment loans	516,282	31,503	484,779	5.59	17
Non-instalment loans	181,346	123,445	57,900	2.49	7
Total loans	**697,628**	**154,948**	**542,679**	**4.61**	**14**

At 31 March 2021 the Group had the following borrowing facilities:	£'000
Undrawn facilities	2,250
Total	**2,250**

20. Deferred Capital Grant

Group	2021	2020
	£'000	£'000
At start of the year	277,254	262,644
Grant received in the year	11,739	14,096
Disposals	(1,001)	(2,185)
Released to income in the year	(2,968)	(2,877)
Additions from RCGF (Note 21)	2,002	2,571
Adjustment (Local authority loan)	(25)	433
At end of the year	**287,001**	**274,682**
Amount due to be released within one year	3,049	2,927
Amount due to be released after more than one year	283,953	274,326
Total	**287,002**	**277,253**

21. Recycled Capital Grant Fund

Group	**2021**	**2020**
	£'000	**£'000**
At the start of the year	1,991	3,095
Inputs: grants to recycle	1,171	859
Interest accrued	2	19
Recycling: grants recycled	(947)	(1,982)
At the end of the year	**2,217**	**1,991**
Amount three years or older where repayment may be required	–	–

22. Disposal Proceeds Fund

Group	**2021**	**2020**
	£'000	**£'000**
At the start of the year	1,074	1,663
Amounts utilised in the year	(1,055)	(589)
At the end of the year	**19**	**1,074**
Amount three years or older where repayment may be required	19	938

The regulator's requirements and power to recover disposal proceeds fund balances ceased to be effective on 6 April 2020, however the Group will apply the funds as it would have previously, despite the rules no longer applying.

23. Non-Equity Share Capital

Association	**2021**	**2020**
	£	**£**
At the start of the year	9	9
At the end of the year	**9**	**9**

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up, and are not redeemable. Each share has full voting rights. 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	**2021**	**2020**
	£'000	**£'000**
Capital expenditure contracted for but not provided for in the Financial Statements	127,058	108,317
Capital expenditure authorised by the Board but not yet been contracted for	251,862	122,116
Total	**378,920**	**230,433**
The Group expects these commitments to be financed with:		
Social housing grant	67,170	35,263
Proceeds from the sales of properties	42,190	41,469
Committed loan facilities and surpluses generated from operating activities	269,560	153,701
Total	**378,920**	**230,433**

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**	
	2021	**2020**	**2021**	**2020**
	£'000	£'000	£'000	£'000
Land and buildings:				
Within one year	177	176	–	–
In one year or more but less than five years	412	511	–	–
In five years or more	219	311	–	–
Others:				
Within one year	594	238	594	238
In one year or more but less than five years	1,006	37	1,006	37
In five years or more	10	–	10	–
Total	**2,418**	**1,273**	**1,610**	**275**

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	**2021**	**2020**
	£'000	**£'000**
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant (Note 20)	287,002	277,253
Recognised as income in Statement of Comprehensive Income	105,517	102,549
Total	**392,519**	**379,802**

28. Related Parties

Association	Income	Expenditure	Gift Aid	Debtors/ (Creditors)
	£'000	£'000	£'000	£'000
Jigsaw Homes North	13,762	–	–	348
AKSA Housing Association	1,380	–	–	6
Beech Housing Association	948	–	–	(4)
Chorley Community Housing	5,947	–	–	51
Cavendish Property Developments	–	–	–	(62)
Palatine Contracts	145	–	–	18
Snugg Properties	–	–	–	3
Jigsaw Support	138	–	–	16
Jigsaw Homes Midlands	1,479	–	–	261
Jigsaw Homes Tameside	28,776	–	(15)	(5,235)

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. 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 43,008 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a deficit of £1,522m. 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 2021 Group paid contributions at the rate of 19.2% (2020: 19.2%). Member contributions varied between 6.4% and 8.4%.

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 2019 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a surplus of £529m.

During the year to 31 March 2021, the Group's members paid contributions of 18.5% (2020: 18.5%) for Adactus Housing Association employees and 23.3% (2020: 23.3%) for employees of New Charter Homes and New Charter Building Company.

Lancashire County Pension Fund (LCPF)

Chorley Community Housing Limited (CCH) 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 2019 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a surplus of £12m. A Recovery Plan has been put in place with the aim of removing this surplus by 31 March 2035.

During the year to 31 March 2021 CCH paid contributions at the rate of 17.9% (2020: 15.6%) . 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 the Association has a notional pension deficit for accounting purposes, it does not have an actuarial deficit and therefore the Association does not make secondary contributions to the scheme. The pension scheme does not require a Recovery Plan.

During the year to 31 March 2021 Jigsaw Homes Midlands paid contributions at the rate of 17.9% (2020: 17.9%). Member contributions varied between 5.5% and 12.5%.

	2021 £'000 Group	2020 £'000 Group
Defined benefit pension liability:		
Social Housing Pension Scheme	15,347	6,407
Greater Manchester Pension fund	52,583	43,629
Lancashire County Pension fund	3,422	2,140
Nottingham Pension fund	2,689	959
	74,041	**53,135**
Amounts recognised in operating costs:		
Social Housing Pension Scheme	1,047	1,048
Greater Manchester Pension fund	7,094	7,791
Lancashire County Pension fund	217	719
Nottingham Pension fund	716	733
	9,074	**10,291**
Net amounts recognised in finance costs:		
Social Housing Pension Scheme	129	283
Greater Manchester Pension fund	1,118	1,104
Lancashire County Pension fund	50	34
Nottingham Pension fund	18	12
	1,315	**1,433**
Actuarial gains/(losses) recognised in other comprehensive income:		
Social Housing Pension Scheme	(10,325)	4,473
Greater Manchester Pension fund	(6,422)	2,554
Lancashire County Pension fund	(1,116)	(337)
Nottingham Pension fund	(1,393)	30
	(19,256)	**6,720**

Financial Assumptions and Paticulars of Amounts Recognised in the Financial Statements

The major assumptions used by the actuary in assessing scheme liabilities as at 31 March 2021 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 £'000	NLGPS £'000	Total (Group) £'000	Total (Assoc.) £'000
2021 by scheme								
Present value of funded benefit obligations	69,897	30,449	249,516	246,016	20,478	16,649	356,540	276,465
Fair value of plan assets	54,550	23,095	196,933	194,318	17,056	13,960	282,499	217,413
Deficit/(surplus)	**15,347**	**7,354**	**52,583**	**51,698**	**3,422**	**2,689**	**74,041**	**59,052**
2020 by scheme								
Present value of funded benefit obligations	53,245	22,247	205,981	202,970	17,699	12,247	289,172	225,217
Fair value of plan assets	46,838	19,320	162,352	160,183	15,559	11,288	236,037	179,503
Deficit/(surplus)	**6,407**	**2,927**	**43,629**	**42,787**	**2,140**	**959**	**53,135**	**45,714**

Components of Pension Cost

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF £'000	NLGPS £'000	Total (Group) £'000	Total (Assoc.) £'000
2021 by scheme								
Service cost	1,000	570	7,094	7,020	213	711	9,018	7,590
Net interest cost	129	62	1,118	1,099	50	18	1,315	1,161
Administrative expenses	47	21	–	–	4	5	56	21
Total pension cost recognised in Statement of Comprehensive Income	**1,179**	**653**	**8,212**	**8,119**	**267**	**734**	**10,392**	**8,772**
2020 by scheme								
Service cost	1,005	577	7,791	7,708	715	728	10,239	8,285
Net interest cost	283	119	1,104	1,082	34	12	1,433	1,201
Administrative expenses	43	19	–	–	4	5	52	19
Total pension cost recognised in Statement of Comprehensive Income	**1,331**	**715**	**8,895**	**8,790**	**753**	**745**	**11,724**	**9,505**

Statement of other Comprehensive Income

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF £'000	NLGPS £'000	Total (Group) £'000	Total (Assoc.) £'000
2021 by scheme								
Experience on plan assets (excl amounts in net interest cost) – (gain)/loss	5,527	2,496	30,959	30,547	1,317	2,094	39,897	33,043
Experience gains and losses on the plan liabilities – (gain)/loss	328	93	2,412	2,385	315	206	– 3,261	– 2,478
Re-measurements – demographic assumptions	(244)	(102)	(832)	(816)	–	137	(939)	(918)
Re-measurements – financial assumptions	(15,936)	(7,387)	(38,961)	(38,521)	(2,748)	(3,830)	(61,475)	(45,908)
Total	**(10,325)**	**(4,900)**	**(6,422)**	**(6,405)**	**(1,116)**	**(1,393)**	**(19,256)**	**(11,305)**
2020 by scheme								
Experience on plan assets (excl amounts in net interest cost) – (gain)/loss	430	393	(19,128)	(18,863)	321	(1,163)	(19,540)	(18,470)
Experience gains and losses on the plan liabilities – (gain)/loss	(2,514)	(1,022)	12,583	12,326	–	–	10,069	11,304
Re-measurements – demographic assumptions	2,278	925	6,276	6,186	–	247	8,801	7,111
Re-measurements – financial assumptions	4,279	1,383	2,823	2,799	(279)	399	7,222	4,182
Total	**4,473**	**1,679**	**2,554**	**2,448**	**(337)**	**30**	**6,720**	**4,127**

Change in Benefit Obligations

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF £'000	NLGPS £'000	Total (Group) £'000	Total (Assoc.) £'000
2021 by scheme								
Benefit obligation at 1 April	53,245	22,247	205,954	202,970	17,699	12,247	289,145	225,217
Current service cost	1,000	570	4,888	4,814	213	711	6,812	5,384
Expenses	47	21	–	–	–	–	47	21
Interest on pension liabilities	1,243	521	4,750	4,681	421	287	6,701	5,202
Member contributions	36	33	905	891	49	139	1,129	924
Past service costs including curtailments	–	–	35	35	–	–	35	35
Experience on plan liabilities (gain)/loss	(328)	(93)	(2,412)	(2,385)	(315)	(206)	(3,261)	(2,478)
Re-measurements (liabilities)							–	–
(Gain)/loss on demographic assumptions	244	102	832	816	–	(137)	939	918
(Gain)/loss on financial assumptions	15,936	7,387	38,961	38,521	2,748	3,830	61,475	45,908
Benefits/transfers paid	**(1,526)**	**(339)**	**(4,397)**	**(4,327)**	**(337)**	**(222)**	**(6,482)**	**(4,666)**
As at 31 March 2021	**69,897**	**30,449**	**249,516**	**246,016**	**20,478**	**16,649**	**356,540**	**276,465**
2020 by scheme								
Benefit obligation at 1 April	**55,965**	**22,753**	**219,718**	**216,456**	**16,318**	**12,426**	**304,427**	**239,209**
Current service cost	1,005	577	5,709	5,626	234	714	7,662	6,203
Expenses	43	19	–	–	–	–	43	19
Interest on pension liabilities	1,402	573	5,534	5,452	407	311	7,654	6,025
Member contributions	40	33	987	974	51	133	1,211	1,007
Past service costs including curtailments	–	–	102	102	481	14	597	102
Experience on plan liabilities (gain)/loss	2,514	1,022	(12,583)	(12,326)	379	(547)	(10,237)	(11,304)
Re-measurements (liabilities)							–	–
(Gain)/loss on demographic assumptions	(2,278)	(925)	(6,276)	(6,186)	–	(247)	(8,801)	(7,111)
(Gain)/loss on financial assumptions	(4,279)	(1,383)	(2,823)	(2,799)	279	(399)	(7,222)	(4,182)
Benefits/transfers paid	**(1,167)**	**(422)**	**(4,414)**	**(4,329)**	**(450)**	**(158)**	**(6,189)**	**(4,751)**
As at 31 March 2021	**53,245**	**22,247**	**205,954**	**202,970**	**17,699**	**12,247**	**289,145**	**225,217**

Change in Plan Assets

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF £'000	NLGPS £'000	Total (Group) £'000	Total (Assoc.) £'000
2021 by scheme								
Fair value of plan assets at 1 April	46,838	19,320	162,352	160,183	15,559	11,288	236,037	179,503
Interest on plan assets	1,111	459	3,731	3,681	371	269	5,482	4,140
Return on assets less interest	5,527	2,496	30,959	30,547	1,317	2,094	39,897	33,043
Administration expenses	–	–	–	–	(4)	(5)	(9)	–
Employer contributions	2,564	1,126	3,383	3,343	101	397	6,445	4,469
Member contributions	36	33	905	891	49	139	1,129	924
Benefits/transfers paid	(1,526)	(339)	(4,397)	(4,327)	(337)	(222)	(6,482)	(4,666)
Fair value of plan assets at 31 March	**54,550**	**23,095**	**196,933**	**194,318**	**17,056**	**13,960**	**282,499**	**217,413**
2020 by scheme								
Fair value of plan assets at 1 April	**44,098**	**17,805**	**176,624**	**174,218**	**14,969**	**11,799**	**247,490**	**192,023**
Interest on plan assets	1,119	454	4,430	4,370	373	299	6,221	4,824
Return on assets less interest	430	393	(19,128)	(18,863)	321	(1,163)	(19,540)	(18,470)
Administration expenses	–	–	–	–	(4)	(5)	(9)	–
Employer contributions	2,318	1,057	3,826	3,813	299	383	6,826	4,870
Member contributions	40	33	1,014	974	51	133	1,238	1,007
Benefits/transfers paid	(1,167)	(422)	(4,414)	(4,329)	(450)	(158)	(6,189)	(4,751)
Fair value of plan assets at 31 March	**46,838**	**19,320**	**162,352**	**160,183**	**15,559**	**11,288**	**236,037**	**179,503**

Asset Allocation

	2021 £'000	2020 £'000
Equities	3680 to 139908.96	2826 to 110526
Government bonds	0 to 0	0 to 469
Other bonds	0 to 23318.16	389 to 24027
Property	480 to 13602.26	426 to 11212
Cash/liquidity	375 to 17488.62	91 to 14416
Other	0 to 6260	0 to 5166
Absolute return	0 to 1275	0 to 1007
Alternative risk premia	0 to 870	0 to 1351
Credit relative value	0 to 727	0 to 530
Distressed opportunities	0 to 667	0 to 372
Emerging markets debt	0 to 932	0 to 585
Fund of hedge funds	0 to 3	0 to 11
Infrastructure	0 to 1540	0 to 1438
Insurance linked securities	0 to 757	0 to 702
Liability driven investment	0 to 5869	0 to 6412
Long lease property	0 to 453	0 to 334
Private debt	0 to 551	0 to 389
Risk sharing	0 to 841	0 to 652
Secured income	0 to 960	0 to 733
Opportunistic illiquid Credit	0 to 587	0 to 468
Total	**0 to 194318**	**0 to 174218**

Financial Assumptions

	2021 %	2020 %
Rate of CPI inflation	1.51 to 2.8	1.51 to 2.1
Pension increase rate	2 to 2.8	2 to 2.2
Salary Increase rate	0.5 to 4.2	2 to 3.6
Discount rate	2 to 2.33	2.3 to 2.4

Mortality Assumptions

	Males	Females
Current Pensioners	20.5 to 22.4	23.3 to 25.1
Future retiring in 20 years	21.9 to 23.9	24.5 to 26.9

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.

30. Analysis of Changes in Net Debt

Group	**At 1 April 2020**	**New finance leases**	**Other non-cash changes**	**At 31 March 2021**
	£'000	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	96,192	–	–	96,985
Investments	3,178	–	–	3,039
Obligations under finance leases	(1,273)	995	–	(2,418)
Bank loans	(702,692)	–	(50)	(697,129)
Net debt	**(604,595)**	**995**	**(50)**	**(599,523)**

31. Business Transfer

Association	**Book value**	**Adjustments**	**Fair value**
	£'000	**£'000**	**£'000**
Current Assets			
Trade and other debtors	1,738	–	1,738
Cash & cash equivalents	4,488	–	4,488
Creditors			
Creditors: Amounts falling due within one year	(1,227)	–	(1,227)
Net liabilities acquired	**4,999**	**–**	**4,999**

On 31 March 2021 New Charter Building Company Limited transfered its net assets by way of a Business Transfer Agreement to Jigsaw Homes Group Limited.

32. Post-year Events

Following the year end, on 30 June 2021 AKSA Homes and Beech Housing Association's activities have been subsumed by Jigsaw Homes North via a Transfer of Engagements. Details of the strategic reasons for this decision are set out within the Strategic Report.

Creating homes. Building lives.

Jigsaw Homes Group Limited

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