

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2023

Co-operative and Community Benefit Society: 7528
Regulator of Social Housing: L4472

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023

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**CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023**

THE BOARD, SENIOR EXECUTIVES AND ADVISORS

THE BOARD

Jane McCall, Chair
Simon Leighton
Anthony Read
Guy Johnson
Alison Hadden
Fiona McAuley
Zahir Yasin
David Blanchard
William McKellar
Shahida Latif-Haider

Appointed 1 October 2022
Co-optee to Audit Committee

Executive Management Team

Mark Howden
Emma Richman
Julie Booker

Secretary and registered office

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CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED FOR THE YEAR ENDED 31 MARCH 2023 REPORT OF THE BOARD

The Board of Cheshire Peaks & Plains Housing Trust Limited is pleased to present its report together with the audited financial statements of the Trust and its subsidiaries, “the Group”, for the year ended 31 March 2023. Cheshire Peaks & Plains Housing Trust Limited is more usually known as ‘Peaks & Plains’ and is referred to as The Trust throughout this report. The Group refers to both the Trust and its subsidiaries.

PRINCIPAL ACTIVITIES

We are a housing association, registered with the Regulator of Social Housing to provide housing and other services that benefit the public. The Trust’s purpose is “Working together to provide safe homes and thriving communities” through this provision. The Trust is an exempt charity, registered with the Financial Conduct Authority under the Cooperative and Community Benefit Societies Act 2014.

The principal activity of the Group is the provision of housing at rents that are affordable to those in need which includes properties let at ‘social’ and ‘affordable’ rent. This involves the management and maintenance of an existing portfolio of accommodation and the commissioning and building of new additional homes.

The Group’s head office is in Macclesfield and its properties are located in Cheshire and Derbyshire. The Group provides general needs homes for families, single people and older people in self-contained flats, houses and bungalows, where people live independently.

INCORPORATION AND SUBSIDIARIES

The Trust was initially formed on 9 February 2005 and commenced trading on 17 July 2006 with a stock transfer of 5,000 housing properties from Macclesfield Town Council.

In 2015 two subsidiaries were established: Peaks & Plains Devco Limited, a development company and Peaks & Plains Tradeco Limited, a non-charitable property company. Peaks & Plains Devco Limited commenced trading in October 2019 and has been consolidated into the Group’s Financial Statements. Peaks & Plains Tradeco Limited has been dormant throughout the year.

BUSINESS REVIEW

Details of the organisation’s performance for the year, and future plans, are set out in the Strategic Report that follows this Report of the Board.

GOVERNANCE

The Trust is a Community Benefit Society operating under the National Housing Federation’s model rules. Only Board Members may become or remain a shareholder and no shareholder shall hold more than one share and each share carries only one vote.

During the year the Trust was subject to an In-Depth Assessment (IDA) by the Regulator of Social Housing. On 29 March 2023 the RSH upgraded its assessment of the Trust from a G2 to a G1 and confirmed its V1 viability grade. The Regulatory Judgement notes : Our previous assessment, published in September 2021, upgraded Cheshire Peaks & Plains Housing Trust Limited (Peaks & Plains) governance grade from G3 to G2. It recognised that the provider had strengthened its governance arrangements but that some aspects still required improvement to support continued compliance.

Based on evidence gained from an In Depth Assessment (IDA), the regulator has assurance that Peaks & Plains has further strengthened its governance arrangements. The board has refreshed its membership and now has a more strategic focus including enhanced oversight of the delivery of the organisation’s strategic plans and priorities. It has improved the management of risks, including those relating to compliance with loan covenants. Peaks & Plains has also implemented a series of improvements to the quality of its data and has strengthened its reporting and oversight of compliance with its health and safety responsibilities.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE BOARD (continued)

EMPLOYEES

The strength of the Group lies in the quality and commitment of its employees, and the ability to meet its objectives and commitments to customers depends on them. The Group is committed to equal opportunities for all its employees and continues to invest in staff training and development. The Trust has previously derecognised the Union arrangement and set up a formal bargaining group including representation that includes Trade Union and Staff Voice (the staff consultation group), this enables all staff to vote on issues such as pay negotiations. The most recent staff survey was completed in March 2023 and 93% of the staff that answered this question agreed that the Trust is a great place to work, compared to 83% in September 2022 and 74% in March 2021.

HEALTH & SAFETY

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides Board and staff training and education on health and safety matters, including safeguarding. The Trust has a Health & Safety Committee, which is made up of the Executive Management Team plus senior managers, that meets quarterly; it is supported by three Health & Safety working groups which cover the in-house maintenance team, compliance, assets and development and the office. Health and safety is a key part of the internal audit cycle. During the year the Health and Safety Management System was independently reviewed by Worknest. The purpose of the review was to assess our current state of compliance with UK Health and Safety legislation, to review the performance of our occupational health and safety management system against relevant benchmark standards, to produce a gap analysis of the health and safety risks arising from the Trust's on and off-site activities, to determine the adequacy of the existing controls and to provide information on the further actions required to reduce the risks in line with current legal requirements and best practice. Worknest expressed the view that the Trust was well managed with mostly very comprehensive policies procedures and systems, the report included only four recommendations and these have now been implemented.

THE BOARD, COMMITTEES AND EXECUTIVE

Those Board Members who served during the period and the Group's executive directors are set out on page 1.

The Board comprises up to nine non-executive members and is responsible for the strategy, policy framework and managing the affairs of the Trust. The Board delegates the day-to-day management and implementation of its strategy to the Chief Executive and other members of the Executive Management Team (EMT).

The Board is supported by the Audit Committee and the Governance Committee. The Audit Committee meets at least four times per year and has responsibility for overseeing the Trust's audit functions and leading on matters of risk; historically this has included health and safety, however, the oversight of health and safety is now the direct responsibility of the Board.

The Governance Committee meets at least three times per year and is responsible for reviewing the skills required by Board Members and ensuring appropriate arrangements for member development and succession, ensuring compliance with the Code of Governance, approving and recommending policies which support good governance and oversight of the Human Resources functions. The Committee also leads on data governance.

The Board of the Trust's trading subsidiary, Peaks & Plains Devco Limited, is made up of Board and Executive members and have met twice during the period and is responsible for the governance of the subsidiary.

The Trust Board, Subsidiary Board and Committees obtain specialist advice as required.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE BOARD (continued)

CODE OF GOVERNANCE

The Group followed the National Housing Federation (NHF) Code of Governance (2015) as its chosen code of governance for 2022-23. The Board, through its Governance Committee, carries out an annual assessment of the Trust's compliance against the Code. The Trust confirms compliance with its adopted code of governance for the year ended 31 March 2023.

In previous years the Board had considered adopting the NHF Code of Governance (2020), however some action still needed to be taken to ensure full compliance. During 2022/2023 significant progress has been made and at the Board meeting in March 2023 the decision was taken to adopt the NHF Code of Governance (2020) for 2023/2024.

STATEMENT OF COMPLIANCE

In preparing this report, a review of the organisation's compliance with the Regulator of Social Housing's Regulatory Standards has taken place. During 2022/2023 the trust completed reviews of compliance with all of the RSH's Regulatory Standards, no issues of non-compliance were identified as part of these reviews.

Following these reviews, it is the opinion of the Board that the Group complies with the latest Governance and Financial Viability Standard.

INTERNAL CONTROLS ASSURANCE

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2022 up to the date of approval of the report and financial statements. The Group has a number of arrangements in place that comprise the overall internal control framework, which are used to provide Board with assurance about the adequacy of this framework.

The Board has ultimate responsibility for the system of internal control but has delegated authority to the Audit Committee to regularly review its effectiveness. The Audit Committee was formed to oversee the internal control framework across the Group. It does this by reviewing the effectiveness of the system of internal control across the spectrum of the framework. This includes considering risk registers, internal audit reports, fraud reports, management assurances, the external management letter and specialist reviews on areas such as treasury and business planning.

The Audit Committee received and considered reports from management on risk management and control arrangements at each meeting during the year and the Board discussed risk and the impact of the decisions that it took at each meeting.

The Audit Committee received, from the Chief Executive, the report on the annual review of the effectiveness of the system of internal control for the Group at the meeting in July 2023, it also received the annual report of the internal auditor at its meeting in May 2023. The Committee has reported the findings to the Board.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE BOARD (continued)

INTERNAL CONTROLS ASSURANCE (continued)

Key elements of the system of control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Trust's assets.
- Experienced and suitably qualified staff take responsibility for important business functions, and each of those functions maintain an operational risk register, which is reviewed monthly by the Senior Management Team and quarterly by the Executive.
- Forecasts and Budgets are prepared which allow the Board and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through Board resolutions.
- Regular monitoring of loan covenants and requirements for new loan facilities.
- Board approved whistle-blowing policy.
- Board approved anti-fraud, bribery and corruption policy and anti-money laundering policy, covering prevention, detection and reporting, together with recoverability of assets.

A fraud register is maintained and is regularly reviewed by the Audit Committee. The Group complies with the RSH requirements with regard to fraud. There were 5 reported cases of fraud during the year 2022/2023; 1 related to a phishing attempt, 2 related to credit card fraud, 1 was a fraudulent direct debit, and 1 was the theft of copper cylinders and pipework. Total losses for the year were approximately £1k, resulting from the theft (2021/2022 £2k). During the year the Audit Committee has signed off on the fraud response plan and the fraud matrix, which summarises the key fraud risks faced by the Group and the controls in place.

The Group has a comprehensive internal audit programme provided during 2022/2023 by RSM LLP, Chartered Accountants. The Internal Auditors report to the Group's Director of Resources on each assignment and to each meeting of the Audit Committee on their recent and prospective activity.

The Audit Committee considered the internal audit annual report at its May 2023 meeting. The 2022/2023 annual programme included nine audits as follows:

- Health and Safety – COVID-19 and Tenant Safety (substantial assurance)
- Voids Management (including re-charges) (substantial assurance)
- Customer Standards – Self Assessment Framework (reasonable assurance)
- HR – Sickness Absence and Mental Health and Wellbeing (substantial assurance)
- Business Plan and Stress Testing (substantial assurance)
- Right to Buy (including Right to Acquire) (reasonable assurance)
- Energy Performance Certification (EPC) Ratings Data Collection (reasonable assurance)
- Framework for Rent Arrears (substantial assurance)
- Performance Reporting Framework and Compliance Deep Dive (substantial assurance)

During the year there was also a follow up audit of management actions. 26 out of 26 management actions had been implemented and RSM concluded that "good progress had been made in addressing previously agreed management actions"

The Audit plan was devised with discussion with both the Executive Management Team (EMT) and also the Chair of the Audit Committee. The Director of Resources was involved in all scoping meetings, and to ensure that the Board could receive greater assurance all audit scopes were reviewed by the Audit Committee, and other Board Members with relevant experience. Based on the results of their internal audits RSM concluded that the Trust "has an adequate and effective framework for risk management governance and internal controls. However our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

FOR THE YEAR ENDED 31 MARCH 2023 REPORT OF THE BOARD (continued)

INTERNAL CONTROLS ASSURANCE (continued)

The Trust maintains an Asset and Liability Register (ALR) which was subject to a full review in 2022/2023 the review highlighted further improvements that could be made and these are due to be fully implemented by October 2023. Following this an independent review of the ALR will be undertaken, and has been budgeted for. The ALR is reviewed four times per year by the EMT and twice per annum by the Audit Committee. The ALR is also reported annually to the Board in order to assure them of its adequacy.

Governance arrangements are subject to continuing review and development to ensure they remain fit for purpose. Board and Committee membership is reviewed annually in line with the Trust's skills matrix. Compliance with the chosen code of governance and the Regulatory Framework is reviewed annually. The Board has undertaken a skills review, which is periodically updated as part of its appraisal process to ensure that the Board has the right skills mix to effectively manage the Group.

The Group recognises it can make a real difference by working closely with its customers, both tenants and leaseholders, and is committed to co-regulation through its Challenge Group that is formed from a selection of our customers. The Board received reports from the scrutiny panel on the tenancy sign up process and the Trust's approach to the cost of living crisis during the year. The arising actions are monitored by both the Challenge Group and Audit Committee.

In addition to internal audit reports and the reports from the scrutiny panel, the Audit Committee receive a 6 monthly report on the other assurances that are provided throughout the Trust, this includes but is not limited to assurance around gas and electric compliance, treasury advice and pension advice.

External audit provides feedback to the Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit. Annually, a management letter is presented to the Audit Committee after the year end audit and once it has been reviewed it is submitted to the RSH.

Following and In-Depth Assessment in January 2023, the Trust was regraded on 29 March 2023 from G2 to a G1 and maintained its V1 viability grade. This regrading followed further improvements made to address weaknesses identified in the Regulatory Judgement in March 2020, when the Trust had initially been downgraded to G3. The Trust had returned to a compliant G2V1 in September 2021.

GOING CONCERN

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place, following a successful refinancing exercise in 2023, long-term debt facilities (£138m) that will provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan that shows that it can service these debt facilities whilst continuing to comply with lenders' covenants for the next 30 years.

An assessment of the impact on our financial capacity was undertaken as part of the 30 year business plan review. Stress tests were conducted, that were linked to the Trust's Strategic Risk Register – these included multi-variant testing around economic collapse; the test showed that this would break the business plan, but the Trust has mitigations in place that can address the issues. This demonstrated that the financial impact could be managed within the approved business plan and that we have sufficient liquidity to manage the risks. The Group has been compliant with loan covenants throughout the period and remains compliant based on the revised forecasts noted above.

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE BOARD (continued)

STATEMENT OF THE RESPONSIBILITIES OF THE BOARD FOR THE REPORT AND FINANCIAL STATEMENTS

Board Members' Responsibilities

The Board Members are responsible for preparing the Report of the Board and the Financial Statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the Board Members 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 Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the Group and Association'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 and Association'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.

The report of the Board was approved by the Board on 7th September 2023 and signed on its behalf by:

DocuSigned by:

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Jennifer Hayball
Company Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT

OBJECTIVES AND STRATEGY

During the year the Trust consulted with tenants and other stakeholders to establish a new 2023-2028 Corporate Plan. The new corporate plan was approved by the Board at its meeting in January 2023.

The Board agreed that the Group's purpose is to be to "Working together to provide safe homes and thriving communities".

The Trust will deliver this by focussing on the following priorities:

Corporate Objective	Delivered By:
Be a Great Landlord	<ul style="list-style-type: none"> • Listen to what our customers tell us, treat them with respect and act on what they say. • Make sure our homes meet our customers' needs and support them to make a success of living in their home. • Be easy to deal with and keep our customers in the picture. • Invest in customers' homes to make them energy efficient, comfortable, safe and affordable. • Be clear about our services and what our customers responsibilities are. • Maintain and repair our customers' homes, being clear about what we will do and when we will do it. • Work with our customers to reduce the carbon footprint of their home. • Provide our customers with a range of ways for them to hear from us and comment on what we do.
Be a Resilient Organisation	<ul style="list-style-type: none"> • Think about the social impact of everything we do. • Be a profit for purpose business for the benefit of our customers. • Make sure our colleagues are well-equipped to do the right thing for our customers and the Trust. • Embrace change, be agile and look for improvements wherever we can. • Use our resources to make sure our customers get value for money for their rent. • Work with the right partners to help tackle environmental and social challenges. • Invest our money wisely so that we can continue to provide affordable home. • Have the right systems and checks in place so we can prove that we are being transparent and responsible.
Create Great Places to Live	<ul style="list-style-type: none"> • Provide homes that are right for our business, our customers and our neighbourhoods. • Provide homes that are energy efficient and safe. • Work with our customers and others to create thriving neighbourhoods that they are proud to call home. • Work with our customers, and trusted partners, to support their health and wellbeing. • Engage with our customers in their community, to focus on the issues that matter most to them.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (CONTINUED)

Our objectives are delivered by inspiring and engaging our staff to deliver great services and exhibiting the Group's values:

- **We are one team with 1 goal** - We are open and honest with each other so that we can work together to make things better for our customers and the Trust. We do not work in silos.
- **We are solution focused** - We come up with ideas and find answers and efficiencies wherever we can. When we mess up we say sorry, learn from it, fix it and crack on. We act and keep things moving.
- **We think like a customer, act like a business owner** - We take pride in our homes and our work and we give our customers the service and value for money we'd expect ourselves. We always try to do more with less.
- **We do the right thing** - Even when no-one is looking and we speak up if something doesn't feel right – even when that means a tricky conversation. We don't leave loose ends or unfinished work for someone else to sort out.
- **We respect and celebrate our differences** - We are fair and we respect our differences so that we all thrive and feel at home – at work.

The Trust's values have been revised during the year following consultation with the Board, staff and involved tenants. These are used together with the Trust's 'leadership principles' to demonstrate how we will go about delivering the objectives in our strategic plan. Our staff recruitment and accountability systems are structured around the values and principles, making them a fundamental part of working at the Group.

Our leadership principles

- Lead as you would like to be led.
- Know your people, make your best better.
- Have backbone, challenge, support and commit.
- There are times when you need to be prepared to muck in.
- Keep in touch, it is good to talk.

The values and leadership principles are supported by a full competency framework and this is reinforced through frequent catch-up conversations between managers and staff, recognising when the values are being demonstrated and when they are not. These catch-ups are formally documented twice in the year at the completion of personal development reviews.

Performance during the Year, by Corporate Priority

The Board has agreed a revised list of KPIs which it keeps under review. In order to ensure that the Board does not lose sight of some key performance areas, triggers have been set for some additional operational performance indicators that are important to the Board. If the trigger is hit, the PI will be escalated and reported to Board as part of our performance pack.

The review below details the key results for the 2022/2023 year

BE A GREAT LANDLORD	March 2022 Result	March 2023 Result	2022/2023 Target	2023/2024 Target
% asset compliance indicators where targets are met	78%	79.5%	100%	100%
% current tenant rent arrears	1.07%	1.18%	2.39%	2.01%
% first time fix repairs	94%	90.2%	92%	93%
% of complaints resolved within agreed timescales	96%	99.5%	100%	100%

Source – Year end Board Report

The Board recognises that to be a great landlord we need to build on strong foundations and there are key measures that relate to income, safety and customer service that the Board has chosen to monitor directly going forward.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (CONTINUED)

The % asset compliance indicators met are those indicators where we have proven every component within our stock is safe (i.e. the required checks or servicing has taken place). The Foundations project ensured all relevant documentation is retained by the Trust and is up to date. Although, only 79.5% of components had had all checks and servicing completed of the 12,579 services required to be completed at 31 March 2023, 12,523 were done; this is a completion rate of 99.56% (2022 - 99.2%)

The Trust has maintained excellent performance around arrears, despite the challenges that the cost of living crisis has brought.

Following the publication of the revised Housing Ombudsman’s complaints handling code, the Group revised its complaints policy. This has led to a greater number of complaints being recognised by the Trust. The Trust has introduced the measure of complaints received and responded to within timescale. The Trust completed all but one complaint within timescale during the 2022/2023 financial year.

In addition to complaints, the Board has monitored the repairs first time fix, performance is below the stretching target set and the result means we failed to deliver first time fix for 471 repairs from the 4,746 completed (these figures excludes emergency, out of hours and planned repairs). Performance against this indicator has been impacted by staff vacancies following the Trust receiving a number of resignations. The Trust believes that there are improvements to be made for next year and believes the 2023/2024 target is achievable.

BE A RESILIENT BUSINESS	March 2022 Result	March 2023 Result	2022/2023 Target	2023/2024 Target
EBITDA – Finance Covenant	1.67	1.92	1.76	1.33
Overdue Audit actions	4	8	0	0
Number of reportable incidents (RIDDOR)	1	1	0	0

Source – Year end Board Report

The Board recognises that in order to be able to “Help Improve Lives” it must ensure that the underlying business model is robust and resilient to change and, that where necessary improvements are identified, they are implemented. A key measure identified to assist with this is ensuring any audit recommendations are implemented within agreed timescales. This is then coupled with ensuring the Trust has financial security and that financial covenants are met.

Earnings before interest, tax, depreciation and amortisation (EBITDA) is the tightest of the Trust’s loan covenants. This measure is set as one of the Trust’s Golden Rules. The result for 2023 is better than the target. This is due to an increase in Right To Buy (RTB) income following final year-end calculations, and costs that have favourable variances to the budget position. These includes pension costs of £165k, service charge costs of £278k and bad debt provision of £132k.

The Trust has 8 overdue audit actions at the year end; 7 of these had expected completion dates of 31 March 2023 and were all completed in April. The other action relates to commercial properties and is reliant on a third party to complete.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

FOR THE YEAR ENDED 31 MARCH 2023 STRATEGIC REPORT (continued)

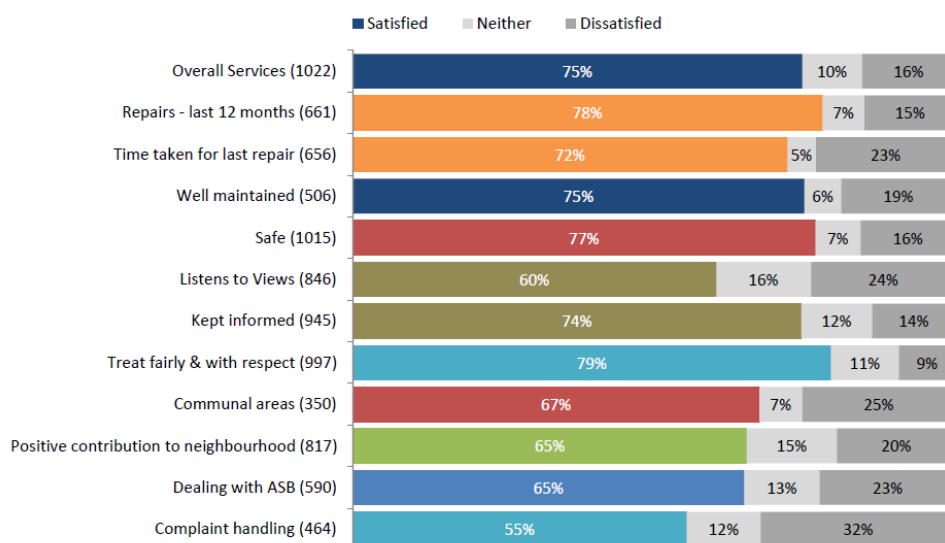
OBJECTIVES AND STRATEGY (CONTINUED)

CREATE GREAT PLACES TO LIVE	March 2022 Result	March 2023 Result	2022/2023 Target	2023/2024 Target
Number of residential properties vacant for over 8 weeks	7	4	30	4
No of properties below EPC level D *	754	134	708	n/a
% customer satisfaction with ASB resolution*	90%	68.8%	80%	n/a
Number of new home completions*	38	67	13	n/a
Number of properties below Decent Home Standard	8	12	0	0

Source – Year end Board Report

The Board recognises that “Great Places to Live” means not only providing new homes but ensuring our existing homes are well maintained, energy efficient and do not have a negative impact on the environment. Our indicator to measure the energy efficiency of our homes will change for 2023-24 as we will monitor the number of properties below EPC level C e rather than those below EPC level D; our target for the number of properties below EPC level C is set at 2259.

The Group measures customer satisfaction with ASB resolution; performance against this indicator dropped in the final month of the year as half of the respondents in the month were dissatisfied with the case outcome. This indicator will continue to be reported through the triggers, however, the Board will now measure overall customer satisfaction as its KPI and this will be taken from the quarterly tenant satisfaction measures (TSMs). The Trust has been collecting the TSMs through 2022/2023, the following details the results (figures in brackets show the number of responses):



The Board will receive a quarterly report on TSMs for 2023/2024.

At the year end the Trust had 4 properties for letting, that had been vacant for over 8 weeks, one was a fire damaged property which required wide ranging voids work the other 3 were hard to let properties which had had a number of refusals. All have now been let. This measure excludes void properties which are not currently available for let either because they are being used as a decant or because they are subject to financial appraisal.

Properties below the Decent Home Standard are reported to Board via the regular investment report. At the year end the Trust had 12 properties that were below the Decent Home Standard. Four of these properties are included as failing the Decent Home Standard because they have a Standard Assessment Procedure (SAP) score below 35. Two are tenanted and require tenant decants to complete the necessary work. Two of these properties have foundations failures that are currently subject to an insurance claim and 5 relate to a roof repair which is subject to an on-going NHBC claim. The other two are currently void and subject to structural repairs.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

FOR THE YEAR ENDED 31 MARCH 2023 STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES

Throughout the year the Audit Committee and the Board have continued to work to strengthen the risk and control framework of the Group. This risk appetite statement is reviewed annually by the Board, and this was given a full review at the Board away day in December. At its February meeting the Audit Committee considered the stress testing that needed to be undertaken on the Business Plan and at the meeting in May the mitigations available to address any future impacts on the finances of the Group were reviewed. The Board recognises its duty to safeguard the assets of the Group and believes that financial strength is the key to the delivery of other objectives.

The risk register adopted by the Board includes details of directive / preventative controls together with detective / corrective controls in place. Additionally, we have identified assurance that Board can gain from three lines of defence. At each Audit Committee meeting, a “deep dive” is undertaken on a different strategic risk, during the year the Audit Committee reviewed the risks relating to customer voice; loss or breach of data, adverse economic climate impacting customers’ ability to pay and an inability to maintain property numbers. The Audit Committee confirmed that it was assured with the controls in place to detect and mitigate each of these risks. A strategic risk register is maintained that details the key risks that impact the Group. This is annually reviewed against the sector risk profile. In addition, operational risk registers are maintained across the Group and specific risk assessments undertaken. Risk training has been delivered to all staff in the year. Risks are assessed to establish the most significant items by reference to both their impact on the organisation and their likelihood of occurrence. The risk register is included on all Board meeting agendas so the Board can assess any changes arising from papers presented to it.

Risk Appetite Statement

The Board accepts that the Group cannot achieve its objectives or purpose without taking some risks. The risk appetite has been revisited in the year and the Board has identified its appetite against eleven separate risk drivers. The most recent review of risk appetite has seen the Board’s appetite for merger and financial viability move away from cautious to open. Each appetite has been defined as follows:

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

Risk Driver	Appetite (Averse, Minimal, Cautious, Open, Hungry)	What this means to P&P
Merger	Open – Willing to consider all merger options and if appropriate adopt an option that is most likely to succeed with good rewards and is in line with Mergers Protocol.	<=12
Diversification / Innovation / Investment (Non-core)	Cautious - Preference for safe options that may have some limited risks and rewards.	<=9
Development	Open - Willing to consider all development options and adopt the ones most likely to result in success.	<=12
Financial Viability	Open - Prepared to undertake options which may deliver a major loss, 1.01% - 3% of financial income.	<=12
Asset Investment / Disinvestment	Open - Willingness to consider all asset investment options adopting those most likely to succeed and provide largest return.	<=12
Reputation / Customer / Stakeholder	Open - Prepared to face some major adverse publicity as long as rationale outweighs the potential impact to customers or the business.	<=12
Governance and control (including Data)	Minimal - undertaking "safe" options that have low degrees of inherent risk around our governance rating	<=5
Health & Safety and Asset compliance	Minimal - Undertaking "safe" options that have low degrees of inherent risk around H&S and asset compliance. The risk is unlikely but theoretically possible.	<=5
VFM	Open - Willing to consider all options adopting those most likely to deliver success and reasonable VFM savings.	<=12
Environmental	Cautious - Will adopt proven options where it can be evidenced there is some positive impact on the environment.	<=9

The appetite will be reviewed on an annual basis.

For key strategic risks, controls will be put in place to reduce, where possible, the likelihood and the impact of each risk occurring, taking into account the costs and benefits of controlling, transferring or reducing those risks. Risks are scored on a scale of 1 to 5 for both likelihood and impact, both before and after controls and the results multiplied together to arrive at a risk score. Where possible the Group will look to reduce its risks to below the appetite identified by the Board.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

Golden Rules

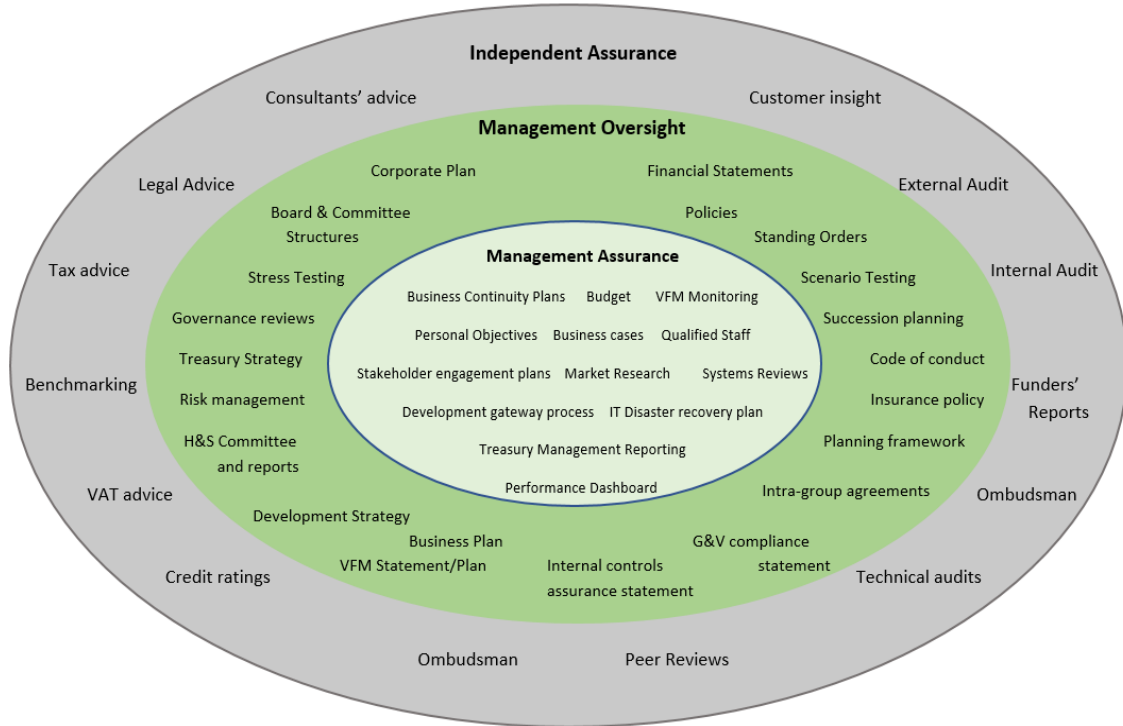
The Group has a number of golden rules that will ensure its financial strength can be maintained. These rules act as early warning indicators for any issues. The re-financing completed in the year has seen the net debt per unit covenant has been replaced with Housing Properties at Cost (HPAC), and there is now an asset cover ratio. The rules are noted below:

Golden Rules	2022/2023
	Actual
1. Forecast interest cover (EBITDA-MRI/Interest) will be 1.20 or more for all years of the financial plan.	1.92
2. Floating/variable interest rate debt will not exceed 30% of the total outstanding debt for the first two years of the financial forecast plan.	11.43
3. Funding will be arranged 18 months in advance of need forecast by the approved financial plan.	Yes
4. The total drawn plus accessible funding will be at least 5% higher than the peak debt.	Yes
5. There will be sufficient liquidity to cover the next 3 months forecast operating costs.	Yes
6. Asset cover ratio will be a minimum of 110% for council properties and 130% for other properties.	183%
7. Housing properties at cost will not exceed 60%.	36%

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

We have identified the full range of assurance available to the Board in managing risks and the graphic below shows these grouped into Management Assurance methods, Management Oversight and a range of Independent Assurance.



The Audit Committee receives an annual assurance plan that details the assurance provided by third parties, some of this takes the form of advice and support, whilst others provide specific outputs which are reported and monitored across the Trust. The assurance plan also details if there is an output from the review and where it will be reported. The Audit Committee is asked to confirm that it is happy with the level of scrutiny given to each assurance report. Any actions arising from any of the assurance reports are managed through the Pentana system, which has been introduced to better manage and monitor internal audit actions.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)****RISKS AND UNCERTAINTIES (continued)**

The Strategic Risk Register risks are rated for their likelihood and impact before and after controls and mitigations are put in place. The risks identified in the Strategic Risk Register are listed below ordered by the risk score before controls:

STRATEGIC RISK REGISTER	Inherent Risk	Mitigation overview	Residual Risk
Health & Safety - Staff and Customers. The risk that an individual is injured as a result of insufficient H&S controls and monitoring at any Peaks & Plains site - offices, stock or development causing an individual to be injured or a breach in compliance relating to a downgrade.		The Group has ongoing monitoring of all asset compliance and H&S KPIs, along with strong policies and procedures. Training is provided at all levels. The Group has an ongoing Foundations project that is addressing issues in this area. Once this is completed and the Group has fully implemented its H&S management system the residual risk should be brought to a more acceptable level.	
Data integrity & accuracy undermining confidence in internal reports & Regulatory returns accuracy, potentially leading to a downgrade in our Governance rating. Also impacting on decision making.		The Group's data is held in a central data hub. There are a number of policies and procedures in place. Control processes are in place to monitor data quality and all new team members are aware of their responsibilities around data.	
Poor Governance leads to a regulatory downgrade impacting our ability to obtain funding and impacting our reputation across the sector.		The Group has a suite of policies in place which comply with the regulatory standards and annual self-assessments are completed against the standards. The Group maintains a full risk management framework and a detailed asset and liabilities register. Regular reports go to Governance Committee around the main themes arising from any published regulatory judgements.	
Environmental, risk that the business is not minimising its impact on the environment and will fail to meet Board and government targets. Leading to possibility of being unable to allocate empty properties that do not meet the required EPC standard.		During the recent stock condition survey the Group has now obtained SAP ratings for 98% of its stock. The Board approved an environmental strategy in 2021.	
Safeguarding - Failure to meet legislative requirements around safeguarding. Putting our staff and customers at risk of harm.		The Group provides all staff with training, both at induction and annual refresher training. Clear policies and procedures are in place and there are strong links to partnership working.	

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

STRATEGIC RISK REGISTER	Inherent Risk	Mitigation overview	Residual Risk
Stock investment: Stock is not managed and maintained, Housing Quality is not maintained leading to a breach of decency standards; high voids and reputational damage. Also increased disrepair claims.		The Group has completed a 96% stock condition survey during the year and its staff are trained to detect issues. The Group has effective procurement and contract management, and the annual programme of investment is mapped against a decent homes report to ensure any properties coming out of decency are included in the programme of work.	
Key change to the political, social or economic environment, leading to an impact on rental income, costs and salaries, putting pressure on loan covenants, or impacting pension liabilities.		The Trust uses the golden rules as early indicators of potential impact. The Business Plan also uses prudent assumptions and is stress tested for extreme scenarios. The Trust also has a significant amount of debt on fixed rates of interest. There is regular reporting on material costs to identify areas of concern.	
Poor data governance leads to a loss or disclosure of essential or sensitive data.		Training is provided to all staff around data protection, internet security and phishing, the business case process includes data protection impact. Data sharing agreements with suppliers indemnify the Group from external breaches. In addition the Group has policies for GDPR and security.	
Community Safety - Failure to meet legislative and regulatory requirements around community safety, ASB and safeguarding. Putting our staff and customers at risk of harm.		ASB and safeguarding procedures in place. Processes for reporting safeguarding concerns and regular training for operatives. Safeguarding training to all staff as part of the induction process. Qualified and well trained community safety teams and regular reporting via KPI's.	
Adverse economic climate impacting on customers' ability to pay their rent. Risk of significantly reduced income caused by the continued roll out of universal credit.		The Group use their Golden Rules as an early warning, and a significant amount of funding is fixed reducing the impact of any changes in interest. The potential impact has been stress tested in the business plan and a mitigation plan established.	
Should the Trust fail to listen effectively to customers views (e.g., complaints, satisfaction surveys, engagement events and other feedback), we will lose opportunities to improve services and increase customer satisfaction.		The Board has approved the Customer Voice Strategy, which includes the review of the Groups residential involvement groups. New Groups have been established in the year.	
That we are unable to maintain or increase property numbers, causing issues with refinancing and the building of communities.		Housing properties at cost has been set as a golden rule and is monitored by the Board. We have a fully funded development plan and we sensitivity test the number of Right to Buys in our Business Plan.	

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

The risks comprise the Board's assessment of risks that could affect the business, which has been informed by the Regulator's 2022 Sector Risk Profile report.

Currently the Group is aware that there are some areas on its Strategic Risk Register where the risk is not within its appetite level. The Board is working with the Executive team to properly address these issues and further strengthen its risk and control framework. All risks where the residual risk is above the risk appetite have had actions identified and these are included on all reports to Board and Audit Committee.

FINANCIAL PERFORMANCE

We are reporting a surplus for the year of £1.2m (2021/2022: £2.2m). Our financial performance has exceeded our lenders' covenants and has exceeded the results of the budget and the forecast.

The table below summarises the overall results of the Group:

	2023	Restated
	£000s	2022
		£000s
Turnover	31,538	27,743
Operating costs and cost of sales	(23,478)	(21,764)
Operating surplus	8,060	5,979
Operating surplus % of Turnover	25.56%	21.55%
Net interest charges	(6,833)	(3,813)
Surplus for the year before tax	1,227	2,166
Taxation	(11)	(14)
Total Surplus for the Year	1,216	2,152

Turnover has seen an increase from 2022 due to the rental increase of 4.1% and there has also been £2.3m of shared ownership income this year from sales at Bridgemont and Crossings. Operating costs and costs of sales have also seen an increase. £2.1m is cost of sales relating to the shared ownership units with the remainder being an increase in operating costs. There has been £1.7m spent on fire remedial works, an increase of £900k compared to the previous year and costs overall have seen an increase during the year due to the current economic climate. The £1.7m of fire remedial works have been excluded from the loan interest cover calculation, in addition to £644k of capitalised fire safety works. Net interest charges have increased from the previous year due to the re-financing exercise that has taken place that resulted in break costs due to the repayment of some of the existing facilities.

The detailed results for the year are set out in the financial statements on pages 30-77.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

FOR THE YEAR ENDED 31 MARCH 2023 STRATEGIC REPORT (continued)

FINANCIAL PERFORMANCE (Continued)

Capital structure

Borrowings at 31 March 2023 were £87.5m (2021/2022: £76m). This is detailed in the table below.

	2023		2022	
	Available facility £m	Drawn £m	Available facility £m	Drawn £m
Barclays Loan Facility	65	35	95.0	72.00
Barclays Overdraft Facility	0.5	-	0.5	0
Aviva	72.5	52.5	-	-
Warrington Borough Council loan	-	-	25.0	4.00
Total facilities	138	87.5	120.5	76.00

On 7 July 2022 a re-financing exercise was completed with the new funding facility now £138m. This consists of £72.5m through a private placement with Aviva on fixed rates of interest and £65.5m with Barclays, split between fixed and variable rates of interest. The refinancing exercise repaid the loan from Warrington Borough Council.

The Barclays loan facility, following refinancing, is now £65m. This includes a revolving credit facility (RCF) of £30m, an increase of £5m from the previous funding facility. There is £25m on fixed rates of between 6.37% and 6.7%, and a further £10m on a variable rate linked to SONIA with a margin of 1.35%. At 31 March 2023, the RCF has not yet been drawn on.

The Aviva loan facility of £72.5m, comprises of 3 tranches:

- Tranche A £25m senior secured notes, coupon rate 4.2% settlement date 7 July 2022 due 2042;
- Tranche B £20m senior secured notes, coupon rate 4.81% settlement date 7 July 2023 due 2048; and
- Tranche C £27.5m senior secured notes, coupon rate 4.72% settlement date 7 July 2022 due 2052.

At 31 March 2023, Tranches A and C were drawn with Tranche of £20m due to be drawn in July 2023.

The overdraft facility is used to manage very short-term cash flow and was not used during the year.

At 31 March 2023, £77.5m of the total drawn borrowings of £87.5m have interest rates fixed for longer than 12 months. This means only 11.43% (2021/2022: 19.4%) of the debt is exposed to short term interest rate increases, meeting our Golden Rule standard of less than 30% being exposed.

In the financial statements, debt is at amortised cost adjusted to take account of known future increases in interest costs. As at 31 March 2023, this adjustment increases the value of the debt drawn to £89m (2021/2022: £78.9m).

Cash flows

Cash inflows and outflows for the year under review are set out in the Statement of Cash Flows on pages 35-36.

During the year net cash of £13.9m (2021/2022: £10.7m) was generated from operating activities. The main driver for the increase from 2021/2022 is shared ownership sales totalling £2.3m.

Future Developments

The Board have approved the Business Plan for 2023/2024 onwards and the development programme included in the plan provides for a mix of tenures and types of properties. The base plan includes committed sites, proposed sites that are known and have been appraised and some indicative schemes with no current sites identified. There are currently no committed schemes within the plan, however there are several schemes where contracts are due to be signed in early 2023/2024. Overall, we are planning to invest £76m by the end of 2028 in the development of c. 350 new homes.

We invested £2.4m in new affordable homes during the year. Grants of £51k have been received from Homes England, the remaining costs have been funded through surpluses.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT (continued)

FINANCIAL PERFORMANCE (Continued)

Liquidity

The Group's long term policy is not to hold significant cash balances but to have loan facilities in place to fund future requirements. The Group has a revolving credit facility to complement its fixed loans and enable more flexibility in liquidity to follow the preferred policy of keeping cash balances low.

Loan covenants

The Group is required to comply with a number of covenants set by its lenders. Following the refinancing, covenants are interest cover, asset cover and housing properties at cost. The interest cover within the Barclays loan agreement has an adjusted operating surplus of earnings before interest, tax, depreciation and amortisation with the deduction of major repairs (EBITDA MRI), whilst the Aviva loan agreement has an adjusted operating surplus of EBITDA only.

Pension arrangements

During the year, the Trust participated in four pension schemes; the Cheshire Pension Fund and three schemes with the Social Housing Pension Scheme (SHPS).

The Cheshire Pension Fund is in deficit by £nil (2021/2022: £386k) under Section 28 FRS 102 in the balance sheet. The decrease in liability was principally driven by changes in financial assumptions used to calculate the value of the pension fund based on information from the Administering Authority. Note 27 refers.

The SHPS schemes are in deficit by £628k (2021/2022: £499k) under Section 28 FRS 102 in the balance sheet. Note 27 refers.

Two of the SHPS schemes are defined benefit schemes, which are a multi-employer schemes and the Trust accounts for its obligation on a defined benefit basis.

The Cheshire Pension Fund and SHPS 60th Defined Benefit schemes were no longer offered to staff joining the Trust after July 2019. Colleagues who joined before this date were given 12 months to join these schemes.

From July 2019 a new Social Housing Pension Scheme defined benefits CARE 80th scheme was opened to all staff.

The other SHPS scheme is a Defined Contribution scheme that is used as the auto enrolment option when no other option is selected.

At the end of March 2022, the Trust closed all of its defined benefit schemes to future accrual. The Trust has entered into a deferred debt agreement with Cheshire Pension Fund.

The Trust currently has 90% of the eligible staff enrolled in its pension scheme.

TREASURY POLICIES AND OBJECTIVES

The Trust has a formal Treasury Management Policy, which is reviewed and agreed by the Board every year. The purpose and role of the policy is to establish the framework within which the Trust seeks to protect and control risk and exposure in respect of its borrowings and cash holdings.

The Trust only uses hedging instruments, embedded within the loan agreement, to fix variable rate debt.

The Trust borrows in Sterling and so does not have any currency risk.

Surpluses are invested in financial institutions according to rules that have been approved by the Board. During 2018/2019 the Trust entered into a deposit agreement with Link Treasury Services to receive and facilitate the placement of surplus funds with a deposit bank as instructed by the Trust. This service is still in place and at 31 March 2023 there was £8m placed via this facility, £5m with National Bank of Canada and £3m with Standard Chartered, both two month fixed term deposits, earning an interest rate of 4.20% and 4.19% respectively.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT

In January 2023, following extensive consultation with customers and other stakeholders, the Board approved a new five year corporate plan for 2023-2028 that clearly articulates the Group's objectives:

1. To be a great landlord.
2. To be a resilient organisation.
3. To create great places to live.

The Value for Money (VfM) test in relation to these objectives is how many homes we can build whilst delivering great services at costs that are optimum for our agreed level of service.

We also have a clear understanding that continuing to invest in our homes and making our services more efficient, while also maintaining quality, is essential to protecting our financial returns. Protecting our financial position enables us to deliver more new homes.

The Board monitors a range of Value for Money targets that are linked to the delivery of our Corporate Objectives. Some of these are monitored on a regular basis against a target, whilst others are reported annually as part of the sector scorecard results.

BOARD MEASURED VfM INDICATORS	2021/22 Result	2022/23 Result	2022/23 Target
Rent Collection %	99.6%	99.3%	98.5%
Unpaid rent represents lost value and impacts surpluses, only by maintaining high levels of rent collection can the Group deliver against its corporate plan.			
Re-Investment %	9.4%	6.59%	9.03%
Part of the Regulator's VFM metric this shows how much we are putting back into our current homes.			
New Home Completions	38	67	13
Other ways we measure to make sure we are delivering new homes to help improve more lives.			
Average responsive repair costs	£129	£164	£125
Average planned repair costs	£333	£304	£500
Average void cost	£2,208	£1,893	£2,100
The Group has introduced measures to understand the cost of the repairs and maintenance functions, ensuring we deliver a value for money service this enables us to deliver against all of our strategic objectives.			
Asset performance against NPV	£10,417	£10,230	n/a
The Group use the Social Housing Asset Performance Evaluation (SHAPE) model to measure the average asset performance for the Trust, to ensure optimal benefit is derived from its assets.			
Occupancy %	98.3%	99%	n/a
Occupancy rates demonstrate how efficient the Group is at turning around void (untenanted or empty) properties and at sustaining existing tenancies. Traditionally, landlords have measured this activity through vacancy rates and void rent loss. This measure provides a more positive perspective; looking at the number of homes occupied.			

Our approach to VfM

The Board has an approved approach to VfM, as detailed in its Value for Money Strategy, reflecting the requirements of the revised Value for Money Standard issued by the Regulator of Social Housing. In its Strategy the Board 'recognises that VfM is a golden thread that runs through the Trust's corporate strategy and needs to continue to improve value for money throughout the organisation, in order that we can continue to build homes, whilst delivering great services at costs that are optimum to our agreed level of service'.

For the Group, VfM is about being effective in how we plan, manage and operate our business. It means making the best use of the resources available to us to provide safe, quality homes in our communities backed by high quality services and support.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

Taking account of the Group's current position and the VfM strategic goal, the VfM objectives of the Group are to:

- Deliver more affordable homes and help to create sustainable communities, we are committed to increasing our development strategy with a clear focus on affordable homes; we will develop other tenures in order to support this.
- Ensure that the value of our assets and costs relating to them are well understood and that decisions for investment take both into account. Our approach will detail plans for improving the net present value of our stock portfolio through investment, divestment or tenure change.
- Ensure procurement is planned and used effectively to secure cost savings and/or better services.
- Maintain a rolling plan of service reviews, to identify VfM efficiencies; these reviews will also generate VfM performance indicators so that the effectiveness of the reviews can be measured.
- Direct resources to the right balance between frontline services, maintaining existing assets and providing new homes.
- Embed a VfM culture throughout the organisation. We recognise our people are vital to our success as an organisation and to our ability to deliver VfM across the Trust.
- Improve tenants' involvement in our approach to Value for Money and supporting the wider customer voice in their awareness and understanding of The Trusts approach to Value for Money.
- Maintain customer satisfaction levels, and work with our customers to identify priorities in their neighbourhoods.
- Strengthen our approach to job costing in our repairs and maintenance services to ensure it is robust and enables us to target savings.
- Look to increase digital choice and digitalised services in order to deliver improved operational efficiency for our customers, whilst recognising that digital access will not suit everyone and a range of access methods will always be available. Invest in commercial activity in order to generate a return to fund further investment in the services we provide to our customers.

The Group's new 2023-2028 strategic plan clearly articulates the Group's strategic objectives. During the year the Group also reviewed its values and value for money runs through each of these like a golden thread.

In November 2020 the Board signed off the Development Strategy, which is due for further review in 2023/2024. This clearly outlines what development means to the Group, the development priorities and the approval process for development. This means specific cost controls are in place to monitor outturn predictability and sales margins. Development hurdle rates and assumptions have been set to ensure all developments generate a sufficient return for the Group. In addition Peaks & Plains Devco Limited has been put into operation to enable the Group to maximise VfM in its development activity.

In May 2020, the Board approved the revised Asset Management Strategy, and this is due for review in November 2023. Included in the strategy was the implementation of the Social Housing Asset Performance Evaluation (SHAPE) model, which ensures that we can understand how all of our different asset groups are performing. The strategy also included a review of the cost and quality of delivering repairs, improvements and compliance activities to identify the best delivery model (external contractors or in-house operatives). During the year 3 properties were disposed of after appraisal using the SHAPE model.

The Procurement Strategy was refreshed and approved in November 2020, and is due for review in November 2023. The purpose of this strategy includes the delivery of quality goods and services with value for money outcomes. This strategy and the supporting policy and procedures has driven strong behaviours around procurement allowing us to achieve VfM. Through a combination of direct procurement and the use of frameworks we have reviewed and procured new contracts across the Group to optimise VfM in relation to cost and quality. Work has continued across the Group to strengthen contract management to drive value for money from contractors and optimise performance in this key regulatory area.

The adoption of the Board suite of KPIs is the tool used by the Board to monitor delivery of these objectives. These, together with the VfM metrics required by the Regulator, provides the evidence base as to the delivery or otherwise of VfM. The metrics are regularly reported to Board as part of the Group's financial reporting.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

In agreeing the Board's suite of KPIs, the Board ensures that the KPIs chosen indicate delivery of VfM. In part this may be achieved with the help of benchmarked information from benchmarking groups and other housing associations. Good VfM outcomes are achieved by a combination of top quartile results for outcomes and lowest quartile for costs. The ambition of the targets being set, the rigour in which performance against them is monitored and the way they compare with others will all impact on our VfM delivery.

Key Board decisions with VfM implications are informed by an impact summary included in each Board report. The Board is encouraged to challenge that there has been a rigorous option appraisal taking sufficient account of costs and outcomes. This has been evidenced by the refinancing exercise which was undertaken by the Group during the year.

During the year the Group undertook a refinancing exercise and secured a £72.5m Private Placement from Aviva. This was used to repay £35m to Barclays Bank UK plc, along with £3.6m break costs. In addition, the group repaid £4m debt and associated break costs with Warrington Borough Council. The transaction reduced the Group's weighted average cost of capital and alleviated the pressure on the Group's loan interest covenant as the restated Barclays agreement include a carve out of fire safety spend. In addition, the transaction increases the business plan capacity for development.

To help the Group deliver further VfM savings a VfM steering group has been set up, the terms of reference for the group include, but are not limited to:

- Responsibility for the review and update of the VfM Strategy.
- Oversight of service reviews and monitoring of resulting savings or performance indicators.
- Review of benchmarking reports.
- Deliver training and embed a VfM Culture.
- Value for Money reporting to the Executive Management Team and the Challenge Group.
- Undertake the annual assessment of the Trust against the VfM Standard.

At the end of January 2021, the VfM steering group rolled out a staff suggestion scheme to encourage all staff to work more efficiently, effectively and economically. The steering group continue to monitor these suggestions, and report on savings that may crystallise. Some suggestions can be implemented easily whilst others are added to our project programme for future delivery.

Part of the Group's approach to VfM is our culture of financial prudence; whether that be our salary structure based on median benchmarked spot salaries or the assumptions used in our business planning model.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2023
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

VfM Metrics - performance

	2022 Sector (>1,000 units)	2022 Peer Group	Restated 2022 Group	2023 Group	2023 Group	2024 Group
	Median	Median	Actual	Forecast	Actual	Forecast
Metric 1 – Reinvestment %	6.40%	8.70%	7.73%	9.75%	6.59%	12.77%
Metric 2 – New supply delivered %						
A. New supply delivered (Social housing units)	1.30%	0.80%	0.23%	1.36%	1.28%	0.37%
B. New supply delivered (Non-social housing units)			0.50%	0.00%	0.09%	0.00%
Metric 3 – Gearing %	44.70%	40.50%	52.66%	54.40%	51.14%	53.00%
Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %	147%	185%	128.83%	35.21%	67.57%	90%
Metric 5 – Headline social housing cost per unit (£'000)	4.08	3.99	3.90	4.70	4.52	4.73
Metric 6 – Operating Margin %						
A. Operating Margin (social housing lettings only)	23.70%	21.60%	26.38%	14.89%	22.46%	19.82%
B. Operating Margin (overall)	21.50%	18.00%	19.92%	14.01%	22.59%	22.10%
Metric 7 – Return on capital employed (ROCE)	3.20%	3.40%	3.98%	2.59%	4.86%	3.75%

*The figures to March 2022 have been restated, full details of the restatement are included within Note 36.

The Group is pleased to report our results against the Regulator's VfM Metrics. We have compared our performance for the year with our performance last year and also with the housing sector average and a peer group of 16 similar sized North West registered providers; the figures have been calculated from the 'Global Accounts' published on the Regulator's website.

Metric 1: 'Reinvestment %' this measure looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. This helps to demonstrate that the Group is putting its finances to good use by maintaining and improving stock as well as adding to the asset base. The Group's result for the year is lower than a target of 9.03% due to the delays in the development programme, however, it is in line with the average for the sector.

Metric 2: 'New supply delivered' The Group have delivered 67 units in the year. A number of these units had originally been forecast to complete during 2021/2022 so although the results exceed the sector and Peer Group average, this is a result of development delays.

Metric 3: 'Gearing' measures the ratio of debt to assets using a concept that is similar to mortgage lenders' loan to value ratio. If the result is low, this could indicate that the Group has capacity to leverage its existing assets to provide funds for development or new services. A high ratio could indicate that the Group has taken on too much borrowing, which could put its assets at risk. The Group has a gearing ratio which is higher than both the sector and Peer Group averages; this reflects the borrowing which has been entered into in the year in order to deliver the improvement and development programmes.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

FOR THE YEAR ENDED 31 MARCH 2023 STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

Metric 4: 'EBITDA MRI Interest cover %' is an approximation of cash generated. The fact that the Peer Group median is higher than the sector median, although they are lower on operating margin, suggests that either their interest payments are significantly lower or that they are spending less on major repairs. The amount spent by any association on major repairs will depend on where it is in its investment cycle. The Group has a low % cover this year due to the re-financing exercise which incurred considerable break costs following early repayment of existing loan facilities.


Metric 5: 'Headline social housing cost per unit' this measure uses components from the Group's financial statements to create a social housing cost figure. This is divided by the number of properties owned and/or managed by the Group for a cost per unit figure that is comparable between different organisations. The Groups cost per unit is higher than 2022 due an increase in capitalised major repairs, £1.9m, mainly due to energy efficiency works. There has also been an additional £900k spent on fire remedial works compared to 2022.

Metric 7: 'ROCE' shows how well the Group is using both its capital and debt to generate a financial return. It is a commonly used ratio to assess the efficient investment of capital resources. It can be influenced by the nature of the organisation's property portfolio (e.g. balance between market and social rent, age of stock, historic debt, basis of valuation). The Group's ROCE for the current financial year exceeds both the sector and Peer Group averages.

Statement of compliance

In preparing this Strategic Report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018.

The strategic report was approved by the Board on 7th September 2023 and signed on its behalf by:

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Jane McCall
Chair

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST 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 2023 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Cheshire Peaks & Plains Housing Trust Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated statement of comprehensive income, the Association statement of comprehensive income, the consolidated and Association statement of changes in reserves, the consolidated statement of financial position, the Association statement of financial position, the consolidated statement of cash flow, the Association statement of cash flow 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 annual report, 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 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.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED (continued)

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 or Community Benefit Societies Act 2014 to report to you if, in our opinion:

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

Responsibilities of the board

As explained more fully in the statement of the responsibilities of the board, 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:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the industry in which it operates;
- discussion with management and those charged with governance; and
- obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Regulator of Social Housing's regulatory standards, employment law, data protection and health and safety legislation.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance and internal audit reports for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be income (excluding social housing rental and service charge income) recognition with regards to completeness, existence and accuracy of income and management override through accounting estimates and inappropriate journal entries.

Our procedures in respect of the above included:

- Testing a sample of income throughout the year to supporting documentation;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the net realisable value of properties developed for sale and the value of defined benefit pension liabilities.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED (continued)

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with 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.



BDO LLP
Statutory Auditor
Manchester, UK

08 September 2023

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

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023 – GROUP**

	Note	2023 £'000s	Restated* 2022 £'000s
TURNOVER	3	31,538	27,743
Cost of sales	3	(2,648)	1
Operating costs	3	(22,234)	(20,838)
Movement in fair value of investment properties	3	467	(1,380)
Surplus on sale of fixed assets - housing properties	3	937	453
OPERATING SURPLUS		8,060	5,979
Interest receivable	7	276	2
Interest payable and other financing costs			
- Loan interest	8	(2,968)	(3,695)
- Break costs**	8	(4,001)	-
- Non utilisation fees	8	(121)	-
- Pension interest costs	8	(19)	(120)
SURPLUS BEFORE TAX		1,227	2,166
Taxation	11	(11)	(14)
SURPLUS FOR THE YEAR		1,216	2,152
Actuarial (loss)/gain in respect of pension schemes	27	(62)	4,723
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,154	6,875

*The figures to March 2022 have been restated, full details of the restatement are included within Note 36.

**The break costs are a result of the re-financing exercise that completed on 7 July 2022. Further details of this can be found in Note 26.

The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

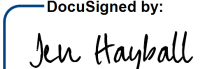
The financial statements were authorised and approved by the Board on 7th September 2023.

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Jane McCall
 Chair

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Simon Leighton
 Board Member

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Jennifer Hayball
 Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023 – TRUST**

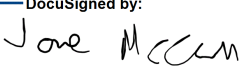
	Note	2023 £'000s	Restated* 2022 £'000s
TURNOVER	3	31,550	27,743
Cost of sales	3	(2,648)	1
Operating costs	3	(22,227)	(20,807)
Movement in fair value of investment properties	3	467	(1,380)
Surplus on sale of fixed assets - housing properties	3	937	453
OPERATING SURPLUS		8,079	6,010
Interest receivable	7	276	2
Interest payable and other financing costs			
- Loan interest	8	(2,968)	(3,695)
- Break costs	8	(4,001)	-
- Non utilisation fees	8	(121)	-
- Pension interest costs	8	(19)	(120)
SURPLUS BEFORE TAX		1,246	2,197
Taxation	11	(11)	(14)
SURPLUS FOR THE YEAR		1,235	2,183
Actuarial (loss)/gain in respect of pension schemes	27	(62)	4,723
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,173	6,906

*The figures to March 2022 have been restated, full details of the restatement are included within Note 36.

**The break costs are a result of the re-financing exercise that completed on 7 July 2022. Further details of this can be found in Note 26.

The association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 7th September 2023.

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Jane McCall
 Chair

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Simon Leighton
 Board Member

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Jennifer Hayball
 Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**STATEMENT OF CHANGES IN RESERVES AS AT 31 MARCH 2023**

	Note	GROUP Income and expenditure reserve £'000s	TRUST Income and expenditure reserve £'000s
Balance at 31 March 2021 restated	28	57,203	57,218
Surplus for the year		2,152	2,183
Actuarial (losses) on defined benefit pension scheme	27	4,723	4,723
Balance at 31 March 2022 restated	29	64,078	64,124
Opening balance adjustment in respect of gift aid		(16)	-
Surplus for the year		1,216	1,235
Actuarial losses on defined benefit pension scheme		(62)	(62)
Balance at 31 March 2023		65,216	65,297

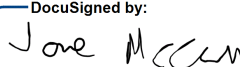
The accompanying notes form part of these financial statements.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
COMMUNITY BENEFIT SOCIETY REGISTRATION NO: 7528
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023 - GROUP

	Note	2023 £'000s	Restated 2022 £'000s
FIXED ASSETS			
Tangible fixed assets – housing properties	12	147,205	143,413
Other tangible fixed assets	13	3,256	2,871
Intangible fixed assets	14	-	-
Investment properties	15	8,711	8,522
Investment	16	7	7
		159,179	154,813
CURRENT ASSETS			
Properties held for sale	19	302	2,446
Trade and other debtors	20	2,064	2,359
Cash and cash equivalents	18	13,211	3,301
		15,577	8,106
CREDITORS: Amounts falling due within one year	21	(7,741)	(12,820)
NET CURRENT ASSETS/(LIABILITIES)		7,836	(4,714)
TOTAL ASSETS LESS CURRENT LIABILITIES		167,015	150,099
CREDITORS: Amounts falling due after more than one year	22	(100,470)	(85,136)
PROVISIONS FOR LIABILITIES			
Defined benefit pension liability	27	(628)	(885)
Other provisions	28	(701)	-
TOTAL NET ASSETS		65,216	64,078
RESERVES			
Income and expenditure reserve	29	65,216	64,078
TOTAL RESERVES		65,216	64,078

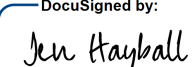
The accompanying notes form part of these financial statements.

The financial statements were issued and approved by the Board on 7th September 2023.

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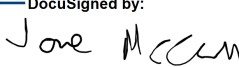
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Jennifer Hayball
 Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
COMMUNITY BENEFIT SOCIETY REGISTRATION NO: 7528
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023 - TRUST

	Note	2023 £'000s	Restated 2022 £'000s
FIXED ASSETS			
Tangible fixed assets – housing properties	12	147,284	143,457
Other tangible fixed assets	13	3,256	2,871
Intangible fixed assets	14	-	-
Investment properties	15	8,711	8,522
Investment	16	7	7
		159,258	154,857
CURRENT ASSETS			
Properties held for sale	19	302	2,446
Trade and other debtors	20	2,064	2,358
Cash and cash equivalents	18	13,208	3,260
		15,574	8,064
CREDITORS: Amounts falling due within one year	21	(7,736)	(12,776)
NET CURRENT ASSETS/(LIABILITIES)		7,838	(4,712)
TOTAL ASSETS LESS CURRENT LIABILITIES		167,096	150,145
CREDITORS: Amounts falling due after more than one year	22	(100,470)	(85,136)
PROVISIONS FOR LIABILITIES			
Defined benefit pension liability	27	(628)	(885)
Other provisions	28	(701)	-
TOTAL NET ASSETS		65,297	64,124
RESERVES			
Income and expenditure reserve	29	65,297	64,124
TOTAL RESERVES		65,297	64,124

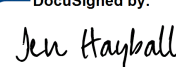
The accompanying notes form part of these financial statements.

The financial statements were issued and approved by the Board on 7th September 2023.

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 Chair

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Simon Leighton
 Board Member

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Jennifer Hayball
 Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 - GROUP**

	Note	2023 £'000s	Restated 2022 £'000s
Net cash generated from operating activities	30	13,768	10,715
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets – housing properties		(9,659)	(12,020)
Purchase of other tangible fixed assets		(298)	-
Proceeds on sale of fixed assets		1,198	1,874
Grants received		85	677
Interest received		276	-
Net cash (used in)/from investing activities		(8,398)	(9,469)
Cash flow from financing activities			
Interest paid		(6,960)	(5,535)
New secured loans		52,500	2,000
Repayment of borrowings		(41,000)	-
Net cash from/(used in) financing activities		4,540	(3,535)
Net change in cash and cash equivalents		9,910	(2,289)
Cash and cash equivalents at beginning of the year		3,301	5,589
Cash and cash equivalents at end of the year	18	13,211	3,301

The accompanying notes form part of these financial statements.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 - TRUST**

	Note	2023 £'000s	Restated 2022 £'000s
Net cash generated from operating activities	30	13,841	11,241
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets – housing properties		(9,694)	(12,029)
Purchase of other tangible fixed assets		(298)	-
Proceeds on sale of fixed assets		1,198	1,874
Grants received		85	677
Interest received		276	-
Net cash (used in)/from investing activities		(8,433)	(9,478)
Cash flow from financing activities			
Interest paid		(6,960)	(5,535)
New secured loans		52,500	2,000
Repayment of borrowings		(41,000)	-
Net cash from/(used in) financing activities		4,540	(3,535)
Net change in cash and cash equivalents		9,948	(1,772)
Cash and cash equivalents at beginning of the year		3,260	5,032
Cash and cash equivalents at end of the year	18	13,208	3,260

The accompanying notes form part of these financial statements.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. LEGAL STATUS

The Trust is registered under the Co-operative and Community Benefits Society Act 2014 and is a Registered Provider of Social Housing. The registered office is Ropewalks, Newton Street, Macclesfield, Cheshire SK11 6QJ.

The Trust has an investment of one share in Peaks & Plains Devco Limited and one share in Peaks & Plains Tradeco Limited, which are both 100% subsidiaries of the Trust at 31 March 2023. Peaks & Plains Devco Limited commenced trading in October 2019 and is a registered company which develops new housing for sale to the group. Separate accounts have been produced for this subsidiary. Peaks & Plains Tradeco Limited has remained dormant during the financial year, and accounts have been produced to reflect this.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Cheshire Peaks & Plains Housing Trust Limited includes the Co-operative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland,” the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounts are prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

The financial statements are presented in Sterling (£).

The Trust is a public benefit entity in accordance with FRS102.

The Trust prepares consolidated accounts since Peaks & Plains Devco Limited began trading in October 2019. The other subsidiary, Peaks & Plains Tradeco Limited, remains dormant.

Disclosure exemptions

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

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Trust would be identical;
- disclosures in respect of the Trust'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 Trust as their remuneration is included in the totals for the Group as a whole.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term debt facilities (£137.5m) that will provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan that shows that it can service these debt facilities whilst continuing to comply with lenders' covenants for the next 30 years.

An assessment of the impact on our financial capacity was undertaken as part of the 30 year business plan review. Stress tests were conducted, that were linked to the Trusts Strategic Risk Register – these included multi-variant testing around economic collapse, the test broke the business plan, but the Trust has mitigations in place that can address the issues. This demonstrated that the financial impact could be managed within the approved business plan and that we have sufficient liquidity to manage the risks. The Group has been compliant with loan covenants throughout the period and remains compliant based on the revised forecasts noted above.

On this basis, the Board has reasonable expectation that the Group has adequate resources to continue in operational

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The following are the significant management judgements made in applying the accounting policies of the Trust that have the most significant effect on the financial statements.

Impairment

With regard to development sites the Trust has estimated the recoverable amount of our housing properties and compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred. Based on this assessment, we calculated the Depreciated Replacement Cost (DRC) of each social housing property scheme, using appropriate construction costs and land prices. Comparing this to the carrying amount of each scheme, there was no impairment of social housing properties.

For sites where development work has not commenced and schemes are still being devised that may or may not be for social housing purposes an independent valuation of each site was undertaken and compared to the value held on the balance sheet. Five future development were valued with two of these sites valued at less than the current Net Book Value (NBV). As part of the impairment review the Board agreed to reduce the NBV for these sites to the independent valuation leading to a reduction of £75k.

The office block is held partly as an investment property. The independent valuation was lower than the previous valuation and as such this has created an impairment on the investment of £199k.

Classification of loans as basic

The Group has a number of loans with Barclays Bank which have a 'two-way break clause' which is applicable where the loan is repaid early and could result in a break cost or a break gain. The loans in question are fixed rate loans. In a prepayment scenario that results in a break gain, the loan agreement provides for the repayment of the capital at par. Any break gain payable by the lender would be in relation to future interest periods only.

Management have considered the terms of the loan agreements and concluded that they meet the definition of a basic financial instrument, as defined by the SORP, therefore are held at amortised cost.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenditure is provided below. Actual results may be substantially different.

Legal claim

The legal claim provision of £701k has been provided for using expert knowledge in the area to provide an accurate measurement of expected future costs. Note 28 provides more detail.

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 Trust engages independent valuation specialists to determine the fair value at each year-end. The valuer uses a valuation technique based on an open market basis. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 15.

The Group classifies investment properties as those built and held for future commercial purpose and not for social purpose. Where a site or property has been purchased with the intention of it being redeveloped in the future, or include affordable housing, it will be held in work in progress in housing properties until the works have been undertaken.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Significant Judgements and estimates (Continued)

Useful lives of depreciable assets

The management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2023 was £63.4m. The carrying amount of the housing properties was £147.3m.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 27). At 31 March 2023 there was a DBO of £21.6m and an accounting deficit of £nil for the Cheshire Pension Fund. In making their estimate of the DBO, management have also considered the impact of the McCloud judgement on the LGPS liability and the impact is included as at 31 March 2023.

A similar estimation of the DBO also applies to the Social Housing Pension Scheme (SHPS) for which a DBO of £3.9m has been recognised and an accounting deficit of £628k.

Basis of consolidation

The Group accounts consolidate the accounts of the association and all its subsidiaries at 31 March 2023 using the purchase method.

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.

Turnover and Revenue recognition

Income is measured at the fair value of the consideration received or receivable. Turnover represents rental and service charge income receivable in year (net of void losses), income from shared ownership first tranche sales and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Development Rental Income

Rental income is recognised from the point when properties under development reach practical completion and are formally let.

First tranche sales

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Service Charges

Service charge income is recognised in the period to which it relates, net of losses from voids. The Group adopts the variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded based on the estimated amounts chargeable.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Turnover and Revenue recognition (continued)

Sinking Funds

Sinking funds are monies held on behalf of leaseholders for future major repairs; they are recorded in creditors in the balance sheet and the monies are held in separate bank accounts

Management of units owned by others

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

Other Income is recognised as receivable on the delivery of services provided.

Current and deferred taxation

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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, branches 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 values 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. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end date is included as a current liability or asset.

Interest payable

Interest payable on borrowings is charged to the statement of comprehensive income net of any interest capitalised to development schemes in the year in which it is incurred.

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

- a) interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
- b) a fair amount of interest on borrowings of the association as a whole after deduction of Grant received in advance to the extent that they can be deemed to be financing the development programme.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Loans, investments and short term deposits

All loans, investments and short term deposits held by the Group meet the definition of basic financial instruments as described in FRS102. These instruments are initially recorded at transaction price less any transaction costs (historical cost).

They are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and investments that are payable or receivable within one year are not discounted.

Pension costs

The Group participates in the Cheshire Pension Fund and both the defined benefit and defined contribution sections of the Social Housing Pension Scheme (SHPS).

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

The difference between the fair value of the assets held and the scheme's defined benefit obligation (DBO) measured on an actuarial basis using the projected unit method are recognised in the Group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Current service cost and costs from settlements and curtailments and past service costs are charged against operating profit. Past service costs are spread over the period until the benefit increases. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in other comprehensive income.

The Group's employees ceased to accrue new benefits in the Cheshire Pension Fund from 31 March 2022. Instead, these employees were able to join the defined contributions section of SHPS. The Group has agreed a Deferred Debt Agreement with the Fund and remains responsible for funding benefits accrued until 31 March 2022. As no new benefits are accruing, the service cost from 2022/2023 onwards will be zero (except any Fund expenses not accounted for elsewhere). A curtailment credit was accounted for as at 31 March 2022.

The Group's employees ceased to accrue new benefits in the defined benefit section of SHPS from 31 March 2022. Instead, these employees were able to join the defined contributions section of SHPS. The Group remains responsible for funding benefits accrued until 31 March 2022. In addition, some employees maintain a link to final pensionable salary for accrued benefits while employed by the Group. As no new benefits are accruing, the service cost from 2022/2023 onwards will be zero (except any scheme expenses not accounted for elsewhere).

Employee Benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period to which they are incurred.

Holiday pay accrual

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

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal to a formal detailed plan to terminate employment.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill relates to the excess of the fair value of the consideration paid to Macclesfield Borough Council (MBC) over the fair value of the identifiable assets and liabilities acquired, including the net defined benefit scheme deficit, at the date of transfer from MBC. The consideration paid to MBC equated to the value of the net assets acquired excluding the net defined benefit scheme deficit. As a result, goodwill arose that was equal to the present value of the defined benefit scheme assets compared to the fair value of the defined benefit scheme deficit as at the date of transfer from MBC.

Goodwill is amortised on a straight-line basis over the period calculated by reference to the difference between the average age of employees in the scheme and their expected retirement age that equated to 14 years and completed its amortisation in July 2020. Therefore no charge has been applied for 2022/2023. The available transitional relief has been taken not to restate goodwill on conversion to FRS102.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period and, directly attributable administration costs.

Interest payable on borrowing that has been drawn in order to finance the relevant construction or acquisition is capitalised. Where housing properties are in the course of construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

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

Mixed developments are held within fixed assets – housing properties and accounted for at cost less depreciation.

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

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets, which is included in the operating surplus for the year in the statement of comprehensive income.

Depreciation of housing properties

Housing land and property is split between land, structure and other major components that are expected to require replacement over time with substantially different economic lives.

Land is not depreciated on account of its indefinite useful economic life.

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate.

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

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Depreciation of Housing Properties (Continued)

Housing properties are split between the structure and the major components that require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life on a straight-line basis as follows:

Housing Properties

Structure - New Build	100 years	Structure - Transfer Stock	60 years
Lifts	30 years	Roofs	50 years
Electrical systems	30 years	Windows & Doors	30 years
Kitchen	20 years	Bathroom	30 years
Heating & Boilers	15 years	Energy Efficiency	20 years
Programme Fees	10 years	Environmental	10 years
Other	5 years	Freehold land is not depreciated.	

Any difference between the historical annual depreciation charge and the annual depreciation charge on assets carried at deemed cost is transferred to the revaluation reserve for the asset concerned until that reserve is depleted

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last reporting date in the pattern by which the group expects to consume an asset's future economic benefit.

Shared ownership properties and staircasing

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

Low cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is classed as Fixed Assets – Housing Properties and included in completed housing property at cost less depreciation and any provision for impairment. Sales of subsequent tranches are treated as a part disposal of property and included in operating surplus. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

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

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

Other tangible fixed assets

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

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

When a property ceases to meet the definition of an investment property the deemed cost for subsequent accounting as property, plant and equipment shall be its fair value at the date of change in use.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Depreciation of other tangible fixed assets

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

The principal estimated useful economic lives used for other fixed assets are:

Fixtures & Fittings	15 years	Computer and office equipment	3 years
Plant, Machinery and Vehicles	3 years	Freehold/leasehold properties	40 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Impairment

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

An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options.

The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use. No properties have been valued at VIU-SP.

The Group defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value, an impairment is recorded through a charge to income and expenditure.

Investment properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

Investments

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in the statement of comprehensive income for the period. The Group holds shares in the Gawsorth Community shop, which is classed as a community investment.

Government grants

Government grants include grants receivable from Homes England (and its predecessor bodies), local authorities and other government organisations. Government grants received for housing properties are carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received using the accrual model set out in FRS 102 and the Housing SORP 2018.

For shared ownership properties the UEL is determined by reference to the average time period for shared ownership properties to be fully staircased.

Where a social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Government Grants (Continued)

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

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Group is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as deferred income.

Recycled Capital Grant Fund

The RCGF is an internal fund within the accounts used to recycle historic grant following relevant events outlined in the Recovery Determination, a legal document setting out Homes England's principles for the recovery of grant. Balances accrued within this fund will have interest applied and be spent in accordance with Homes England Guidance. The existing balance at year end will be carried forward as a liability until spent or repaid if not spent within a three-year period.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Stock (Properties held for Sale)

Stock represents work in progress and completed shared ownership properties where the value held as stock is the estimated cost to be sold as a first tranche.

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

An assessment of net realisable value is made at each reporting date. When a write-down is required it is immediately recognised in the statement of consolidated income.

On disposal, sales proceeds are included in turnover and the cost of sales including costs incurred in the development of the properties, marketing and other incidental costs are included in cost of sales.

Debtors

Short term debtors, including tenant arrears, are measured at transaction price less a provision for amounts considered unlikely to be received.

Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised costs using the effective interest method.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty upon notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Loans

As of 1 January 2022 most LIBOR rate setting has been terminated. Any loans indexed to LIBOR previously should for future periods be indexed to SONIA. PPHT amended all loans from LIBOR to SONIA in the previous financial year.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Leased Assets Lessee

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

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

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Trust recognises annual rent expense equal to amounts owed to the lessor.

Any lease incentives received are recognised over the term of the lease as an integral part of the total lease expense.

Leasehold Sinking Funds

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

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in profit or loss in the period it arises.

Contingent liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)**3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – GROUP**

	Turnover	Surplus on sale	Fair value movement	Cost of sales	Operating costs	Operating surplus
	2023	2023	2023	2023	2023	2023
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Social housing lettings	28,159	-	-	-	(21,835)	6,324
Other social housing activities						
First tranche low cost home ownership sales	2,263	-	-	(2,141)	-	122
Support Services	43	-	-	-	(36)	7
Surplus on sale of fixed assets - housing properties (Note 6)	-	937	-	-	-	937
Movement in fair value of investment properties (Note 15)	-	-	467	-	-	467
Other	150	-	-	-	(363)	(213)
	30,615	937	467	(2,141)	(22,234)	7,644
Non-social housing activities						
Other	923	-	-	(507)	-	416
Total	31,538	937	467	(2,648)	(22,234)	8,060

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – GROUP (continued)**

	Turnover	Surplus on sale	Fair value movement	Cost of sales	Operating costs	Operating surplus
	2022 Restated	2022 Restated	2022 Restated	2022 Restated	2022 Restated	2022 Restated
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Social housing lettings	26,754	-	-	-	(19,695)	7,059
Other social housing activities						
First tranche low cost home ownership sales	-	-	-	1	-	1
Support Services	45	-	-	-	(27)	18
Surplus on sale of fixed assets - housing properties (Note 6)	-	453	-	-	-	453
Movement in fair value of investment properties (Note 15)	-	-	(1,380)	-	-	(1,380)
Other	319	-	-	-	(735)	(416)
	27,118	453	(1,380)	1	(20,457)	5,735
Non-social housing activities						
Other	625	-	-	-	(381)	244
Total	27,743	453	(1,380)	1	(20,838)	5,979

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – TRUST (continued)**

	Turnover	Surplus on sale	Fair value movement	Cost of sales	Operating costs	Operating surplus
	2023 £'000s	2023 £'000s	2023 £'000s	2023 £'000s	2023 £'000s	2023 £'000s
Social housing lettings	28,159	-	-	-	(21,835)	6,324
Other social housing activities						
First tranche low cost home ownership sales	2,263	-	-	(2,141)	-	122
Support Services	43	-	-	-	(36)	7
Surplus on sale of fixed assets - housing properties (Note 6)	-	937	-	-	-	937
Movement in fair value of investment properties (Note 15)	-	-	467	-	-	467
Other	150	-	-	-	(356)	(206)
	30,615	937	467	(2,141)	(22,227)	7,651
Non-social housing activities						
Other	935	-	-	(507)	-	428
Total	31,550	937	467	(2,648)	(22,227)	8,079

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – TRUST (continued)**

	Turnover	Surplus on sale	Fair value movement	Cost of sales	Operating costs	Operating surplus
	2022 Restated £'000s	2022 Restated £'000s	2022 Restated £'000s	2022 Restated £'000s	2022 Restated £'000s	2022 Restated £'000s
Social housing lettings	26,754	-	-	-	(19,695)	7,059
Other social housing activities						
First tranche low cost home ownership sales	-	-	-	1	-	1
Support Services	45	-	-	-	(28)	17
Surplus on sale of fixed assets - housing properties (Note 6)	-	453	-	-	-	453
Movement in fair value of investment properties (Note 15)	-	-	(1,380)	-	-	(1,380)
Other	319	-	-	-	(704)	(385)
	27,118	453	(1,380)	1	(20,427)	5,765
Non-social housing activities						
Other	625	-	-	-	(380)	245
Total	27,743	453	(1,380)	1	(20,807)	6,010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)**3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES – GROUP (continued)**

	General needs 2023 £'000s	Supported housing & housing for older people 2023 £'000s	Low cost home ownership 2023 £'000s	31 March 2023 £'000s	31 March 2022 Restated £'000s
Rent receivable net of identifiable service charges	21,428	5,512	313	27,253	26,119
Service charge income	435	280	51	766	517
Amortised government grants	140	-	-	140	118
Net rental income from social housing lettings	22,003	5,792	364	28,159	26,754
Management	(5,788)	(1,489)	(84)	(7,361)	(7,067)
Service costs	(680)	(438)	(80)	(1,198)	(745)
Routine maintenance	(2,634)	(793)	-	(3,427)	(2,950)
Planned maintenance	(1,962)	(591)	-	(2,553)	(2,690)
Major Repairs	(1,320)	(397)	-	(1,717)	(854)
Bad debts	(64)	(17)	(1)	(82)	(69)
Accelerated depreciation of housing properties	(283)	-	-	(283)	-
Depreciation of housing properties	(3,859)	(1,162)	(118)	(5,139)	(5,320)
Impairment of housing properties	(75)	-	-	(75)	-
Operating costs on social housing lettings	(16,665)	(4,887)	(283)	(21,835)	(19,695)
Operating surplus on social housing lettings	5,338	905	81	6,324	7,059
Void losses	274	178	12	464	453

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – TRUST (continued)

	General needs 2023 £'000s	Supported housing & housing for older people 2023 £'000s	Low cost home ownership 2023 £'000s	31 March 2023 £'000s	31 March 2022 Restated £'000s
Rent receivable net of identifiable service charges	21,428	5,512	313	27,253	26,119
Service charge income	435	280	51	766	517
Amortised government grants	140	-	-	140	118
Net rental income from social housing lettings	22,003	5,792	364	28,159	26,754
Management	(5,788)	(1,489)	(84)	(7,361)	(7,067)
Service costs	(680)	(438)	(80)	(1,198)	(745)
Routine maintenance	(2,634)	(793)	-	(3,427)	(2,950)
Planned maintenance	(1,962)	(591)	-	(2,553)	(2,690)
Major Repairs	(1,320)	(397)	-	(1,717)	(854)
Bad debts	(64)	(17)	(1)	(82)	(69)
Accelerated depreciation of housing properties	(283)	-	-	(283)	-
Depreciation of housing properties	(3,859)	(1,162)	(118)	(5,139)	(5,320)
Impairment of housing properties	(75)	-	-	(75)	-
Operating costs on social housing lettings	(16,665)	(4,887)	(283)	(21,835)	(19,695)
Operating surplus on social housing lettings	5,338	905	81	6,324	7,059
Void losses	274	178	12	464	453

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

4. ACCOMODATION IN MANAGEMENT AND DEVELOPMENT

At the end of the year accommodation in management was as follows:

	GROUP		TRUST	
	No of properties		No of properties	
	2023	2022	2023	2022
Social Housing				
General Needs - social	2,928	2,944	2,928	2,944
General Needs - affordable	1,000	980	1,000	980
Supported Housing - social	5	5	5	5
Supported Housing - affordable	0	0	0	0
Housing for older people - social	1,074	1,074	1,074	1,074
Housing for older people - affordable	108	108	108	108
Low cost home ownership	121	89	121	89
Rent to Buy	14	-	14	-
Total Social Housing Units	5,250	5,200	5,250	5,200
Market Rent	33	28	33	28
Total units owned	5,283	5,228	5,283	5,228
Accommodation managed for others	11	11	11	11
Total units owned and managed	5,294	5,239	5,294	5,239
Accommodation in development at the year end	-	66	-	66

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****5. OPERATING SURPLUS**

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Surplus on ordinary activities is stated after charging/(crediting):				
Depreciation:				
Housing properties (note 12)	5,127	5,320	5,127	5,320
Accelerated depreciation on disposal of components	283	-	283	-
Amortisation of grants	(140)	(117)	(140)	(117)
Other tangible fixed assets	365	356	365	356
Impairment of housing properties	75	-	75	-
Operating leases:				
Other equipment	16	16	16	16
Auditor's remuneration (excluding VAT):				
Fees payable to the Association's auditor for the audit of the parent and Group annual financial statements	48	40	48	40
Fees payable to the Association's advisors for other services:				
All other taxation advisory services	27	25	24	25

6. SURPLUS ON SALE OF FIXED ASSETS

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Housing properties				
Sale proceeds	2,775	1,618	2,775	1,618
Carrying value of fixed assets	(256)	(288)	(256)	(288)
Incidental sale expenses	(60)	(27)	(60)	(27)
Right to Buy re-imburement	(1,506)	(850)	(1,506)	(850)
Surplus on sale of housing properties	953	453	953	453
Other housing properties				
Sale proceeds	300	-	300	-
Carrying value of fixed assets	(316)	-	(316)	-
Loss on sale of other housing properties	(16)	-	(16)	-
Total surplus on sale of housing properties	937	453	937	453

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

7. INTEREST RECEIVABLE AND OTHER INCOME

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Income from bank deposits	276	2	276	2

8. INTEREST PAYABLE AND FINANCIAL COSTS

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Break costs	4,001	-	4,001	-
Loans and bank overdraft	3,117	4,375	3,117	4,375
Non-utilisation fees	121	-	121	-
SHPS interest expense	11	-	11	-
Defined benefit pension charge	8	120	8	120
	7,258	4,495	7,258	4,495
Interest capitalised on construction of housing properties	(149)	(680)	(149)	(680)
	7,109	3,815	7,109	3,815

9. EMPLOYEES

The average monthly number of persons, expressed in full time equivalents (calculated based on a standard working week of 37 hrs):

	GROUP		TRUST	
	2023 No.	2022 No.	2023 No.	2022 No.
Administration	47	45	47	45
Housing	29	31	29	31
Development and maintenance	78	80	78	80
	154	156	154	156
	2023	2022	2023	2022
	£'000s	£'000s	£'000s	£'000s
Employee Costs:				
Wages and salaries	5,758	5,339	5,758	5,339
Social security costs	542	495	542	495
Other Pension costs (included in operating costs)	545	894	545	894
	6,845	6,728	6,845	6,728
Restructuring Costs	46	12	46	12

The Trust's employees are members of the Cheshire Pension Fund or the Social Housing Pension Scheme (SHPS).

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****10. DIRECTORS AND SENIOR EXECUTIVE REMUNERATION**

The full time equivalent number of staff (including executive directors) whose remuneration payable in relation to the period of account fell within each band of £10,000 from £60,000 upwards. Remuneration includes compensation for loss of office.

	GROUP		TRUST	
	2023 No.	2022 No.	2023 No.	2022 No.
£60,001 to £70,000	1	1	1	1
£70,001 to £80,000	1	1	1	1
£80,001 to £90,000	3	3	3	3
£90,001 to £100,000	1	2	1	2
£100,001 to £110,000	1	1	1	1
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	-	1	-	1
£140,001 to £150,000	1	-	1	-
£150,001 to £160,000	1	1	1	1
£160,001 to £170,000	-	-	-	-
£170,001 to £180,000	-	-	-	-
£180,000 to £190,000	1	-	1	-
£190,000 to £200,000	-	1	-	1
	10	11	10	11

Key Management Personnel

The aggregate remuneration for the Executive Management team who are considered to be the key management personnel charged in the year is:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Basic Salary	389	371	389	371
Benefits in kind	-	-	-	-
Total Remuneration	389	371	389	371
Social security costs	48	45	48	45
Pension contributions	43	63	43	63
Total cost of key management personnel	480	479	480	479

The emoluments of the highest paid employee, excluding pension contributions were £147,951.

The Chief Executive (CX) was the highest paid employee in 2022/2023. The emoluments of the CX, the highest paid employee in 2021/2022, excluding pension contributions were £147,951 (2022: £145,875). The Trust's CX is a member of the Social Housing Pension Scheme. He is an ordinary member and no enhanced or special terms apply. The Trust does not make any further contributions to an individual pension arrangement for the CX.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

10. DIRECTORS AND SENIOR EXECUTIVE REMUNERATION (continued)

The Chair and non-executive board members receive an annual emolument. £62,536 was incurred in the year (2022: £61,578). The total board expenses for the year are £1,253 (2022: £581).

Non-Executive Directors	Remuneration (£)	Audit Committee	Governance Committee	Board
Jane McCall, Chair	12,711			Chair
Anthony Read	9,135	Chair		✓
Simon Leighton	7,105		Chair	✓
Alison Hadden	7,105		✓	✓
Quentin Guy Johnson	5,075	✓		✓
William McKellar	2,538	✓		✓
Shahida Latif-Haider (Co-optee not board Member)	3,134	✓		
Fiona McAuley	5,583		✓	✓
David Blanchard	5,075	✓		✓
Zahir Yasin	5,075		✓	✓

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

11. TAX ON SURPLUS ORDINARY ACTIVITIES

The taxation charge which arises in the Trust included within these financial statements comprises:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Current tax				
UK corporation tax on surplus for year	11	14	11	14
Adjustments in respect of prior years	-	-	-	-
Total current tax	11	14	11	14
	2023 £'000s	Restated 2022 £'000s	2023 £'000s	Restated 2022 £'000s
Total tax reconciliation				
Surplus on ordinary activities before tax	1,227	2,166	1,246	2,197
Theoretical tax at UK corporation tax rate 19% (2022: 19%)	233	412	237	417
- Non-taxable income	(219)	(395)	(223)	(400)
- Capital allowances	(3)	(3)	(3)	(3)
Total taxation charge	11	14	11	14

Cheshire Peaks & Plains Housing Trust Limited is an exempt charity with charitable status for tax purposes. As such its main sources of income and gains, received under Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, are exempt from taxation to the extent that they are applied exclusively to its charitable objectives. Non primary trading includes Feed-in-Tariff income received as part of the Trust's renewal energy project. The aggregate current tax relating to items that are recognised as items of other comprehensive income is £11k (2022: £14k).

Peaks & Plains Devco Ltd commenced trading during 2019 - 2020, The aggregate current tax recognised for the period is £nil (2022: £nil) as the subsidiary made a loss in 2022/2023. In 2021-22 a Gift Aid payment was made to Cheshire Peaks & Plains Housing Trust.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****12. FIXED ASSETS: HOUSING PROPERTIES – GROUP**

	Housing properties held for letting £'000s	Housing properties under construction £'000s	Completed Shared Ownership Properties £'000s	Under Construction Shared Ownership Properties £'000s	Total Housing properties £'000s
Cost					
At 1 April 2022 restated	185,621	8,063	5,878	2,933	202,495
Opening balance adjustment	-	(19)	-	(12)	(31)
New development schemes	-	1,981	-	1	1,982
Works to existing properties	7,180	-	-	-	7,180
Impairment	-	(75)	-	-	(75)
Interest capitalised	-	123	-	26	149
Schemes completed	7,419	(7,419)	2,948	(2,948)	-
Property Buybacks	432	-	-	-	432
Transfer to Investment Properties	-	(174)	-	-	(174)
Disposal of components	(928)	-	-	-	(928)
Disposals	(357)	-	(45)	-	(402)
At 31 March 2023	199,367	2,480	8,781	-	210,628
Depreciation					
At 1 April 2022 restated	58,796	-	286	-	59,082
Depreciation charged in year	4,970	-	157	-	5,127
Disposal of components	(645)	-	-	-	(645)
Released on disposal	(139)	-	(2)	-	(141)
At 31 March 2023	62,982	-	441	-	63,423
Net Book Value					
At 31 March 2023	136,385	2,480	8,340	-	147,205
At 31 March 2022 restated	126,825	8,063	5,592	2,933	143,413

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

12. FIXED ASSETS: HOUSING PROPERTIES – Trust (continued)

	Housing properties held for letting £'000s	Housing properties under construction £'000s	Completed Shared Ownership Properties £'000s	Under Construction Shared Ownership Properties £'000s	Total Housing properties £'000s
Cost					
At 1 April 2022 restated	185,621	8,092	5,878	2,948	202,539
New development schemes	-	1,985	-	1	1,986
Works to existing properties	7,180	-	-	-	7,180
Impairment	-	(75)	-	-	(75)
Interest capitalised	-	123	-	26	149
Schemes completed	7,419	(7,419)	2,975	(2,975)	-
Property Buybacks	432	-	-	-	432
Transfer to Investment Properties	-	(174)	-	-	(174)
Disposal of components	(928)	-	-	-	(928)
Disposals	(357)	-	(45)	-	(402)
At 31 March 2023	199,367	2,532	8,808	-	210,707
Depreciation					
At 1 April 2022 restated	58,796	-	286	-	59,082
Depreciation charged in year	4,970	-	157	-	5,127
Disposal of components	(645)	-	-	-	(645)
Released on disposal	(139)	-	(2)	-	(141)
At 31 March 2023	62,982	-	441	-	63,423
Net Book Value					
At 31 March 2023	136,385	2,532	8,367	-	147,284
At 31 March 2022 restated	126,825	8,092	5,592	2,948	143,457

Expenditure on works to existing properties

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Amounts capitalised	7,180	5,295	7,180	5,295
Amounts charged to income and expenditure account	7,696	6,494	7,696	6,494
	14,876	11,789	14,876	11,789

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

12. FIXED ASSETS: HOUSING PROPERTIES – Trust (continued)

Social Housing Assistance

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Total accumulated social housing grant received or receivable as 31 March:				
Recognised in the Statement of Comprehensive Income	1,966	1,823	1,966	1,823
Held as deferred income	11,958	12,047	11,958	12,047
Total	13,924	13,870	13,924	13,870

Housing properties book value net of depreciation

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Freehold land and buildings	146,769	142,970	146,848	143,014
Leasehold land and buildings	436	443	436	443
	147,205	143,413	147,284	143,457

Impairment

The Group considers individual schemes to be separate Cash Generating Units (CGUs) when assessing for impairment, in accordance with the requirements of Financial Reporting 102 and SORP 2018. CGUs were assessed for changes to the operating environment or the asset and as a result no social housing properties were impaired.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

13. TANGIBLE FIXED ASSETS – OTHER – GROUP

	Freehold and Leasehold properties £'000s	Fixture and fittings £'000s	Computers & Office Equipment £'000s	Total £'000s
Cost				
At 1 April 2022	1,794	1,440	2,553	5,787
Additions	-	122	177	299
Transfer from Investment Properties	451	-	-	451
Disposals	-	-	-	-
At 31 March 2023	<u>2,245</u>	<u>1,562</u>	<u>2,730</u>	<u>6,537</u>
Depreciation				
At 1 April 2022	287	449	2,180	2,916
Charged in year	46	98	221	365
Transfer to Investment Properties	-	-	-	-
Released on disposal	-	-	-	-
At 31 March 2023	<u>333</u>	<u>547</u>	<u>2,401</u>	<u>3,281</u>
At 31 March 2023	<u>1,912</u>	<u>1,015</u>	<u>329</u>	<u>3,256</u>
At 31 March 2022	1,507	991	373	2,871

Freehold and leasehold properties consists of Ropewalks Office. The Group secured the office to Cheshire Pension Fund in 2018/2019. During the year the mixed use % changed in the year, with PPHT occupying a further 10% from April 2022. In line with FRS 102, when a property ceases to meet the definition of an investment property the deemed cost for subsequent accounting as property, plant and equipment shall be its fair value at the date of change in use.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

13. TANGIBLE FIXED ASSETS – OTHER – TRUST (continued)

	Freehold and Leasehold properties £'000s	Fixture and fittings £'000s	Computers & Office Equipment £'000s	Total £'000s
Cost				
At 1 April 2022	1,794	1,440	2,553	5,787
Additions	-	122	177	299
Transfer from Investment Properties	451	-	-	451
Disposals	-	-	-	-
At 31 March 2023	2,245	1,562	2,730	6,537
Depreciation				
At 1 April 2022	287	449	2,180	2,916
Charged in year	46	98	221	365
Transfer to Investment Properties	-	-	-	-
Released on disposal	-	-	-	-
At 31 March 2023	333	547	2,401	3,281
At 31 March 2023	1,912	1,015	329	3,256
At 31 March 2022	1,507	991	373	2,871

Freehold and leasehold properties consists of Ropewalks Office. The Group secured the office to Cheshire Pension Fund in 2018/2019. During the year the mixed use % changed in the year, with PPHT occupying a further 10% from April 2022. In line with FRS 102, when a property ceases to meet the definition of an investment property the deemed cost for subsequent accounting as property, plant and equipment shall be its fair value at the date of change in use.

14. INTANGIBLE FIXED ASSETS: GOODWILL

	GROUP Goodwill £'000s	TRUST Goodwill £'000s
Cost		
As at 1 April 2022 and 31 March 2023	1,331	1,331
Amortisation		
At 1 April 2022	1,331	1,331
Charge for year	-	-
At 31 March 2023	1,331	1,331
Net book value		
At 31 March 2023	-	-
At 31 March 2022	-	-

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

14. INTANGIBLE FIXED ASSETS: GOODWILL (continued)

Goodwill of £1,331,000 arose on the stock transfer from Macclesfield Borough Council on 17 July 2006. The Trust applied the transactional relief on adoption of FRS 102, as it took place prior to transition date of 1 April 2014 and therefore has not been restated.

15. INVESTMENT PROPERTIES – COMMERCIAL PROPERTY

	GROUP	TRUST
	2023	2023
	£'000s	£'000s
At 1 April 2021 restated	4,190	4,190
Additions	5,826	5,826
Impairment	(1,494)	(1,494)
	-----	-----
At 31 March 2022 restated	8,522	8,522
At 1 April 2022 restated	8,522	8,522
Additions	174	174
Impairment	(199)	(199)
Increase in value	665	665
Transfer to Other Fixed Assets	(451)	(451)
	-----	-----
At 31 March 2023	8,711	8,711
	=====	=====

The valuation for Ropewalks as at 31 March 2023 is an independent valuation carried out by Colliers International professional external valuers. The full valuation of properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

In valuing investment properties, an investment methodology was adopted with key assumptions:

Initial yield	4.66%
Equivalent yield	9.25%

The additions to investment property in the year costs associated with Block B Crossings which houses 26 PRS units were transferred. Block B was independently valued by Roger Hannah prior to year end.

16. INVESTMENT

	GROUP	TRUST
	2023	2023
	£'000	£'000s
At 1 April 2022	7	7
Addition in year	-	-
	-----	-----
At 31 March 2023	7	7
	=====	=====

The Group holds 650 fully paid shares of £10 each in the Gawsworth Community Shop.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

17. INVESTMENT IN SUBSIDIARIES

The Trust has an investment of one share (£1) in Peaks & Plains Devco Limited and one share (£1) in Peaks & Plains Tradeco Limited, which are both subsidiaries of the Trust at the end of the year. Peaks & Plains Tradeco is classed as dormant i.e. not trading at the end of the year. Peaks & Plains Devco Limited began trading in 2019. There was transactions between the Trust and Peaks & Plains Devco Limited during the year. The Trust has the right to appoint members to the boards of the two subsidiaries and therefore exercise control over them.

The Trust is the ultimate parent undertaking. The registered office is the same for all of the group entities.

18. CASH & CASH EQUIVALENTS

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Cash at bank and in hand	5,091	3,183	5,088	3,142
Cash equivalents	8,120	118	8,120	118
Bank overdraft	-	-	-	-
	13,211	3,301	13,208	3,260

19. PROPERTIES FOR SALE

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Shared Ownership Properties:				
Completed Properties	302	-	302	-
Work in Progress	-	2,105	-	2,105
Land and properties held for sale	-	341	-	341
	302	2,446	302	2,446

20. DEBTORS

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Arrears of rent and service charges	768	999	768	999
Less: provision for bad and doubtful debts	(507)	(454)	(507)	(454)
	261	545	261	545
Other debtors	780	692	780	691
Prepayments and accrued income	1,023	1,122	1,023	1,122
Amounts owed by group undertakings	-	-	-	-
	2,064	2,359	2,064	2,358

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Trade creditors	2,841	2,080	2,839	2,052
Other creditors	1,903	1,343	1,903	1,343
Bank Loans	-	5,720	-	5,720
Rent and service charges received in advance	635	896	635	896
Amounts owed to group undertakings	-	-	165	30
Other taxation and social security creditors	11	-	11	-
Accruals and deferred income	2,209	2,664	2,041	2,618
Deferred grant income (Note 23)	142	117	142	117
	7,741	12,820	7,736	12,776

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Loans				
Debt (Note 26)	88,485	73,096	88,485	73,096
Deferred grant income (Note 23)	11,816	11,931	11,816	11,931
Recycled Capital Grant Fund (Note 25)	137	103	137	103
Sinking fund (Note 24)	32	6	32	6
	100,470	85,136	100,470	85,136

23. DEFERRED GRANT INCOME

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
At 1 April 2022	12,047	11,574	12,047	11,574
Grant received in the year	51	591	51	591
Released to income in the year	(140)	(117)	(140)	(117)
At 31 March 2023	11,958	12,048	11,958	12,048
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Amounts to be released within one year	142	117	142	117
Amounts to be released in more than one year	11,816	11,931	11,816	11,931
At 31 March 2023	11,958	12,048	11,958	12,048

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

24. SINKING FUND

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
At 1 April 2022	6	-	6	-
Sinking Fund Contributions	32	6	32	6
Interest accrued	-	-	-	-
At 31 March 2023	32	6	32	6

25. RECYCLED CAPITAL GRANT FUND

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
At 1 April 2022	103	16	103	16
Deposits	33	87	33	87
Interest accrued	1	-	1	-
Withdrawals	-	-	-	-
At 31 March 2023	137	103	137	103

As at 31 March 2023, 3 Right to Acquire claims were reported to Homes England totalling £33k (2022: 2 claims totalling £21k). These are unpaid at year end.

26. DEBT ANALYSIS

Borrowings

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Due within one year				
Bank Loans	-	5,720	-	5,720
Due after more than one year				
Bank Loans	88,485	73,096	88,485	73,096
	88,485	78,816	88,485	78,816

Security

The bank loans are secured by a floating charge over the assets of the Group and by fixed charges on individual properties.

Terms of repayment and interest rates

The principal amount of the housing loans outstanding was £87.5m at 31 March 2023. £52.5m with Aviva is charged interest at a fixed rate (Tranche A 4.2%, Tranche C 4.72%) with final repayments in 2042 and 2052. Of the £35m loan with Barclays, £25m is on fixed rates between 6.37% and 6.7%. The variable loan of £10m is charged interest at a margin on the variable rate linked to 6 month SONIA. Refinancing costs of £572k are held offsetting the loan balance and amortised over a 5 year period. The balance at 31 March 2023 was £486k. The remaining difference between the outstanding loan of £87.5m and the carrying value of £88.5m is an adjustment in accordance with FRS 102 to recognise the loans at amortised cost and reflect an effective interest rate over the life of the facilities. The loans are classified as basic and measured at amortised cost using the effective interest rate method.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

26. DEBT ANALYSIS (continued)

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Within one year or on demand	-	5,720	-	5,720
One year or more but less than two years	-	4,126	-	4,126
Two years or more but less than five years	-	5,000	-	5,000
Five years or more	87,500	61,154	87,500	61,154
Total Loans	87,500	76,000	87,500	76,000

During the year, the Trust has secured new funding through a private placement with Aviva. This funding comprises of 3 tranches:

- Tranche A £25m senior secured notes, coupon rate 4.2% settlement rate 7 July 2022 due 2042
- Tranche B £20m senior secured notes, coupon rate 4.81% settlement date 7 July 2023 due 2048
- Tranche C £27.5m senior secured notes, coupon rate 4.72% settlement date 7 July 2022 due 2052

The Trust repaid £35m of the fixed rate Barclays facility in July 2022 and Tranche A and C from Aviva were drawn down. Tranche B will be drawn in July 2023. A revised RCF facility with Barclays for £30m has been agreed and is undrawn at year end.

27. PENSION SCHEMES

The Trust participates in two defined benefit pension schemes that were no longer offered to staff from June 2019 and were closed to future accrual by existing staff on 1st April 2022. These two schemes, 'The Cheshire Fund' (Local Government Pension Scheme) defined benefit scheme, 'The Cheshire Fund', and 'The Social Housing Pension Scheme (SHPS)', both provide benefits based on final pensionable pay. The assets of these schemes are held separately from those of the Trust.

From July 2019 a new Social Housing Pension Scheme defined benefits CARE 80th scheme was opened to all staff. This scheme was closed to both new staff and future accrual by existing staff from 1st April 2022.

A SHPS defined contribution scheme is used as the auto enrolment option when no other option is selected. From 1st April 2022 the SHPS defined contribution scheme is the only one open to existing and future staff.

The Cheshire Fund

The Cheshire Fund (LGPS) is a multi-employer scheme, administered by Cheshire West Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2016 and rolled forward, allowing for the different financial assumptions required under FRS 102, to give the projected net pension cost to 31 March 2023 calculated by a qualified independent actuary.

The employer's contribution to the LGPS by the company for the year ended 31 March 2023 were £158,000 (2022: £400,000). Contributions for year ended March 2024 are expected to be £158,000.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****27. PENSION SCHEMES (CONTINUED)**

The major assumptions used for the actuarial valuation were as follows:

	GROUP		TRUST	
	2023	2022	2023	2022
Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	%	%	%	%
Inflation/pension increase rate	3.0%	3.0%	3.0%	3.0%
Rate of increase in salaries	3.7%	3.5%	3.7%	3.5%
Expected return on asset	4.75%	2.7%	4.75%	2.7%
Discount rate	4.8%	2.7%	4.8%	2.7%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2022-2023		2021-2022	
	Males	Females	Males	Females
Current pensioners	21.1	24.1	20.4 years	23.4 years
Future pensioners	21.8	25.5	21.7 years	24.6 years

The amounts recognised in the income and expenditure account are as follows:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Current service cost	-	611	-	611
Past service cost	-	(327)	-	(327)
Amounts charged to operating costs	-	284	-	284
Interest income on scheme assets	838	613	838	613
Interest on defined benefit obligation	(846)	(684)	(846)	(684)
Amounts credited to other finance costs	(8)	(71)	(8)	(71)

The amount included in the balance sheet arising from the Trust's obligations in respect of its defined benefit scheme is as follows:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Fair value of scheme assets	27,576	31,279	27,576	31,279
Present value of defined benefit obligations	(21,629)	(31,665)	(21,629)	(31,665)
Surplus/(deficit) in the scheme	5,947	(386)	5,947	(386)
Non-recoverable surplus	(5,947)	-	(5,947)	-
Net liabilities in the balance sheet	-	(386)	-	(386)

The net asset as at 31st March 2023 is £5.9m. The Cheshire Pension Fund is now closed and contributions from the Trust remain constant for 23-24 at £158k, with no reduction from year ended 31 March 2023. As such, the asset cannot be recognised in the accounts so has been reduced to nil.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

27. PENSION SCHEMES (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2023	2022	2023	2022
	£'000s	£'000s	£'000s	£'000s
Opening defined benefit obligation	31,665	32,531	31,665	32,531
Current service cost	-	284	-	284
Past service cost	-	-	-	-
Interest on pension liabilities	846	684	846	684
Contributions by scheme participants	-	99	-	99
Actuarial (gains)/losses	(10,283)	(1,328)	(10,283)	(1,328)
Benefits paid	(599)	(605)	(599)	(605)
Closing defined benefit obligation	21,629	31,665	21,629	31,665

Changes in the fair value of the scheme assets are as follows:

	GROUP		TRUST	
	2023	2022	2023	2022
	£'000s	£'000s	£'000s	£'000s
Opening fair value of scheme assets	31,279	29,276	31,279	29,276
Expected return on scheme assets	838	613	838	613
Contributions by scheme participants	-	99	-	99
Contributions by the employer	158	400	158	400
Actuarial (losses)/gains	(4,100)	1,496	(4,100)	1,496
Benefits paid	(599)	(605)	(599)	(605)
Closing fair value of scheme assets	27,576	31,279	27,576	31,279

Actual return on scheme assets

	GROUP		TRUST	
	2023	2022	2023	2022
	%	%	%	%
Cheshire Pension Fund	(9)%	7.2%	(9)%	7.2%

Major categories of plan assets as a percentage of total plan assets

	GROUP		TRUST	
	2023	2022	2023	2022
	%	%	%	%
Equities	48%	42%	48%	42%
Bonds	36%	41%	36%	41%
Property	13%	11%	13%	11%
Cash	3%	6%	6%	6%

The Social Housing Pension Scheme

The Trust participates in this multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

For the year ended 31 March 2023, sufficient information is available for the association in respect of SHPS to account for its obligation on a defined benefit basis. The most recent formal actuarial valuation as completed as at 30 September 2017 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2023 by a qualified independent actuary.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****27. PENSION SCHEMES (continued)**

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2022 is £499k and £628k as at 31 March 2023.

The major assumptions used for the actuarial valuation were as follows:

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	GROUP		TRUST	
	2023 %	2022 %	2023 %	2022 %
Discount rate	4.80%	2.70%	4.80%	2.70%
Inflation (RPI)	3.10%	3.60%	3.10%	3.60%
Inflation (CPI)	2.80%	3.00%	2.80%	3.00%
Salary growth	3.83%	3.50%	3.83%	3.50%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2022-2023		2021-2022	
	Males	Females	Males	Females
Current pensioners	21.0	23.4	20.8 years	23.4 years
Future pensioners	22.2	24.9	22.1 years	24.8 years

The amounts recognised in the income and expenditure account are as follows:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Current service cost	-	493	-	493
Interest on obligation	11	56	11	56
	<u>11</u>	<u>549</u>	<u>11</u>	<u>549</u>
Defined benefit costs recognised in statement of comprehensive income	11	549	11	549

Fair values defined benefit obligation, fair values of assets and defined benefit liability:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Fair value of scheme assets	3,243	6,436	3,243	6,436
Present value of defined benefit obligations	(3,871)	(6,935)	(3,871)	(6,935)
Deficit in the scheme	<u>(628)</u>	<u>(499)</u>	<u>(628)</u>	<u>(499)</u>
Net liabilities in the balance sheet	(628)	(499)	(628)	(499)

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****27. PENSION SCHEMES (continued)**

Changes in the present value of the defined benefit obligation are as follows:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Opening defined benefit obligation	6,935	6,811	6,935	6,811
Opening obligation adjustment	(17)	-	(17)	-
Current service cost	-	493	-	493
Interest on pension liabilities	191	148	191	148
Contributions by scheme participants	-	-	-	-
Actuarial (gains)/losses	(3,226)	(510)	(3,226)	(510)
Benefits paid	(12)	(7)	(12)	(7)
Closing defined benefit obligation	3,871	6,935	3,871	6,935

Changes in the fair value of the scheme assets are as follows:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Opening fair value of scheme assets	6,436	4,531	6,436	4,531
Expected return on scheme assets	180	99	180	99
Contributions by scheme participants	-	-	-	-
Contributions by the employer	188	431	188	431
Actuarial (losses)/gains	(3,541)	1,389	(3,541)	1,389
Benefits paid	(20)	(14)	(20)	(14)
Closing fair value of scheme assets	3,243	6,436	3,243	6,436

Actual return on scheme assets

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Social Housing Pension Scheme	(3,361)	1,389	(3,361)	1,389

Major categories of plan assets as a percentage of total plan assets

	GROUP		TRUST	
	2023 %	2022 %	2023 %	2022 %
Equities	5%	23%	5%	23%
Bonds	71%	61%	71%	61%
Property	19%	12%	19%	12%
Cash	5%	4%	5%	4%

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****27. PENSION SCHEMES (continued)****Amounts recognised in the balance sheet**

The amounts recognised in the balance sheet are as follows:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
The Cheshire Fund				
Present value of scheme liabilities	27,576	31,279	27,576	31,279
Fair value of scheme assets	21,629	31,665	21,629	31,665
Defined benefit scheme (surplus)/liability	(5,947)	386	(5,947)	386
Non-recoverable surplus	5,947	-	5,947	-
Net pension liability	-	386	-	386
The Social Housing Pension Scheme				
Present value of scheme liabilities	3,871	6,935	3,871	6,935
Fair value of scheme assets	3,243	6,436	3,243	6,436
Net pension liability	628	499	628	499

28. OTHER PROVISIONS

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Balance as at 1 April	-	-	-	-
Increase in provision	701	-	701	-
Released in the year	-	-	-	-
Balance as at 31 March	701	-	701	-

The provision above represents a mesothelioma claim relating to an employee that no longer works for the Trust. The employee was exposed to asbestos during his employment with Macclesfield Borough Council and transferred to the Trust in 2006, and as such any employment liability transferred to the Trust also.

Discussions are ongoing to agree the final settlement amount, but this is expected to be paid during the 2023/2024 financial year.

29. RESERVES

Income and expenditure reserve - includes all current, prior period retained surplus and deficits alongside any prior period adjustments (as detailed in Note 36).

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****30. CASH FLOW FROM OPERATING ACTIVITIES (continued)**

	GROUP		TRUST	
	2023	Restated	2023	Restated
	£'000s	£'000s	£'000s	£'000s
Surplus for the year	1,216	2,152	1,235	2,183
Adjustments for non-cash items:				
Depreciation and impairment of tangible fixed assets	5,485	6,100	5,485	6,100
Depreciation of other fixed assets	365	356	365	356
Decrease/(increase) in trade and other debtors	32	(755)	32	(742)
Decrease in trade and other creditors	(1,138)	(71)	(1,084)	411
Decrease/(increase) in properties held for sale	2,144	(1,034)	2,144	(1,034)
Tax paid	11	-	11	-
Increase in other provisions	701	-	701	-
Pension costs less contributions payable	(338)	(47)	(338)	(47)
Movement in fair value of investment properties	(466)	91	(466)	91
Adjustments for investing or financing activities:				
Net gain on sale of fixed assets	(937)	(453)	(937)	(453)
Government grants utilised in the year	(140)	(117)	(140)	(117)
Interest payable	7,109	4,495	7,109	4,495
Interest receivable	(276)	(2)	(276)	(2)
Net cash generated from operating activities	13,768	10,715	13,841	11,241

Analysis of change in net debt - GROUP

	1st April 2022	Cash flows	Other non-cash	31 March 2023
	£'000s	£'000s	movements	£'000s
			£'000s	
Cash	3,301	9,910	-	13,211
Bank loans due less than one year	(5,720)	5,720	-	-
Bank loans due greater than one year	(73,096)	(13,918)	(1,471)	(88,485)
Total	(75,515)	1,712	(1,471)	(75,274)

Analysis of change in net debt - TRUST

	1st April 2022	Cash flows	Other non-cash	31 March 2023
	£'000s	£'000s	movements	£'000s
			£'000s	
Cash	3,260	9,948	-	13,208
Bank loans due less than one year	(5,720)	5,720	-	-
Bank loans due greater than one year	(73,096)	(13,918)	(1,471)	(88,485)
Total	(75,556)	1,750	(1,471)	(75,277)

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****31. CAPITAL COMMITMENTS**

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Expenditure contracted for but not provided for in the accounts	-	2,759	-	2,759
Expenditure authorised by the Board, but not contracted	45,707	5,995	45,707	5,995
	45,707	8,754	45,707	8,754

The above commitments will be financed primarily through existing cash surpluses (£13.2m) and from existing loans already available to draw (£36m). The Trust also has in place a £30m revolving credit facility with Barclays Bank. Social housing grant (£5m) and income from future property sales (£3.4m) is expected over the next 3 years.

32. CONTINGENT ASSETS / LIABILITIES

The Trust had no contingent assets at 31 March 2023 (2022: nil).

The Trust receives capital grant from Homes England (and its predecessor bodies), which is used to fund the acquisition and development of housing properties and their components. In certain circumstances, upon disposal of grant funded properties, the Trust is required to recycle this grant by crediting the Recycled Capital Grant Fund.

At 31 March 2023, the Trust had not disposed of any components that had received grant funding. As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.

The Trust had no other contingent liabilities to disclose at 31 March 2023 (2022: nil).

33. LEASING COMMITMENTS

The future minimum lease payments of leases are as set out below. Leases relate to vehicle fleet and office equipment.

Future minimum operating lease payments

	GROUP		TRUST	
	31 March 2023 £'000s	31 March 2022 £'000s	31 March 2023 £'000s	31 March 2022 £'000s
Within one year	4	241	4	241
Between one and five years	-	46	-	46
	4	287	4	287

34. RELATED PARTIES

Disclosures in relation to key management personnel are included in note 10.

Transactions with non-regulated entities

The Trust provides management services to its subsidiary. The intercompany transactions are set out below.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)****34. RELATED PARTIES (continued)**

	Management Charges		Design and build charges	
	31 March 2023 £'000s	31 March 2022 £'000s	31 March 2023 £'000s	31 March 2022 £'000s
Payable to Trust by subsidiaries		-	-	-
Peaks & Plains Devco Ltd	3	30	-	-
Payable by Trust to subsidiaries	-	-	-	-
Peaks & Plains Devco Ltd	-	-	692	6,227

35. FINANCIAL ASSETS AND LIABILITIES

The board policy on financial instruments is explained in the Board Report as are references to financial risks.

Categories of financial assets and liabilities

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Financial assets measured at amortised cost				
Cash	13,211	3,301	13,208	3,260
Debtors	1,477	2,638	1,477	2,608
	14,688	5,939	14,685	5,868
Financial liabilities measured at amortised cost				
Loans	88,485	78,816	88,485	78,816
Creditors	5,099	3,440	5,264	3,412
Accruals	2,034	2,637	2,030	2,606
	95,618	84,893	95,779	84,834

The amortised cost of the financial liability is net of the amount at which the liability is measured at initial recognition plus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount.

Financial assets

Other than short-term debtors, financial assets held are cash deposits placed in 95-day notice business accounts, 60 day fixed term deposit accounts, and cash at bank. The remaining financial assets are floating rate, attracting interest at rates that vary with bank rates. They are Sterling denominated and the interest rate profile at 31 March 2023 was:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Financial assets held in 95 day notice accounts	120	118	120	118
Financial assets held in bank account	5,091	3,183	5,088	3,142
Financial assets held in 60 day fixed term account	8,000	-	8,000	-
	13,211	3,301	13,208	3,260

The financial assets held in 95 day notice accounts attract interest ranging from 2.85% to 3%. The balance of £0.120m has

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

no fixed maturity. The £8m held in fixed term accounts is agreed at interest rates of 4.19% and 4.20%. The remaining financial assets are floating rate, attracting interest at rates that vary with bank rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)**35. FINANCIAL ASSETS AND LIABILITIES (continued)****Financial liabilities excluding trade creditors – interest rate risk profile**

The Trust's financial liabilities are Sterling denominated. The interest rate profile of the Trust's financial liabilities at 31 March 2023 was:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Fixed rate	77,500	60,525	77,500	60,525
Variable rate	10,000	15,475	10,000	15,475
	<u>87,500</u>	<u>76,000</u>	<u>87,500</u>	<u>76,000</u>

The fixed rate financial liabilities have a weighted average interest rate of 6.47% (2022: 6.48%) and the weighted average period for which it is fixed is 11.0 years (2022: 12.0 years).

The debt maturity profile is shown in note 26.

Borrowing facilities

The Trust has undrawn committed borrowing facilities. The facilities available at 31 March 2023 in respect of which all conditions precedent had been met were as follows:

	GROUP		TRUST	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Expiring in less than 2 years	30,000	23,000	30,000	23,000
Expiring in more than two years	-	21,000	-	21,000
	<u>30,000</u>	<u>44,000</u>	<u>30,000</u>	<u>44,000</u>

A revised RCF facility for £30m was agreed in July 2022 and is undrawn at 31 March 2023. The Local Authority loan was repaid during the year.

36. PRIOR YEAR ADJUSTMENT

Prior year adjustments have been made in respect of Block B Crossings and twelve commercial shops. These are corrections of errors from previous years.

At 31 March 2022 £1.5m of costs relating to the communal area of Block B Crossings were included within housing properties under constructions. Block B of the Crossing developments includes only PRS units and therefore these costs should have been included within investment properties. The inclusion of the additional £1.5m within investment properties has resulted in a loss on revaluation of £1.4m booked in the year 31 March 2022 as the costs exceeded the market valuation obtained from the valuer at that date. This has been reflected in the 21-22 prior year adjustments in the statements and notes above. Overall this adjustment has reduced housing properties as at 31 March 2022 by £1.5m, increased investment properties by £0.1m and reduced the surplus for the year ended 31 March 2022 by £1.4m.

Twelve commercial shops with a net book value of £37k have been recognised within housing properties since transfer. This financial year the decision was made to recognise these as investment properties due to the commercial nature of the leases, this classification of the shops should also have been applied historically. The commercial units were independently valued by Thomson Associates at 31 March 2023, 31 March 2022 and 31 March 2021 at a collective value of £1m at each date, generating an increase in value of £963k. The revaluation gain of £963k has been recognised in the opening reserves as at 31 March 2021 (i.e. year ended 31 March 2022 opening balances), housing properties as at that date reduced by £37k with the balance being an increase in investment property of £1m.