Wakefield and District Housing Limited

Annual Report and Financial Statements for the year ended 31 March 2023

Community Benefit Society No. 7530

Contents

Financial Highlights – Five Year Summary

For the year ended 31 March	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Social housing stock					
General needs	29,420	29,403	29,400	29,344	29,264
Supported and older people	1,571	1,572	1,607	1,691	1,676
Low-cost home ownership	899	769	684	597	492
Total social housing stock owned	**31,890**	**31,744**	**31,691**	**31,632**	**31,432**
New homes built or acquired	337	281	262	399	402
Statement of comprehensive income					
Total turnover	**173,319**	**161,542**	**153,345**	**158,491**	**155,561**
Operating surplus	**24,643**	**14,488***	**18,965***	**31,720***	**33,012***
Statement of financial position					
Total fixed assets	**1,055,263**	**952,748**	**887,564**	**814,973**	**745,504**
Net current assets / (liabilities)	47,500	59,397	61,939	(439,893)**	83,704
Total assets less current liabilities	**1,102,763**	**1,012,145**	**949,503**	**375,080**	**829,208**
Loans (due over one year)	**(468,533)**	**(472,878)**	**(476,405)**	-	(417,300)
Other long-term liabilities	(987)	(693)	(498)	(752)	(652)
Provisions	(240)	(477)	-	-	-
Pension asset/(liability) restricted to nil***	0	(41,346)	(102,492)	(79,478)	(62,859)
Total reserves	**633,003**	**496,751**	**370,108**	**294,850**	**348,397**
Key ratios					
Operating margin (overall)	14.2%*	9.0%*	12.4%*	20.0%*	21.2%*
Operating margin (social housing)	12.9%	8.1%	13.6%	21.9%	23.4%
Voids and bad debt (rent losses) As a % of income from lettings	1.59%	1.74%	2.41%	2.01%	2.45%
Rent and service charge arrears Current tenant rent arrears as % income less grants from lettings	3.07%	3.78%	3.03%	5.01%	6.23%
Liquidity Current assets as a ratio of current liabilities	2.11	2.62	3.09	0.20	5.33
Debt per Unit £'s	12,543	12,601	12,622	13,192	13,347
Cost per Unit £'s (RSH VFM metric 5)	£4,179	£3,820	£3,162	£3,194	£3,311

*These figures include the profit on disposal of assets, in 2017/2018 financial reporting requirements changed operating surplus to include profit on disposal of assets. From 2019/2020 figures also include loss of revaluation of Investment properties, due to reporting requirement changes, with 2018/2019 restated. ** includes one off exceptional finance charge of £111.3m in 2020 which related to refinancing and loans due within 1 year, see note 25 Debt.
***WDH Pension valuation returned a net asset position of £74m, asset reflected at nil due as under FRS102 restriction, pension assets should not be recognised unless they lead to lower employer contributions or a refund.

Wakefield and District Housing Limited (WDH) Board Members, Directors, Advisors and Bankers

Board Members

Jacqueline Speight
Chair

Dr Phillip Earnshaw
Vice Chair

Ajman Ali

Stephen Davis

Christopher Michael Gaskell

Suzan Harrington

Shendi Keshet

Clare King

Michael Longfellow

Andrew McConnell

Other movements during the year:
Graham Stokes (Resigned 30 September 2022)

Post balance sheet events:

Resignations: Christopher Mike Gaskell (25 May 2023)
Jacqueline Speight, Dr Philip Earnshaw (31 July 2023)
Appointments: Elizabeth Cook, Michael Graham, Gareth Mann -Tighe, Antony Nelson (31 July 2023)
Designations: Andrew McConnell - Chair (31 July 2023)
Elizabeth Cook - Senior Independent Director (31 July 2023)

Wakefield and District Housing Limited (WDH) Board Members, Directors, Advisors and Bankers (continued)

Directors

Andrew Wallhead
Chief Executive

Mick Walsh
Executive Director of Housing

Sue Young
Executive Director of Investment

Martyn Shaw
Executive Director of Technical Services

Tracy Tallant
Director of Organisational Development

Secretary

Neil Warren (with effect from 31 July 2023)

Movements in year:

Martin Warhurst, Executive Director of Resources (Resigned 31 January 2023)

Post Balance sheet events:

Neil Warren, Executive Director of Resources (Appointed 31 July 2023)

Sarah Roxby, Executive Director of Housing (Appointed 1 October 2023)

Mick Walsh, Executive Director of Housing (Resigned 30 September 2023)

Wakefield and District Housing Limited (WDH) Board Members, Directors, Advisors and Bankers (continued)

Registered office	Merefield House Whistler Drive Castleford West Yorkshire WF10 5HX
Registered number	Registered as a charitable Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014, Number 7530 Registered by the Regulator of Social Housing, Number L4441
Auditors	BDO LLP (Appointed 16 December 2021) 3 Hardman Street Spinningfields Manchester M3 3AT
Internal Auditors	Beever and Struthers LLP (Appointed 16 December 2021) St Georges House, 215/219 Chester Road Manchester M15 4JE
Solicitors	Trowers and Hamlins 55 Princess Street Manchester M2 4EW
Bankers	NatWest 56 Westgate Wakefield West Yorkshire WF1 1XF

A welcome from our Chair

On behalf of the Board, I am delighted to introduce WDH's 2023 Annual Report and Financial Statements.

I have had the pleasure of being a member of WDH's Board since 2020 and I was honoured to be appointed Chair of the Board, in July 2023.

Our residents and communities have always been and will continue to be at the heart of everything we do. During the last year, we have continued to deliver a range of services to support our residents in their homes and lives. We have delivered more new affordable homes and we have improved our existing homes to offer better places to live in the places people want to live. All of this could not have been achieved without the invaluable support of our residents, employees and partners.

Like every year, 2022 / 2023 brought its challenges, but the highlight for the business was certainly our award winning On Your Street initiative. This was our most ambitious project in over a decade, and, with the support of colleagues from every area of the business, we visited all of our 32,000 households. We connected with customers across the whole of our operating area and spent time understanding what was most important to them and how we could help. This is just one example of our unwavering commitment to supporting our customers.

Over the next year we will build on this success. We are passionate about customer feedback and making sure that everyone has the opportunity to have their say, so we are strengthening how we involve our residents through other forums including our Customer Panel and Neighbourhood Panels.

Our efforts will, most importantly, ensure we deliver what residents want whilst also ensuring that we are best placed to meet the requirements of the forthcoming consumer standards set out by the Regulator of Social Housing (RSH).

As a Board, our ambitions to improve our existing homes to EPC (Energy Performance Certificate) Band C and to achieve net zero carbon business operations by 2030 continue to remain high on our agenda.

During 2022 / 2023 we improved 962 more homes to EPC Band C, in part aided by funding from the Government's Social Housing Decarbonisation Fund. We have also worked to understand how we are best placed to move forward on our trajectory for achieving our 2030 net zero ambitions. We do not underestimate the scale of the task.

Whilst the cost of living crisis remains challenging for many of our residents, the Board and I remain confident that, working together with our partners and colleagues, we will continue to deliver high quality services and the support our residents need.

I would like to thank Jacquie Speight as previous Chair for providing leadership and support to the Executive Team and colleagues across the business. I look forward to helping to achieve our Vision to 'create confident communities.'

Andrew McConnell OBE

Chair

Chief Executive's Statement

I am pleased to report on another successful year for WDH, as we continue to deliver high quality, value for money services to our residents and communities.

In March 2023 we celebrated our coming of age as we marked 18 years since WDH was formed. This was a significant milestone for us and prompted us to look back on all we have achieved in those 18 years.

During the last year alone, we invested £81.7 million in delivering more new affordable homes and improving homes through our investment programme.

We have extended our area of operation into North Lincolnshire and discussions are underway with partners to deliver more new homes in this region.

The condition of homes, particularly in respect of damp and mould, is still very much at the top of agenda across the social housing sector. WDH is no exception. However, the number of cases across our 32,000 homes is small. We are working to support tenants and resolve any cases swiftly and effectively.

The results of our recent Tenant Survey, whilst positive, show customer expectations remain high, and rightly so. We will always strive to improve the customer experience and satisfaction with the services we provide, and this year is no different.

This is a priority for us. We aim to improve satisfaction by continuing to invest in our homes, services and support as well as our digital capabilities, helping customers access the services and information they need when they need it.

We have plans to invest nearly a further £100m during the next financial year, as we continue to deliver our investment programme to improve our existing homes and neighbourhoods and progress our ambitions to deliver more new homes working with our partners.

We are also continuing to work with partners to improve areas through regeneration and provide much needed new affordable homes.

The climate change agenda and our ambitions for EPC Band C across all existing homes by 2030 poses a challenge for WDH and the housing sector. We continue to make improvements, to make our homes more energy efficient and cheaper to heat. However, the financial investment needed in the years ahead will be significant and we continue to work hard with partners across the sector to leverage the funding needed.

Our governance and financial viability remain strong. Despite the wider financial climate we are well placed to deliver our future ambitions.

I am confident that with the support and involvement of our residents and partners, we will continue to achieve success together, delivering our Vision to 'create confident communities'.

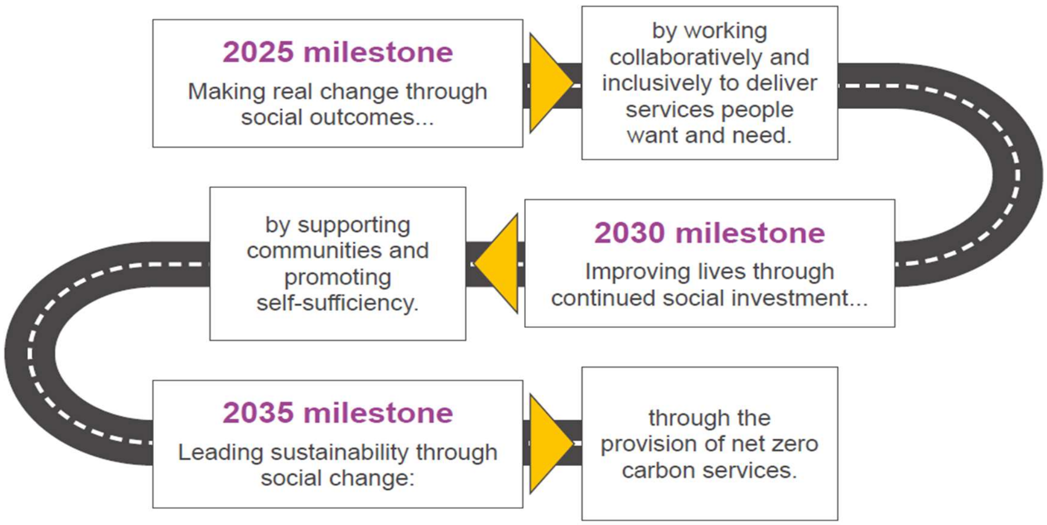
Andy Wallhead

Chief Executive

Strategic report

Our Vision and Business Model

'To create confident communities.'



Wakefield and District Housing Limited (WDH) is a charitable Community Benefit Society (CBS) registered under the Co-operative and Community Benefit Societies Act 2014 and is an exempt charity.

Established in 2005, we are West Yorkshire's largest social housing provider with 32,000 properties across Wakefield and our wider area of operation, across Yorkshire and North Lincolnshire.

We provide more than just homes where people want to live, we support people to develop and live healthy, confident lives. We pride ourselves on delivering services for the good of our communities.

Following a comprehensive review, the Board agreed on 21 February 2020, an updated Vision to 2035 setting out five year milestones which support delivery of the Vision.

We reinvest the social dividend to build more homes, improve existing homes and provide additional services to tenants and communities, to provide better places for people to live.

As a large social housing provider, we are able to drive economies of scale, and deliver innovation and excellence across our services to ensure value for money and deliver the maximum benefit to our tenants.

Our business model is based on maximising our social dividend, the surplus remaining after our core housing functions have been paid for. It supports us to deliver our vision to create confident communities and go beyond the responsibility of a landlord.

Strategic report (continued)

Our Objectives

The 2025 Business Strategy sets out how we intend to achieve our Vision Milestone to 2025:

'Making real change through social outcomes - by working collaboratively and inclusively to deliver services people want and need.'

An update was agreed by the Board 23 February 2023, setting out more detailed delivery plans and key actions for the years ahead to 2025 The following objectives and priorities are being pursued:

Strategic objectives	2025 milestone priorities	
To be a landlord of choice by putting the customer first.	**Customer excellence** Providing high quality, value for money, tenant shaped services.	**Health, wellbeing and support** Supporting our tenants to maintain successful tenancies and healthy lives.
To be a partner of choice to create better places to live.	**New homes and growth** Increasing access to high quality affordable housing.	**High quality homes and neighbourhoods** Meeting the highest standards of safety and repair and regenerating communities.
To be a positive force of leadership to develop the potential of people.	**Skills and enterprise** Supporting tenants and communities to achieve their aspirations and ambitions.	**Workforce of the future** Ensuring a highly skilled, capable and resilient workforce.
To be a well-managed and well governed business.	**Business of the future** Being a fit for purpose, forward looking business.	**Greener business** Being responsive to climate change.

Strategic report (continued)

Principal Risks, Uncertainties and Opportunities

Risk management

WDH has an embedded Risk Management Framework and conducts its business in a prudent manner which safeguards its assets through the effective management of risk.

Risk appetite and register

The Group Board agrees the Risk Appetite Statement on an annual basis. This defines Board's risk appetite for the main areas of risk to the business. It also includes risk indicators which are monitored by the Audit and Risk Committee and reported to each Board on an exception basis.

The indicators include Financial Golden Rules which are agreed by the Board as part of the annual Business Planning process.

The risk register is owned by the Group Board and risk is a standing item at every Board meeting. It is routinely scrutinised by the Corporate Management Team and by the Audit, Risk and Assurance Committee on behalf of the Board. The reports identify assurance using the Three Lines Model, and each Audit and Risk Committee meeting includes a deep dive into one of the key risks and the associated assurance.

A summary of the high-level key risks is set out below.

Key risks	
Governance, legal and regulatory compliance	Impact of the cost of living and economic uncertainty on customers
Health and safety and property compliance	Asset management
Delivery of new homes	Risks to income
Financial viability	Information security and IT resilience

Strategic report (continued)

Key risk and main drivers	How the Board gets assurance
Governance, legal and regulatory compliance Effectiveness of WDH's internal control framework coupled with WDH's framework for governance and control. Ensuring compliance against regulatory standards and chosen code of governance.	Annual review performed against the NHF Code of Governance and reported to the Board. Following annual self assessment, the Board confirms compliance with the 2020 Code, with the exception that the Board agreed 26 May 2022 to extend the term of office for one Board member beyond the six year maximum set out within the Code, for one additional year ending July 2023, to support succession planning arrangements as set out in the statement of preferred composition. The Audit and Risk Committee oversee appointment of the internal and external auditors, who provide external assurance on the effectiveness of WDH's internal control framework. Robust governance, internal control and risk management arrangements are in place, and reviewed annually by internal audit. Board oversight of detailed scenario and stress testing performed on the Business Plan. Rolling programme of self-assessments against all Regulatory Standards, with outcomes reported to Governance and Regulation Panel or Audit and Risk Committee.
Impact of the cost of living and economic uncertainty on customers Supporting our customers and helping sustain tenancies in the current economic climate.	WDH invests in a range of services to support tenancies. These include employment training and support, money advice, mental health, and wellbeing, as well as working with people to obtain grants and support they may be entitled to. Our Debt Team engages with customers offering early intervention and support to help people sustain their tenancies. Our Corporate Management Team and Board Committees receive performance management information to identify any emerging trends and ensure appropriate action is taken.
Health and safety and property compliance Ensuring fire safety within multi-storey blocks and independent living schemes. Gas and electrical compliance; legionella and asbestos safety; and safety of lifts. Ensuring homes are free from systemic issues giving rise to damp, mould and condensation (DMC).	A dedicated Compliance Team oversees and reports on property compliance to the Compliance and Assurance Committee, with performance information reported to the management team and Board. Key controls include: • Board approved High-Rise Building Safety programme with the Board kept up to date on progress. • Annual gas servicing and electrical testing programmes. • Robust fire risk assessment process. • Processes for the management of asbestos and water safety risks. • Inspection and servicing of passenger lifts. • DMC process in place. Oversight of customer contact and responses by DMC Group.

Strategic report (continued)

Key risk and main drivers	How the Board gets assurance
Health and safety – employees and stakeholders Ensuring the health and safety of employees and our stakeholders.	Our central Health and Safety Team report to the Health and Safety Management Group, who, together with the Board and Audit and Risk Committee, receive a range of KPIs and Risk Indicators which monitor performance against the Board's Risk Appetite.
Asset management Ensuring our homes are well maintained, fully compliant and safe and meet our needs going into the future, balancing investment needs of existing stock, new development and acquisitions, and climate change goals. External economic and construction industry factors impacting cost and delivery of the reinvestment programme.	Board approved Asset Management Strategic Plan and Reinvestment Programme, which uses independent stock condition surveys of investment needs. Capital Programme is aligned to the above and is approved by the Board each year. The Board receive updates on modelling the investment needed for the sustainability agenda. The Compliance and Assurance Committee oversee the approval and delivery of the asset management plan and independent Stock Condition Survey. The Board approved a High-Rise Building Safety programme and are kept up to date on progress. The Board and Committees receive performance information on how well we are managing property compliance and delivering our reinvestment programme.
Delivery of new homes Ensuring an appropriate pipeline of properties to meet the ambitions of the Development Programme. External economic and construction industry factors impacting cost and delivery of the development programme and housing market exposure in relation to shared ownership properties.	Board approved New Build and Investment Plan and Investment Policy, and Land and Property Acquisition Policy Oversight of the development programme is provided by the Quality and Assurance Group and Investment and Funding Committee, with performance and scheme forecasts being reported to each Board. All new development proposals require completion of a financial appraisal which must meet Board approved parameters to ensure viability of schemes. Refinancing of the loan portfolio was completed to create additional long term development capacity. External advice is obtained on development pipelines, commercial opportunities, and growth opportunities within our area of operations.

Strategic report (continued)

Key risk and main drivers	How the Board gets assurance
Risks to income Impact of the cost of living crisis and local economy on people's ability to fund their rent and sustain their tenancies. Future government policy on welfare reform and the sector rent formula.	Operational management of rental income collection and tenancy support delivered by the Housing Directorate, with oversight by the Operational Committee, and performance monitored by the management team and Board. Limited ability to influence government policy, however, WDH's Business Strategy continues to focus on delivering on areas of national importance, including development of new homes, working towards carbon reduction targets, and delivering high levels of customer safety and satisfaction. Prudent assumptions on future rent increases included within the 40-year business plan, and testing using scenarios including increased inflation and rent arrears.
Financial viability Cost of living pressures and the return of high inflation is continuing to impact the UK and WDH's customers. The economic impact on the sector was considered by the by the Regulator of Social Housing in the annual stability checks. This resulted in a number of associations, including WDH, receiving V2 gradings reflecting a compliant assessment, but recognising the pressures arising from the operating environment.	Each year, the Board are involved in developing the scenarios and stress testing approach used to ensure our Business Plan is robust. The Board have also taken part in an externally facilitated risk and stress testing workshop to ensure the risks and scenarios reflect the changing operating environment which we and our customers find ourselves. The rent settlement is in place at CPI+1% until March 2025 and agreed debt funding in place. The Corporate Management Team, Audit and Risk Committee and Board receive performance and Risk Indicator updates which include performance against our Financial Golden Rules.
Information security and IT resilience Failure to effectively manage information security risks, resulting in significant information security incidents and interruptions to business activities. Ensuring systems are resilient and interruptions to service are minimised. Failing to ensure GDPR / Data Protection compliance.	Board approved Information Security Policy, with 24/7 Security Operations Centre monitoring and continual scanning for new vulnerabilities. Critical systems and data are hosted externally by specialist third-party, over multiple sites. A designated Information Security Manager and Data Protection Officer overseeing security and compliance, including employee awareness. Given the high risk associated with cyber security and resilience, the Audit and Risk Committee receive updates on the programme of improvements underway.

Strategic report (continued)

Additional risk considerations

High rise properties -

Number of high risk blocks over 18 meters	No of units	Proportion of WDH stock
12	717	2.2%

No of buildings and unit with	
Aluminium Composite Materials (ACM)	External Wall Systems (EWS) requiring remediation work
0	5 buildings 199 units

WDH's high rise blocks do not have any materials of the same type of cladding as that used in Grenfell Tower, Aluminium Composite Materials (ACM). Surveys have been carried out on all high-rise properties which have a rendered finish. These have concluded that there are no ACM or plastic-coated claddings.

The external wall system (EWS) at Low Cross Court is 'Structherm' external wall insulation. Four blocks at Kirkgate; Manor House, Warren House, Trinity House, and Tudor House have 'Alumasc' EWS that have now been assessed as meeting the requirements at the time of installation, but do not meet current requirements.

WDH has approved works to remove EWS from all five building, this work has continued during 2022/2023 and is expected to be completed by 2025/2026. The additional fire prevention measures are funded through existing budgets.

WDH has not experienced any significant adverse impact on demand and these units will continue to be let. The high-rise blocks are not secured against any of the organisation's loan facilities and the blocks were impaired to a Nil carrying value in 2020/2021 this has not caused any deterioration in covenant compliance.

Inflation - High inflation is impacting the UK and inflationary pressures forecast to be an issue that are expected to impact the economy for the next two to three years before falling back to the BOE long term target of 2.0%. To mitigate these pressures WDH has a pay settlement in place for 2023/2024, additionally cost pressures on material and service supplies are being experienced, however the new build and reinvestment programme as approved by Board for 2023/2024 are forecast to be fully delivered within budget during the next financial year.

Rising costs of living and tenant income - Tenants' ability to remain in employment, cost of living pressures linked to substantial increase in energy and food costs remain serious risks. Although no immediate deterioration in current performance has been experienced, there will be further adverse pressures and impacts on WDH, and for the housing sector generally.

Conflict in Ukraine - WDH does not have any suppliers which are based in Russia and WDH's large utility contracts for energy are with European based companies. The vast majority of WDH suppliers are UK based, however, as goods arrive from across the world and Russia is a large producer of raw materials and energy, the impact of price rises is forecast to impact WDH's cost base.

Strategic report (continued)

Financial liabilities - The risks associated with bank borrowings are considered to be significant risks for the business. This is because the housing properties that are developed by WDH are financed through these bank borrowings.

External advice on treasury management is provided to the Board and the Treasury Management Strategy is reviewed and updated to Board twice a year.

Financial Risk Management

The Board retains responsibility for determining policy and strategic oversight of the organisation's treasury risks and receives independent advice on treasury policy.

The Board uses various financial instruments to fund operations, including secured loans and cash balances. The existence of these financial instruments exposes the Association to a number of key financial risks against which prudent scenario planning and stress testing is adopted.

The Group and Association has exposure to the following risks arising from financial instruments:

Liquidity risk - Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association mitigates this financial risk by ensuring sufficient cash and loan capacity are available to meet the foreseeable needs, and that invested cash assets are secure and readily available.

The liquidity risk is managed based on expected maturity dates of the financial liabilities.

SONIA (Sterling Overnight Index Average) - WDH has agreed loans based SONIA plus the margin and a credit adjustment spread.

Interest rate risk - Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest-bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest-bearing investments will fluctuate because of fluctuations in the interest rates.

Operations and investment in new build developments are financed through a mixture of operational cash flows, retained surpluses and bank borrowings. Exposure to interest fluctuations on borrowings is managed using both fixed and variable rate instruments to ensure that the Association is protected against potential adverse movements in the markets.

The Association does not perform any hedging against risks from movements in variable interest rates on certain loans.

Strategic report (continued)

Exposure to interest rate risk - The interest rate profile of the Association's interest-bearing financial instruments is summarised below. Further information is provided at note 25, 31 and 32.

Loans at 31 March 2023	At Book Value	At Fair Value
Fixed rate instruments	**£'m**	**£'m**
Financial liabilities Bank loans	320	396.1
Variable rate instruments	**£'m**	**£'m**
Financial liabilities Bank loans	80	80.3
Total	**400.0**	**476.4**

Cash flow sensitivity analysis - A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

Loans at 31 March 2023	At Book Value	At Fair Value
Variable rate instruments Cash flow sensitivity	**£'m**	**£'m**
100 bp increase	0.8m	0.83m
100 bp decrease	(0.8m)	(0.83m)

Credit risk - The Group's principal credit risk relates to tenant arrears. Universal Credit and welfare reforms compound this risk. This risk is mitigated through a number of financial inclusion measures delivered by WDHs such as Cash wise and the Debt team which aim to ensure tenancies are sustainable.

Arrears have remained stable throughout 2022/2023 and cash collection rates have remained high, WDH remain confident arrears and the ability to collect rents remains high, as demonstrated in the table below and further at page 32.

Demand for social housing remains strong. Rent and debt collection rates remain high, with current rent arrears from tenants as a percentage of letting income (less grants reducing by 18% year on year to 3.1% (2022:3.8%) and) and rent losses due to voids and bad debts percentage of income from lettings remaining stable 1.6% (2022: 1.7%).

	2022/ 2023 Result	2021/ 2022 Result	2020/ 2021 Result
Percentage of Debit	3.1%	3.8%	3.0%
Total Arrears	£6.4m	£7.2m	£6.1m

Strategic report (continued)

Financial Review and Performance

The financial position of the Group remains robust. The operating surplus for 2022/2023 being £24.6m, as result of increased income and stable operating costs.

Whilst an operating loss of £762k was generated from the joint venture Bridge Homes (Yorkshire) LLP, the surplus for the year after tax of £7.3m shows a significant increase on 2021/2022.

The Group Statement of Financial Position, shows increased asset balances and reductions in liabilities largely attributable to reduced pension liabilities, maintaining strong liquidity and reduced gearing.

WDH continues to invest in new and existing homes and strong cash balances remain sufficient to fund future investment.

Summary of Statement of Comprehensive Income

The Group's Consolidated Statement of Comprehensive Income is presented on page 50 and supporting notes can be found at pages 57 – 106. The following provides a summary:

For the year ended 31 March	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Total turnover	**173,319**	**161,542**	**153,345**	**158,491**	**155,561**
Of which: income from lettings	*161,386*	*144,378*	*141,769*	*138,719*	*137,736*
Operating Costs	(153,237)	(151,595)	(130,852)	(127,322)	(124,497)
Of which: operating costs from lettings	*(140,566)*	*(132,656)*	*(122,457)*	*(108,278)*	*(105,550)*
Impairment loss	(230)	(65)	(3,761)	(290)	(184)
Surplus on sale of property	4,591	4,206	1,233	2,129	2,732
Fair value movement on investment property	200	400	(1,000)	(1,288)	(600)
Operating surplus	**24,643**	**14,488***	**18,965***	**31,720***	**33,012***
Share of operating (loss) surplus in joint venture	(762)	271	792	379	51
Net interest payable	(16,477)	(15,969)	(14,868)	(18,526)	(18,171)
Exceptional finance credit / (charge)	-	-	15,048	(111,370)	-
Surplus / (loss) for the year after tax**	**7,345**	**(1,312)**	**19,726**	**(97,938)**	**14,840**
Other comprehensive income	128,908	127,955	55,532	44,391	12,175
Total comprehensive income/(loss)	**136,253**	**126,643**	**75,258**	**(53,547)**	**27,015**
Operating margin (overall)*	14.2%*	9.0%*	12.4%*	20.0%*	21.2%*
Operating margin (social housing)	12.9%	8.1%	13.6%	21.9%	23.4%
EBITDA interest cover*** (RSH VFM Metric 4)	119.5%	130.8%	260.6%	217.9%	193.4%

*These figures include the profit on disposal of assets.. From 2019/2020 figures also include loss of revaluation of Investment properties, due to reporting requirement changes, with 2018/2019 restated.

**2019/2020 Surplus for the year before exceptional finance charges £13,432k, ((£97,938k) + £111,370k)

***EDITDA MRI 2020/2021 and 2019/2020 excludes exceptional finance credit / (charge).

Strategic report (continued)

Group turnover at £173.3m (2022: £161.5m.) has increased by 7%, due to income from social housing lettings, accounting for 93% of turnover, partially offset by decreases in revenue from low cost home ownership sales, reduced to £7.6m (2022: £13.5m).

Group operating costs at £153.5m remain relatively static (2022: £151.6m), at 89% of turnover (2022: 94%).

Income from social housing lettings increased to £161.4m (2022: £144.3m) due to increases in social housing grant released to income of £12.5m (2022: £4.3m) and in rental income (excluding services charges) of £143.6m (2022: £135.0m), as a result of annual rent increases.

Demand for social housing remains strong. Rent and debt collection rates remain high, with current rent arrears from tenants as a percentage of letting income (less grants reducing to 3.1% (2022: 3.8%) and rent losses due to voids and bad debts percentage of income from lettings remaining stable 1.6% (2022: 1.7%) respectively, within Board trigger limits.

Operating expenditure on social housing lettings increased to £140.6.m (2022: £132.7m), with expenditure on routine and planned maintenance of £27.2m (2022: £23.0m) increasing due to cost pressures, service charge costs of £7.1m (2022: £6.1m) and increased depreciation charges of £30.2m (2022: £28.4m).

Management costs remained static at £51.0m (2022: £50.9m). Underlying management costs excluding the actuarial pension adjustment at £40.2m (2022: £38.2m) were lower than budgeted expectations.

This resulted in an operating surplus from social housing lettings of £20.8m (2022: £11.7m) and a social housing operating margin of 12.9% (2022: 8.1%).

Turnover from other activities reduced to £11.9m (2022: £17.2m) largely as a result of decrease in low cost home ownership sales.

These factors resulted in an overall group operating surplus of £24.6m increased on the prior year (2022: £14.5m) and an overall operating margin of equal 14.2% (2022: 9.0%). The overall group surplus being £7.3m (2022: £1.3m loss).

Other comprehensive income at £136.2m has increased (2022: £126.6m) representing an unrealised gain on revaluation of housing properties of £75.7m (2022: £52.0m) and an actuarial gain in respect of the pension scheme of £53.1m (2022: £75.9m). WDH pension fund is in a net asset position, a zero position is reflected in the financial statements due to reporting under FRS102 and restricting the surplus.

Strong, positive operational cashflows continue and reflect the underlying operating strength of WDH; net cash inflows from operating activities remain positive at £45.4m (2022: £50.0m).

The closing cash position at 31 March 2023 of £75.0m (2022: £87.4m) is sufficient funding to deliver the Business Plan approved investment in new housing supply during 2023/2024 and all liquidity needs of the organisation during 2023/2024 and beyond.

Strategic report (continued)

Summary of Statement of Financial Position

The Group's Consolidated Statement of Financial Position is presented on page 54 and supporting notes can be found at pages 57-106. The following provides a summary:

For the year ended 31 March	2023 £,000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Tangible fixed assets – housing properties	1,016,082	913,647	847,163	776,702	708,558
Tangible and Intangible fixed assets – other	19,873	20,029	21,989	23,121	20,907
Investment properties	10,200	10,000	9,600	10,600	11,850
Homebuy loans	88	114	129	129	147
Investment in joint venture	5,472	5,484	5,213	4,421	4,042
Liquidity Reserve Fund	3,548	3,474	3,470	-	-
Total fixed assets	**1,055,263**	**952,748**	**887,564**	**814,973**	**745,504**
Net current assets / (liabilities)	47,500	59,397	61,939	(439,893) *	83,704
Total assets less current liabilities	**1,102,763**	**1,012,145**	**949,503**	**375,080**	**829,208**
Loans (due over one year)	(468,533)	(472,878)	(476,405)	-	(417,300)
Other long-term liabilities	(1,227)	(1,170)	(498)	(752)	(652)
Pension (liability)/asset**	0	(41,346)	(102,492)	(79,478)	(62,859)
Total reserves	**633,003**	**496,751**	**370,108**	**294,850**	**348,397**
Debt per Unit £'s	12,543	12,601	12,622	13,192	13,347
Liquidity (current assets as a ratio of current liabilities)	2.11	2.62	3.09	0.20	5.33
Gearing (RSH VFM metric 3)	39.5%	42.8%	47.3%.	55.4%	46.8%

*Includes one off exceptional finance charge of £111.3m in 2020 which related to refinancing and loans due within 1 year, see note 25 Debt.

**WDH Pension valuation returned a net asset position of £74m, asset reflected at nil due the asset being restricted under FRS102, a pension assets should not be recognised unless it leads to lower employer contributions or a refund.

Strategic report (continued)

The carrying value of fixed assets remains on an upward trend £1.1bn (2022: £952.7m), with housing properties valued at £1.0bn (2022: £913.6m) using Existing Use Value for Social Housing (EUV-SH), reflecting the strategy to increase investment in new build development and the continued delivery of the stock condition works.

The investment in Joint Venture, Bridge Homes (Yorkshire) LLP, remains at £5.5m (2022: £5.5m), reflecting WDH's share of the annual loss, as a result of zero sales completions during the year, offset by increased investment of £0.75m.

The liquidity reserve fund holds 12 months of ring-fenced interest payments in advance and forms part of the terms and conditions of the new bLEND loan product drawn in May 2020.

Total assets less current liabilities have increased to £1.1bn (2022: £1.0bn). Reflective of the increases in fixed assets offset by an increase in current liabilities largely reflective of increases in loan repayments falling due within one year and increased creditor accruals.

Liquidity remains strong and is maintained at minimal cost through strong operational cash inflows and an appropriate mix of fixed and variable borrowings, due to continued strong cash collection rates. The cash position decreased at 31 March 2023 to £75m (2022: £87.4m), impacted by increases in shared ownership properties held for sale.

As at March 2023, WDH had existing fixed and floating rate debt, at £396.1m and £80.3m respectively, with interest rates ranging from SONIA+1.3% to 7.04%, which creates sufficient hedging against interest rate increases; the weighted average cost of capital is 4.97%. No breaches of the covenant occurred during the year or are anticipated in the future.

Outstanding loan balances of £400.0m, excluding Fair Value adjustment (2022: £400.0m) offset by a small increase in the number of social housing units to 31,890 (2022: 31,744 units) resulted in a debt per unit of £12,543 (2022: £12,601). Undrawn loan facilities of £40m (2022: £120m) were available under existing funding arrangements. Cancellation of £80m of the revolving credit facility has taken place and is effective from May 2022 after Board approval due to no loan drawdowns being needed. Therefore, the available loan facility now totals £440m with £40m undrawn, reduced from £520m at March 2022.

Other long-term liabilities of £1.2m (2022 £1.1m) relate to a provision and recycled capital grant fund, for the purchase and development of new housing schemes.

WDH is a member of the West Yorkshire Pension Fund (WYPF) and records a net pension asset of £74.6m, which has been restricted to zero in the financial statements to reflect that the benefit won't be released to the statements through reductions in future contributions (2022: £41.3m liability), the position of the pension scheme has improved due to a reduction in scheme liabilities of £109.4m and increases in the value of scheme assets of £6.5m.

There has been a change to the financial assumptions over the period, with the discount rate increasing by 1.9% to 4.6%, salary increase assumptions increasing by 0.14% to 2.65%, and assumptions regarding the Consumer Price Index (CPI) inflation and future pension increases both decreasing by 0.3% to 2.60%.

Strategic report (continued)

The liability arising from the McCloud judgement has been accounted for in previous years and no additional adjustment for past service cost is required. The method used by the fund and reflected in the valuation is closely aligned with the method proposed by the MHCLG(now DLUHC) in it consultation issued in July 2020.

Guaranteed Minimum Pension the fund has made an approximate allowance for the first Lloyds ruling and no allowance has been made for the second ruling as liability has yet to be acknowledged by the Government nor an approach to rectify this. Full details of WDH pensions are included in Note 9 of the financial statements.

Total reserves have increased to £633m (2022: £497m) reflecting increases in the revaluation reserve due to increases in the carrying values of assets at EUV-SH, and income and expenditure reserve reflecting surplus for the year and actuarial gain in respect of the pension scheme.

Securing Value for Money (VFM)

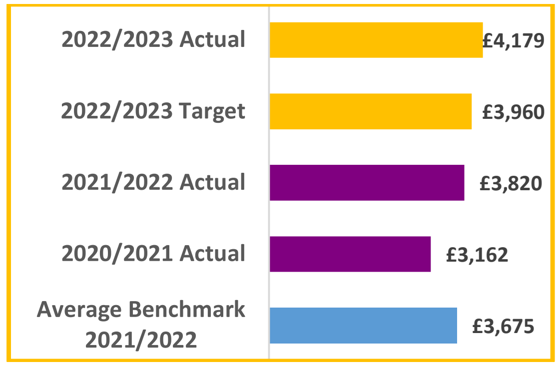
Value for money is embedded in the delivery of the Business Strategy priorities. Over the past 12 months, WDH has continued to make a significant investment in new housing supply, existing properties, and tenant support, to deliver increased VFM to all stakeholders.

Performance is measured against VFM Metric's determined by the Regulator of Social Housing (RSH) and our own internal measures agreed by the Board. Performance comparison is included against sector performance based on Housemark peer group data against the latest available datasets where applicable.

Performance against the RSH VFM Metrics

Economy

Headline Social Housing Cost
(RSH VFM metric 5)



At £4,179 the headline social housing cost per unit, slightly exceeded target budget expectations.

Routine maintenance and major repairs expenditure showed an overall increase of 19% in comparison to 2021/2022, due to increased cost pressures as well as increased numbers of routine repairs.

Underlying management costs excluding the actuarial pension adjustment at £40.2m (2022: £38.2m) and capitalised major repairs £19.3m (2022:£13.0m) were lower than budgeted expectations.

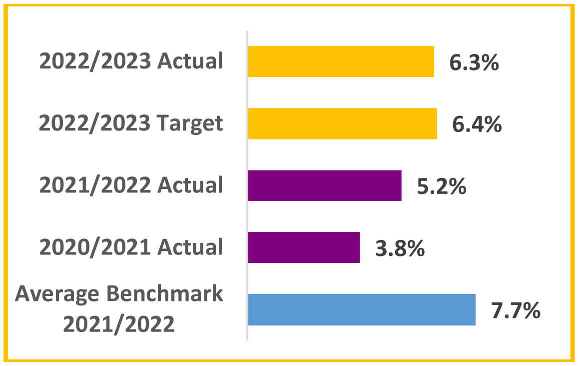
Effective management of budgets and a rigorous approach to procurement ensures a constant drive for improved VFM across all services and enables the provision of excellent services.

A target of £4,190 has been set for 2023/2024 reflecting the Board's ambition to maintain its stock at the highest standard and deliver positive social outcomes in support of the Vision.

Strategic report (continued)

Efficiency

Reinvestment (RSH VFM metric 1)



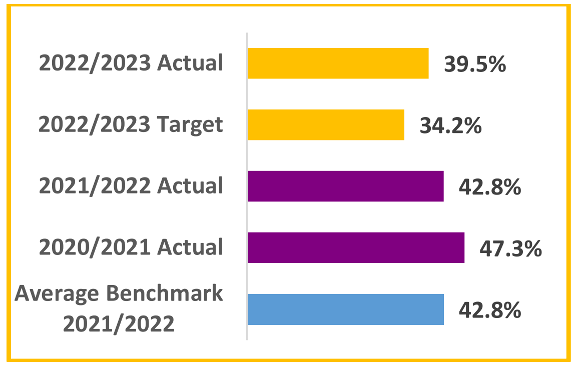
Reinvestment in new and existing homes as a % of the total value of our housing assets increased to 6.3% from 5.2% in 2021/2022.

This reflects investment of £45 million in the development of new properties, increasing from £34 million in 2021/2022, and £19 million of capital reinvestment in our existing homes, which increased from £13 million in 2021/2022.

This was broadly in line with target due to increased cost pressures, despite a lower number of new homes delivered,337, against a target of 384.

A target of 9.5% has been set for 2023/2024 in line with plans to continue to invest in more new homes with planned investment to develop 415 new units in 2023/2024 and increased investment in our existing housing stock.

Gearing (RSH VFM metric 3)



Gearing reduced to 39.5% from 42.8% in 2021/2022 as a result of an increase in the valuation of housing properties.

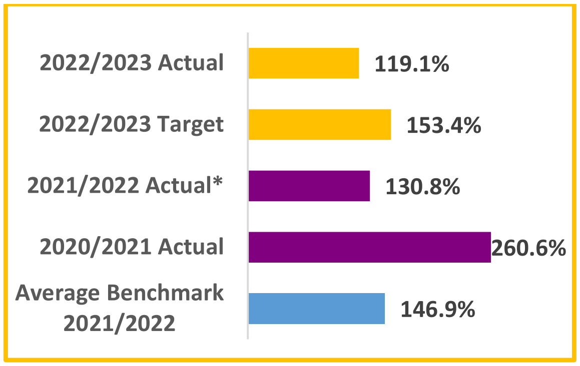
The value of long and short term loan reduced slightly, but remained broadly in line with the previous year, at £476m of drawn loan facilities (2021/2022 £478m).

Strong cashflow continues to minimise borrowing requirements, with no additional drawdowns forecast in the business plan for 2023/2024.

A target of 36.8% has been set for 2023/2024 based on historical cost of properties.

Strategic report (continued)

EBITDA MRI interest cover
(RSH VFM metric 4)



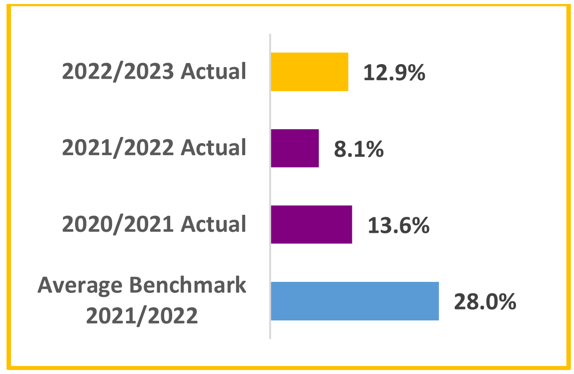
**EBITDA MRI 2020/2021 excludes exceptional finance credit*

EBITDA interest cover decreased to 119.5% from 2021/2022 at 130.8%, falling short of target expectations.

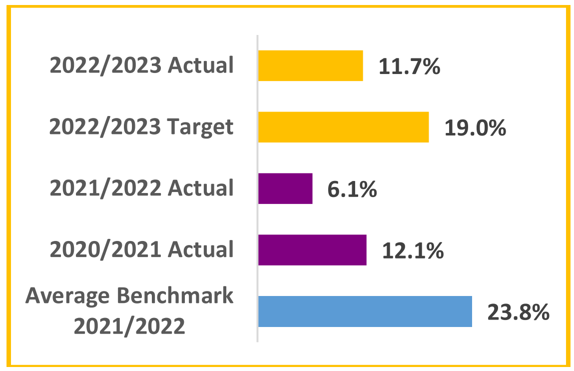
Despite an increase in the overall operating surplus, increased capitalised major repairs spend and government grants taken to income, (deducted from the surplus to calculate the interest cover) resulted in lower interest cover.

A target of 159.2% has been set for 2023/2024 in line with expectations relating to overall operating surplus and operating costs driven by increased reinvestment revenue expenditure.

Operating Margin Social Housing
(RSH VFM metric 6a)



Operating Margin Overall
(RSH VFM metric 6b)



The operating margin from social housing lettings increased to 12.9% from 8.1% in 2021/2022. This reflects increases in income from lettings and government grants partially offset by increases in operating costs, primarily maintenance expenditure and depreciation costs.

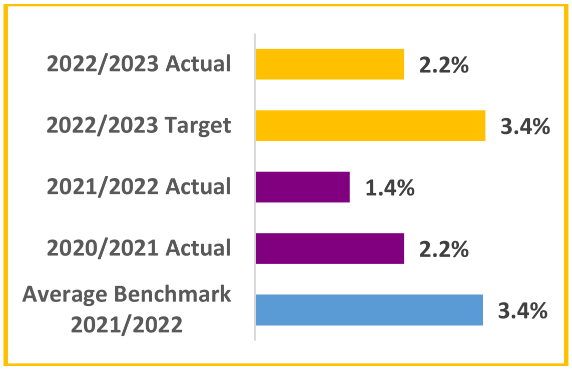
The overall operating margin, excluding the surplus from the disposal of fixed assets and the fair value of investment properties, increased to 11.7% from 6.1% in 2021/2022.

WDH underlying performance to VFM 6b equals 17.9% for 2022/2023 when the year end FRS102 pension adjustment of £10.8 m is added back to the VFM metric 6a.

An operating margin target of 18.5% has been set for 2023/2024. This excludes FRS102 actuarial pension charges.

Strategic report (continued)

Return on Capital Employed
(RSH VFM metric 7)

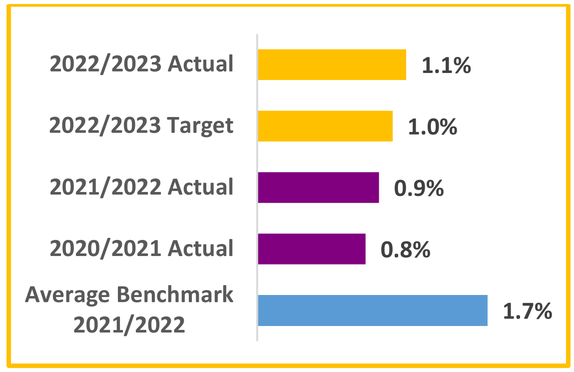


The return on capital employed, generated from core housing assets increased to 2.2% from 1.4% in 2021/2022, but fell short of target.

Improved performance on 2021/2022, was due to an increased operating surplus, primarily as a result of increased rental income. WDH's asset base remains strong and housing stock values have increased.

A target of 3.04% has been set for 2023/2024.

Effectiveness
% New supply delivered - social housing
(RSH VFM metric 2a)



New social housing supply increased to 1.1% as a result of an increase in delivery of units to 337 from 281 units in 2021/2022 281 units.

Overall units owned has increased marginally to 31,890 units from 31,744 impacted by Right to Buy and Right to Acquire sales.

% New supply delivered – non-social housing (RSH VFM Metric 2b) was nil during the period and previous years.

A target of 1.3% has been set for 2023/2024 based on the delivery of 415 new units, in line with the Business Plan.

Strategic report (continued)

Performance against our own VFM metrics

Customer excellence: Providing high quality, value for money, tenant shaped services.

We remain focussed on providing high quality, value for money services that meet the needs of our tenants and customers.

Expectations over our service provision remain high. Our Tenant Survey showed satisfaction with the overall service provided by WDH showed a slight increase to 82.4% (2021/2022: 81.6%).

However, satisfaction with value for money of rent reduced to 80.8% (2021/2022: 87.5%), likely in part due to the impact of annual rent increases.

We continue to invest in service provision to deliver improvements, to enhance the customer experience and the digital customer contact offer to improve satisfaction and VFM across all services.

Overall net cashable efficiencies of £1.2million (2021/2022: £474k) were made across service delivery reducing costs and contributing to improved VFM.

Whilst the average number of days to complete repairs increased slightly to 8.6 days (2021/2022: 8 days) and did not meet the target, 95% of repairs were completed at the first visit, exceeding the target and satisfaction with repairs and maintenance increased to 86.2% (2021/2022: 81.7%).

The average cost of a responsive repair at £146 increased and fell short of target, impacted by inflation and increased cost pressures.

Metric	2022 /2023 Result	Position against target	2022/ 2023 Target	2021/ 2022 Result	2020/ 2021 Result	2021/2022 performance benchmark comparison			
						Upper	Median	Lower	WDH Quartile
Satisfaction with the overall service provided (%)	**82.4%**	**Met**	=/> 81.6%	81.6%	85.7%	81.4%	76%	72.3%	Upper
Satisfaction with value for money of rent (%)	**80.8%**	**Nearly met**	=/> 87.5%	87.5%	89.6%	87.5%	82.0%	79.6%	Upper
Net cashable efficiencies	**£1.2m**	**Met**	£250k	£474k	Not reported	Not compared			
Satisfaction with repairs and maintenance (%)	**86.2%**	**Met**	=/> 81.7%	81.7%	89.6%	79.6%	67.7%	64.1%	Upper
Average number of calendar days to complete repairs	**8.6**	**Not met**	6.5	7.9	7.3	9.3	13.7	18.6	Upper
Repairs completed at first visit (%)	**95%**	**Met**	94%	95.4%	94.3%	95.4%	90.9%	85.0%	Upper
Average cost of a responsive repair (£)	**£146**	**Not met**	£123	£124	£175	£132	£155	£190	Upper

**Nearly met is defined as being within 10% of target*

Strategic report (continued)

Health, wellbeing, and support:
Supporting our tenants to maintain successful tenancies and healthy lives.

We continue to work with a range of partners to provide financial support and our offer of integrated health, wellbeing and care services, to help our tenants and customers to maintain their wellbeing and successful tenancies.

Investment has been increased in these areas in recent years to mitigate the impact of welfare reform and the economic pressures being faced across our communities.

We continue to work with partners at DWP to ensure we implement the necessary plans to support and mitigate the impact upon our tenants of the further roll out of Universal Credit across our area operation, which is anticipated to commence during 2023/2024

Whilst our annual Tenant Survey showed that the proportion of tenants who feel supported by WDH to maintain their tenancy declined to 74.1% (2021/2022: 86.1%), this was impacted by an increased number of tenants indicating they were uncertain if they felt supported.

We continue to promote our service offer to ensure our tenants and customers are able to access the support they need.

Waiting times for support from our Cash Wise support remained at 2 weeks, meeting intended targets.

Tenancy turnover continued to remain low in in 2022/2023 at 6.3%, meeting the target to maintain this below 6.5%.

Metric	2022 /2023 Result	Position against target	2022/ 2023 Target	2021/ 2022 Result	2020/ 2021 Result
Tenants feeling supported by WDH to maintain their tenancy (%)	**74.5%**	**Not met**	>=86.1 %	86.1%	88.6%
Average waiting time for Cash Wise support (weeks)	**2**	**Met**	2	3	3
Tenancy Turnover % (CORE LETTINGS)	**6.3%**	**Met**	<6.5%	6.5%	5.8%

Strategic report (continued)

New homes and growth: Increasing access to high quality affordable housing.

The Board has ambitious plans to increase delivery of new homes and has created capacity for further growth following refinancing in early 2020, with ambitions to deliver 2,000 new homes over the five-year period 2020 to 2025.

In 2022/2023, £40.7m was invested in new build development and acquisitions providing an additional 337 new social homes (2021/2022: 281) across Wakefield and our wider area of operation.

These were made available for both social or affordable rent and low-cost home ownership, providing a mix of tenure balancing the requirements for new homes, and generating returns for reinvestment in existing and new homes.

This fell short of the intended target due to delays in completions hampered by economic pressures within the housing market.

The average development scheme payback remained strong being 39 years, within the 40-year target approved by the Board.

WDH maintains Homes England investment partner status for the Affordable Homes Programme, and funding from Homes England for the 'Wave 3' / Affordable Homes Programme (AHP) (2021 – 2026) will enable 675 units to be delivered by WDH during the period.

Opportunities for additional joint ventures with strategic partners continue to be sought with several discussions underway with partners to facilitate the provision of new homes.

During 2022/2023 there were no legal completions on homes for outright sale (2021/2022: 29) through Bridge Homes (Yorkshire) LLP, WDH's joint venture with Wakefield Council, this was due to bridge homes moving onto a new development site the first competitions are forecast for 2023/2024.

Metric	2022 /2023 Result	Position against target	2022/ 2023 Target	2021/ 2022 Result	2020/ 2021 Result	2021/2022 performance benchmark comparison			
						Upper	Median	Lower	WDH Quartile
Number of new homes delivered	**337**	**Not met**	384	281	262	694	435	313	Lower
New build programme expenditure £ (net of grant and sales income)	**£40.7m**	**Not met**	£48.8 million	£17.5 million	£24.4 million	Not compared			
Average development scheme payback period	**39**	**Met**	=/<40 years	39 years	37 years	Not compared			

Strategic report (continued)

High quality homes and neighbourhoods: Meeting the highest standards of safety and repair and regenerating our communities.

Significant investment continues to maintain and improve the quality of our homes and neighbourhoods to ensure long term viability.

Delivering programmes of compliance and building safety across our portfolio which include the top six criteria of compliance - gas, electric, fire, water, asbestos, and lifts, continues to be a major focus to ensure high standards are maintained.

This includes our programme of fire safety improvements across our high-rise residential buildings in Wakefield city centre.

Work continues to improve the energy efficiency of properties through investment in a long term retrofit programme, to achieve a minimum EPC Band C across all existing (non-new build) properties by 2030, requiring significant future investment.

During 2022 / 2023 £41m was invested in our homes through our reinvestment programme (2021/2022: £40.2m) against a budget of £48.8 million. The underspend being due to under delivery against the intended annual programme which has now been reprogrammed for 2023/2024.

Neighbourhood regeneration remains high on our agenda and work continues with Wakefield Council and a range of partners to deliver the long term future Masterplans for key neighbourhood areas; Knottingley and Ferrybridge, Kirkgate in Wakefield, and Pontefract which includes proposals for the WDH Horsefair Estate.

Despite continued investment, our annual Tenant Survey showed a decline in satisfaction levels with the overall quality of their home to 77.1% (2021/2022 83.4%) and satisfaction with neighbourhoods as a place to live of 78.3% (2021/2022:81.8%). We continue to engage with our tenants to understand their needs and expectations to facilitate improvements to service delivery and improve satisfaction.

Metric	2022 /2023 Result	Position against target	2022/ 2023 Target	2021/ 2022 Result	2020/ 2021 Result	2021/2022 performance benchmark comparison			
						Upper	Median	Lower	WDH Quartile
Reinvestment programme spend (ex VAT) £	**£41.0m**	**Not met**	£48.8 million	£40.2 million	£23.9 million	Not compared			
Reinvestment programme % completed	**75%**	**Not met**	100%	106%	New 2021/ 2022	Not compared			
Satisfaction with the overall quality of their home (%)	**77.1%**	**Nearly met***	>/= 83.4%	83.4%	87.3%	81.2%	77.0%	73.7%	Upper
Satisfaction with neighbourhood as a place to live (%)	**78.3%**	**Nearly met***	>/= 81.8%	81.8%	83.3%	81.9%	80.2%	78.3%	Median

**Nearly met is defined as being within 10% of target*

Strategic report (continued)

Skills and enterprise: Supporting tenants and communities to achieve their aspirations and ambitions.

We are committed to supporting people to improve and develop new skills and access training and employment opportunities.

The WDH Social Investment Team continue to work with partners to raise aspirations, ambitions and resilience of young people delivering a range of initiatives on our estates aimed at improving the life chances of children and young people and working in partnership with local schools and colleges, to deliver a range of programme.

Our Community Employment Advisors are dedicated to helping job seekers overcome barriers to work and seek training and employment.

The Training for Employment programme provides period of paid employment for unemployed tenants and their families, enabling participants to develop a range of skills to help them move into further employment. During the year 72% of people leaving the programme moved into further employment

Metric	2022 /2023 Result	Position against target	2022/ 2023 Target	2021/ 2022 Result	2020/ 2021 Result
% people moving into further employment following support by the Training for Employment Programme	**72%**	**Met**	70%	New 2022/ 2023	New 2022 /2023

Strategic report (continued)

Workforce of the future: Ensuring a highly skilled, capable, and resilient workforce.

Ensuring a resilient workforce with the right skills and competencies to deliver services is critical to the ongoing success of the business.

We continue to focus on increasing employee diversity and narrowing the gender pay gap.

Ongoing succession planning activity ensures workforce resilience, and we continue in invest in staff training and development providing mandatory training and additional learning and development opportunities.

Our annual employee pulse survey showed satisfaction at 7.2 out of 10 (2021/2022: 7.2) and we continue to be proactive and respond to the views of employees to ensure positive change and drive improvement in satisfaction levels.

Ensuring employee health and safety, managing sickness absence, and supporting employees back to work remains a key area of focus. Despite this, sickness absence increased slightly to 12 days per FTE (2021/2022: 11.5 days), exceeding the target of 9 days.

Going forward, further emphasis is to be placed on mental health awareness and support for our employees.

Metric	2022 /2023 Result	Position against target	2022/ 2023 Target	2021/ 2022 Result	2020/ 2021 Result	2021/2022 performance benchmark comparison			
						Upper	Median	Lower	WDH Quartile
Overall employee satisfaction (mean score out of 10)	**7.2**	**Met**	>=7.2	7.2	N/A	Not compared			
Sickness absence – average days lost (per FTE)	**12**	**Not met**	9	11.5	9	10.3	11.9	12.9	Median

Strategic report (continued)

Business of the future: Being a fit for purpose, forward looking business

WDH maintains G1/ V2 Financial Viability Regulatory Status for Governance and Financial Viability, following a downgrade from V1 to V2 by the Regulator of Social Housing (RSH) in December 2022 in recognition of the wider economic climate.

WDH focus aligned to the business model, is to increase value for money (VFM) to deliver an increased social dividend from core housing activities for reinvestment in new homes, existing homes, and other services to maximise social value across our services and communities. Overall, social dividend, total income less core operating costs, of £95.98m (2021/2022: £69.8m) was reinvested.

Ensuring low overhead costs is important to maintaining and improving VFM. Total overheads have reduced to 8% of adjusted turnover (2021/2022: 8.5%) meeting target.

Whilst costs were driven down across some support services, these were offset by increased investment across others including IT.

Investment in digital and technology systems and capabilities continues to ensure WDH remains competitive and improves the customer experience.

Levels of current and former tenant debt remain low and within target. The results are positive given the continued impact of the economic climate and associated pressures upon tenants.

Metric	2022 /2023 Result	Position against target	2022/ 2023 Target	2021/ 2022 Result	2020/ 2021 Result	2021/2022 performance benchmark comparison			
						Upper	Median	Lower	WDH Quartile
Social dividend invested	**£95.98 m**	**Met**	£91.7m	£69.8m	£59.3m	Not compared			
Total overheads as % of adjusted turnover *	**8.0%**	**Met**	8.2%	8.5%	8.5%	Not compared			
Average days taken to let dwellings (CORE and Affordable Rents)	**34**	**Not met**	25	42	70	Not compared			
Amount of current tenant rent arrears as % of estimated rental debit (excluding voids)	**2.7%**	**Met**	3.0%	2.8%	2.7%	2.8%	3.5%	4.4%	Median **
Amount of former tenant rent arrears as % of estimated rental debit (excluding voids)	**1.2%**	**Met**	1.2%	1.2%	1.3%	1.4%	1.6%	2.0%	Upper

** The definition requires a notional adjustment for turnover related to any internal repairs and maintenance DLO, to ensure fair comparison where any overhead costs for that DLO have also been reflected.*
**2021/2022 *rounded to 1.dp within the accounts actual for benchmarking purposes I 2.79% which places us in median quartile*

Strategic report (continued)

Greener business: Being responsive to climate change.

A proactive approach continues to be taken to respond to the climate change agenda and make a step change towards net zero carbon operations by 2030.

Work continues to improve environmental sustainability in line with Environmental, Social and Governance (ESG) agendas through implementation of initiatives set out in our Sustainability Plan.

Focus remains on reducing the carbon footprint across our operations. This includes gas, electricity and water use, from our vehicle fleet and other transport used by employees as part of service delivery, and waste generated from our offices and from wider service delivery, such as repairs and maintenance.

Options for alternative fuel vehicles and the related infrastructure requirements continue to be explored to move away from fossil fuel and prepare for the Government deadline on the withdrawal of sale of diesel and petrol vehicles in 2030.

Further work will take place during 2023/2024 to fully establish a strategic costed approach towards carbon reduction and offsetting, to achieve our aim to be net zero carbon across our business operations by 2030.

During 2022/2023, 55% of waste from our operations managed via our waste transfer station was recycled meeting the intended target.

Metric	2022 /2023 Result	Position against target	2022/ 2023 Target	2021/ 2022 Result	2020/ 2021 Result
% waste recycled at waste transfer station	55.0%	**Met**	55%	55.3%	49.9%

Strategic report (continued)

Environmental, Social and Governance (ESG) performance

We are committed to being a responsible and sustainable social housing provider, focusing on the wellbeing needs of our customers and communities and playing our part in mitigating climate change.

As a formal adopter of the Sustainability Reporting Standard for Social Housing, we published our second ESG Report in October 2022, setting out our performance against the standard.

We continue to take a range of ongoing actions to improve our approach to Environmental, Social and Governance including:

- Taking a 'fabric first' approach to improve the energy efficiency of our homes and improve all our existing properties to a minimum of EPC Band C by 2030, where feasible.
- Trialling low and zero carbon heating systems in some of our homes to help inform any potential future decisions on moving to alternatives to gas heating in our existing homes.
- Reviewing specifications for our new build homes to reduce carbon emissions and comply with the 2025 Future Homes Standard and using modern methods of construction (MCC) in some of our future new build homes.
- Implementing measures to reduce our carbon footprint and achieve our aim to be net zero carbon across our business operations by 2030.
- Implementing measures to improve the management of our green spaces and increase biodiversity.
- Working with partners to deliver regeneration schemes across our estates and neighbourhoods.
- Recruiting new Board members and increasing the diversity of our Board.
- Action to reduce our Gender Pay Gap.
- Improving environmental sustainability and social value across our procurement contracts.

Our 2022/2023 ESG Report will be published in October 2023.

Strategic report (continued)

Improving performance and value for Money (VFM)

Following the annual review, WDH's Board 23 February 2023, agreed the 2025 Business Strategy – 2023 Update, setting out the key actions to 2025 in support our 2025 Milestone - 'Making real change through social outcomes - by working collaboratively and inclusively to deliver services people want and need, to meet our Vision 'to create confident communities.'

The Business Strategy confirms the overall business model to maximise social dividend for reinvestment in new and existing homes and other services to tenants and local communities, providing added social value and creating confident communities.

We will continue to invest in delivering an improved customer experience and involving WDH's residents in shaping the future of our services in line with expectations set out in the Social Housing Regulation Bill and the new consumer regulations.

Emphasis on providing residents with a range of debt and financial inclusion support services and expanding our offer of integrated health, wellbeing and support services will continue to ensure our customers are supported to successfully maintain their tenancies.

Investment to increase the supply of new homes will continue in line with our ambitions for growth. Our approved Business Plan incorporates £51.3m of planned net investment to deliver a further 415 units during 2023/2024.

Additional joint ventures with strategic partners continue to be sought to increase the supply of new homes. Plans are also being put in place to establish a development company are being put in place to support WDH's ambitions to enable the provision of new homes through direct site acquisition and development.

Significant investment in existing stock will continue to maintain and improve the quality of our homes, including £48.1 of investment works as part of our reinvestment programme during 2023/2024.

A range of social investment programmes continue to improve training and employment opportunities for tenants and support young people across our communities.

A range of actions will continue to support and improve employee wellbeing, resilience and diversity and ensure our workforce has the necessary skills and capabilities to deliver customer excellence.

Focus remains on maintaining strong governance and financial viability and improving value for money and investing in our digital and technological capabilities to enhance service delivery and deliver the Board's ambitions.

We are also focussed on taking action to reduce carbon emissions from our operations and making a step change towards our ambitions for net zero carbon business operations by 2030.

Strategic report (continued)

Improving performance and value for Money (VFM) in 2023/2024 (Continued)

The Board have agreed 2023/2024 targets against a suite of performance metrics aligned to the strategic objectives and priorities set out in the Business Strategy, including a number related to demonstrating improved value for money.

The Executive and Board will monitor these targets to ensure that the Association's viability and operational performance are maintained and enhanced, and VFM is secured across all aspects of service delivery.

Further work is planned for the financial year ahead to enhance the approach to VFM across the business, considering the requirements of the Regulator of Social Housing's (RSH's) VFM Standard, to ensure WDH remains strategically well placed to deliver and improve VFM across all services and maintain its G1 and compliant viability rating, currently V2.

VFM related metric	2023/2024 Annual Target	Compared to Housemark Quartile 2021/2022
Customer excellence: Providing high quality, value for money, tenant shaped services		
Net cashable efficiencies	£250,000	Not applicable
Responsive repairs cost per property	£501	Not applicable
Responsive repairs – percentage fixed first time	94%	Median
Average number of days taken to complete repairs	8.5	Upper
Health, wellbeing and support: Supporting our tenants to maintain successful tenancies and healthy lives		
Average time waiting for Cash Wise Support	9 days	Not Applicable
New homes and growth: Increasing access to high quality affordable housing		
New build expenditure programme net spend	£51.3 million	Not applicable
Average development scheme payback period	</= 40 years	Not applicable
Reinvestment (RSH VFM metric 1)	9.5%	Upper
Number of new homes delivered	415	Lower
New supply delivered % - social housing (RSH VFM Metric 2a)	1.3%	Median
High quality homes and Neighbourhoods: Meeting the highest standards of safety and repair and regenerating our communities		
Reinvestment Programme spend	£48.1 million	Not applicable
Reinvestment programme % completed	100%	Not applicable
Skills and enterprise: Supporting tenants and communities to achieve their aspirations and ambitions		
% people moving into further employment following support by the Training for Employment Programme	70%	Not applicable

Strategic report (continued)

Improving performance and value for Money (VFM) in 2023/2024 (Continued)

VFM related metric	2023/2024 Annual Target	Compared to Housemark Quartile 2021/2022
Workforce of the future: Ensuring a highly skilled, capable, and resilient workforce		
Sickness absence – days lost per FTE employee	10.5 days	Not applicable
Business of the future: Being a fit for purpose, forward looking business		
Headline Social Housing Cost per unit (RSH VFM Metric 5)	£4,241	Lower
Gearing (RSH VFM metric 3)	36.8%	Upper
EBITDA MRI (RSH VFM metric 4)	159%	Median
Operating margin - social housing lettings (RSH VFM metric 6a)	Not set	Not applicable
Operating margin – overall (RSH VFM metric 6b)	18.5%	Median
Return on capital employed (RSH VFM metric 7)	3.04%	Median
Average days taken to let dwellings (CORE and Affordable Rents)	25	Not applicable
Amount of current tenant rent arrears as % of estimated rental debit (excluding voids)	3.0%	Median
Amount of former tenant rent arrears as % of estimated rent al debit (excluding voids)	1.2%	Upper
Greener business: Being a greener business responsive to climate change		
Percentage of waste recycled at the waste transfer station (all departments)	55%	Not applicable

**Excluding the impact of FR102 actuarial pension charges*

In addition, to the above agreed VFM metrics include a number related to tenant satisfaction aligned to the new RSH Tenant Satisfaction measures which came into force 1 April 2023 and in addition, employee satisfaction. Targets will be agreed by the Board in due course.

Strategic report (continued)

Statement of Compliance

In preparing this Strategic Report and the Report of the Board, the Board has followed the principles set out in Part 2 of the SORP updated in 2018. In accordance with the requirements of the Accounting Direction 2022, the Board certify that it has complied with the requirements of the RSH's Governance and Financial Viability Standard, maintaining a G1/V2 rating.

In accordance with the requirements of the RSH, the Board certifies that WDH has complied with the requirement to maintain an Assets and Liabilities Register. The Board, in making its decisions about public benefit and the achievement of its strategic objectives has had due regard to the public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The Strategic Report was approved by the Board on 21 September 2023 and signed on its behalf by:

Andrew McConnell
Andrew McConnell
Chair

Report of the Board

The Board presents its report and the audited Financial Statements for the year ended 31 March 2023.

Principal Activities

Wakefield and District Housing Limited (WDH) is a charitable Community Benefit Society (CBS) registered under the Co-operative and Community Benefit Societies Act 2014 and is an exempt charity. The Financial Statements for the year ended 31 March 2023 have been prepared as a CBS. WDH is a not for profit registered provider administered by a remunerated Board.

Other members of the Group are:

- WDH New Build Services Limited. A 100% owned trading subsidiary incorporated under the Companies Act 2006 and limited by guarantee. No trading activity took place in 2022 / 2023.
- WDH Solutions Limited (WDHS). A wholly owned subsidiary company incorporated under the Companies Act 2006 and limited by guarantee, now dormant.
- Bridge Homes (Yorkshire) LLP. A joint venture entity incorporated under the Companies Act 2006 as a Limited Liability Partnership with a 50% interest.

The Group's and Association's principal activities are the improvement, management, and provision of affordable housing; the delivery of social added value; and investment in new build development.

Board Members and Directors

The Board Members and the Directors of WDH who held office during the year, and since the year end, are set out on page four and five. At the year end, WDH had ten Board members. All Board members are ordinary members, who are drawn from a wide background, bringing together professional, commercial, and local skills and experience. All Board members have been entitled to receive payments for their services, details of this are shown in Note 10 to the Financial Statements.

The Directors of the Association are the Chief Executive, Executive Directors of Housing, Resources, Technical Services and Investment, and Director Organisational Development. The Directors hold no interest in the Group and act within the authority delegated by the Board. The Group's insurance policies indemnify Board Members and Officers of the business against liability when acting on behalf of WDH.

Service Contracts

The Chief Executive and other Directors are employed on similar terms to other employees. However, their notice periods are three months.

Pensions

The Directors are members of the West Yorkshire Pension Fund, a defined benefit, Local Government Pension Scheme (LGPS) based on career average earnings. They participate in the scheme on the same terms as all other eligible employees. WDH contributes to the scheme on behalf of its employees who are members.

Report of the Board (continued)

Other Benefits

The Directors are entitled to other benefits such as the provision of a car allowance and health care, although not all benefits are taken. Details of their remuneration packages are included in Note 10 to the Financial Statements.

Employees

The strength of the Group lies in the quality of all its employees. In particular, the ability to meet objectives of the Group and Association and commitments to tenants in an efficient and effective manner is reliant on their valuable contribution.

The Group shares information about its strategic objectives, performance progress and operational activities through regular meetings involving the Board, senior management team, employees, and employee representatives.

The Group also recognises that complying with the Health and Safety at Work Act 1974, and the regulations made under it, is at the core of its business ethic. The Group acknowledges that compliance is a legal duty, not a matter of choice.

The Group has a policy to recruit the right person for each position, taking into consideration the protected characteristics as defined by the Equality Act 2010 which includes people with disabilities. The Group's Diversity and Inclusion Policy ensures that the recruitment and selection process establish a workforce that reflects, as much as possible, the local communities in which the Group operates.

Donations

The Group made donations of £98k (2022: £48k) through Neighbourhood Panels and to local Food banks in support of community initiatives and activities, 102 Community Grants were made for local schemes, 11 of which exceeded £1,500.

The Group made no political donations in the year (2022: £nil)

Corporate Governance

WDH has adopted the NHF 2020 Code of Governance. Following the annual self-assessment, the Board confirms compliance with the 2020 Code, with the exception that the Board agreed 26 May 2022 to extend the term of office for one Board member beyond the six year maximum set out within the Code. This was for one additional year ending July 2023, to support succession planning arrangements as set out in the statement of preferred composition.

Adjusting Post Balance Sheet Events

WDH have entered into a Subsumption agreement with the Council of the City of Wakefield During and the West Yorkshire Pension Fund in May 2023.

Report of the Board (continued)

Internal Controls Assurance

The Board has overall responsibility for establishing and maintaining the comprehensive system of internal control across the Group and for reviewing its effectiveness. The Board cannot delegate ultimate responsibility for the system of internal control, but it has delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control.

The system of internal control adopted is designed to manage, rather than eliminate, the risk of the failure to achieve objectives and to provide reasonable assurance against material misstatement or loss, providing reasonable but not absolute assurance of effectiveness.

The process for identifying, evaluating, and managing significant risks is ongoing and has been in place throughout the period commencing 1 April 2022, up to the date of approval of the Annual Report and Financial Statements.

Key elements of the control framework include:

- Board approved Standing Orders and Terms of Reference, and delegated authorities for the Audit and Risk, Investment and Funding, Operational, and Compliance and Assurance Committees.
- A formal Risk Management Policy, with a Board approved Risk Appetite Statement, and clearly defined management responsibilities for the identification, evaluation, and control of significant risks.
- Detailed and challenging stress testing and sensitivity analysis under a rigorous suite of increasing onerous scenarios used to test the business plan annually, which includes mitigating actions. The business plan is also benchmarked by external consultants.
- The Association's risks are challenged at each Board and Audit and Risk Committee meeting, with the latter considering the sources of risk assurance as part of 'deep dive' exercises at every meeting. Risks are also benchmarked by external consultants, and the outcomes of the exercise reported to the Audit and Risk Committee.
- Board approved Code of Conduct that applies to all employees, Board, Committee and Panel members. The Code is based on good practice, the National Housing Federation's Code of Conduct, and the findings of the Nolan Committee on 'Standards in Public Life'.
- Formal recruitment, retention, training, and development policies, supported by a formal induction and a competence-based appraisal framework.
- Weekly Corporate Management Team(CMT) meetings for strategic oversight of the decision making process and monthly Performance, Scrutiny and Challenge (PSC) meetings to facilitate peer review and challenge financial and operational performance, together with emerging risks and performance against risk indicators which are aligned to the Board approved Risk Appetite. The risk indicators are also reported to Audit and Risk Committee and Board.
- Robust strategic and business planning processes and detailed budgeting, forecasting, variance analysis and the monitoring of key performance measures, reported to senior management monthly (PSC) and (CMT), and to the Board and Funders quarterly.
- Formal authorisation and appraisal procedures for all significant new initiatives and commitments.
- Rigorous treasury management that is subject to external review twice each year, prior to being approved by the Board.
- Loan covenants monitored monthly and forecasting outturn for the year and reported to monthly PSC meetings and submitted to Funders quarterly.
- Policies to effectively govern the prevention of fraud and corruption, a whistleblowing code of practice, and compliance with General Data Protection Regulation (GDPR).

Report of the Board (continued)

Internal Controls Assurance (continued)

The internal audit function is delivered by outsourced internal auditors, ensuring greater independence, objectivity, and source of assurance, in accordance with the International Standards for the Professional Practice of Internal Audit issued by the Chartered Institute of Internal Auditors (IIA). Fraud, Corruption and Bribery awareness meetings are held with Directors and senior managers annually to identify and evaluate potential risks and associated mitigation controls.

Fraud materialisations are reported to the Audit and Risk Committee and recorded in a Fraud Register and to the Regulator on an annual basis. Assurance mapping is performed against the key risks. The controls to mitigate risks are considered, as are sources of assurance of the effectiveness of the controls.

The Audit and Risk Committee has received the Chief Executive's Annual Review of the Effectiveness of Internal Control and the Annual Report of the Internal Auditors. From the 19 reviews undertaken, including 2 advisory only, zero high, 21 medium and 24 low risk recommendations were made to improve weaknesses in the design of controls or operating effectiveness.

Going Concern

The Financial Statements have been prepared on a going concern basis which the Board consider to be appropriate for the following reasons:

In the year WDH are reporting an operating surplus of £24.6m which includes an actuarial pension charge of £10.7m which after interest costs has resulted in a £7.4m surplus for the year. Total comprehensive income is £136.3m for the year reflecting the ongoing investment in the housing assets and an actuarial gain on the pension scheme liability. This is in a net asset position but a zero position is reflected in the financial statements due to reporting under FRS102 and restricting the surplus

The Statement of Financial Position has strengthened with total assets less current liabilities increasing to £1.1bn and total net assets of £633.0m.

The Group has strong positive operational cashflows, with £75m of cash reserves as at the 31 March 2023.

The majority of WDH's income, is generated from the provision of social housing, WDH has increased its rents by 7% on average for 2023/2024 for social and shared ownership properties, and for supported housing by 11.1% in line with the RSH Rent Standard. This income is forecast to be collected in line with prior years.

The conflict in Ukraine has no direct impact on WDH revenue forecasts as WDHs income is generated through the provision of Social Housing within the UK. Additional WDH does not have any contracts or suppliers within the Russian Federation.

WDH prepares a long term business plan which is updated and approved on an annual basis this shows that WDH can service its debt facilities whilst continuing to comply with lenders covenants. The most recent business plan was approved in February 2023 by the Board.

Report of the Board (continued)

Going Concern (continued)

Detailed and challenging stress testing and sensitivity analysis under a rigorous suite of scenarios are used to test the business plan, the main areas tested include:

- Changes in rental income.
- Increased operating costs.
- Increased reinvestment expenditure above the existing stock condition survey relating to EPC C and Zero Carbon costs.
- Deterioration in new build markets.
- Changes in interest rates
- Reduction in availability of financing.
- Large one off events.
- Impact of COVID-19.
- Impact of Brexit.
- Changes in inflation.
- Economic contraction in the UK.
- Cost of living impact on tenants' ability to maintain tenancies.

The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified and costed to return the plan to compliance.

As a result of this review the Board believe the Group and company has sufficient funding in place and expect the Group to be compliant with its debt covenants even in severe but plausible downside scenarios the group and company have adequate resources to continue in business for the foreseeable future.

Consequently, the Board are confident that the Group and Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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

The Board is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the Board to prepare Financial Statements for each financial year. Under that law the Board have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under the Co-operative and Community Benefit Society legislation the Board must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs, and surplus or deficit of the Association and Group for that period. In preparing these Financial Statements, the Board are required to:

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered 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 Association will continue in business.

Report of the Board (continued)

Statement of the Responsibilities of the Board for the Annual Report and Financial Statements (continued)

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing (January 2022).

It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Annual General Meeting

The Annual General Meeting (AGM) was held 31 July 2023 at Merefield House, Castleford.

External Auditors

BDO UK LLP, having expressed their willingness to continue in office. A resolution to reappoint them as external auditors for the next financial year will be proposed at the AGM.

Approval

The report of the Board was approved by the Board on 21 September 2023 and signed on its behalf by:

Andrew McConnell
Andrew McConnell
Chair

Independent auditor’s report to the Members of Wakefield and District Housing 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, and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Companies Act 2006, 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 Wakefield and District Housing Limited (“the Association”) and its subsidiaries (“the Group”) for the year ended 31 March 2023 which comprise the Consolidated and Association statement of comprehensive income, the Consolidated and Association statement of changes in reserves, the Consolidated and Association statement of financial position, the Consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent 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 Parent 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.

Independent auditor's report to the Members of Wakefield and District Housing Limited (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Strategic and Board Report for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- the Association has not kept proper books of account;
- the Association has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Association's books of account; and
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Board members responsibilities statement, set out on page 43, 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.

Independent auditor's report to the Members of Wakefield and District Housing Limited (continued)

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 including Audit Committee; 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 applicable accounting framework, Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation.

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 data protection and health and safety legislation.

Our procedures in respect of the above included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations;
- 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;
- review of financial statement disclosures and agreeing to supporting documentation;
- involvement of tax specialists in the audit; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Independent auditor's report to the Members of Wakefield and District Housing Limited (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

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 also considered Audit Committee, 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 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;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override, recoverability of properties held for sale, valuation of housing properties, existence of property sales and grant income.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- assessing significant accounting estimates and judgements made by management for bias in particular in relation to the following:
  - whether indicators of impairment exist
  - recoverable amount of housing properties and properties held for sale
  - appropriate allocation of costs between tenure types and between first and subsequent shared ownership tranches
  - useful economic lives of housing property components
  - Assumptions used in calculating pension liabilities.

- testing a sample of property sales and agreed the sales value to support providing evidence of delivery and timing of delivery;
- agreeing proceeds of property sales to bank receipts for existence;
- cut off testing for sales pre and post year end to check that all sales transaction close to the year end had been recorded in the correct accounting period; and
- agreeing the grant receipt to supporting documentation, including bank statements.

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.

Independent auditor's report to the Members of Wakefield and District Housing Limited (continued)

Extent to which the audit was capable of detecting irregularities, including fraud(continued)

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

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

This description forms part of our auditor's report

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
BDO LLP
829727ECC12041D...

BDO LLP
Statutory Auditor
3 Hardman Street, Manchester, United Kingdom
M3 3AT
22 September 2023

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Note	31 March 2023 £'000	31 March 2022 £'000
Turnover	3	173,319	161,542
Operating expenditure			
Operating costs	3	(153,467)	(151,660)
Profit on disposal of property, plant, and equipment	6	4,591	4,206
Fair value movement of investment property	15	200	400
Operating surplus	3	24,643	14,488
Share of operating surplus in joint venture	17	(762)	271
Profit before interest and tax		23,881	14,759
Interest receivable and other income	7	1,161	128
Interest payable and financing costs	8	(17,638)	(16,097)
Surplus / (loss) before taxation		7,404	(1,210)
Taxation	11	(59)	(102)
Surplus / (loss) for the year		7,345	(1,312)
Other comprehensive income			
Unrealised gain on revaluation of housing properties	12	75,759	52,070
Actuarial gain in respect of pension schemes	9	53,149	75,885
Total comprehensive income		**136,253**	**126,643**

The Financial Statements were issued and approved by the Board on 21 September 2023 and signed on its behalf by:

Andrew McConnell

Shendi Keshet

Andrew McConnell
Chair

Shendi Keshet
Chair, Audit, Risk and Assurance Committee

Neil Warren
Secretary

The consolidated results relate wholly to continuing activities.

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Note	31 March 2023 £'000	31 March 2022 £'000
Turnover	3	173,319	161,517
Operating expenditure			
Operating costs	3	(153,467)	(151,653)
Profit on disposal of property, plant, and equipment	6	4,591	4,206
Fair value movement of investment property	15	200	400
Operating surplus	3	24,643	14,470
Interest receivable and other income	7	1,161	128
Interest payable and financing costs	8	(17,638)	(16,097)
Surplus / (loss) before taxation		8,166	(1,483)
Taxation	11	(59)	(102)
Surplus / (loss) for the year		8,107	(1,585)
Other comprehensive income			
Unrealised gain on revaluation of housing properties	12	75,759	52,070
Actuarial gain in respect of pension schemes	9	53,149	75,885
Total comprehensive income		**137,015**	**126,370**

The Financial Statements were issued and approved by the Board on 21 September 2023 and signed on its behalf by:

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The Association's results relate wholly to continuing activities.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2023

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 31 March 2021	84,457	285,651	370,108
Loss for the year	(1,312)	-	(1,312)
Actuarial gain on defined benefit pension scheme	75,885	-	75,885
Unrealised gain on revaluation of housing properties	-	52,070	52,070
Other comprehensive (loss) / income	**75,885**	**52,070**	**127,955**
Reserves transfers:			
Transfer from revaluation reserve to income and expenditure reserve	4,641	(4,641)	-
Balance at 31 March 2022	**163,671**	**333,080**	**496,751**
Surplus for the year	**7,344**	**-**	**7,344**
Actuarial gain on defined benefit pension scheme	53,149		53,149
Unrealised gain on revaluation of housing properties	-	75,759	75,759
Other comprehensive income			
Reserves transfers:			
Transfer from revaluation reserve to income and expenditure reserve	6,207	(6,207)	-
Balance at 31 March 2023	**230,371**	**402,632**	**633,003**

ASSOCIATION STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2023

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 31 March 2021	**82,753**	**285,651**	**368,404**
Loss for the year	**(1,585)**	**-**	**(1,585)**
Actuarial gain on defined benefit pension scheme	75,885	-	**75,885**
Unrealised gain on revaluation of housing properties	-	52,070	52,070
Other comprehensive income	**75,885**	**52,070**	**127,955**
Reserves transfers:			
Transfer from revaluation reserve to income and expenditure reserve	4,641	(4,641)	-
Balance at 31 March 2022	**161,694**	**333,080**	**494,774**
Surplus for the year	**8,107**	**-**	**8,107**
Actuarial gain on defined benefit pension scheme	53,148	-	53,148
Unrealised gain on revaluation of housing properties	-	75,759	75,759
Other comprehensive income	**53,148**	**75,759**	**128,907**
Reserves transfers:			
Transfer from revaluation reserve to income and expenditure reserve	6,207	(6,207)	-
Balance at 31 March 2023	**229,156**	**402,632**	**631,788**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible fixed assets - housing properties	12	1,016,082	913,647
Tangible fixed assets - other	13	17,137	15,888
Intangible assets	14	2,736	4,141
Investment properties	15	10,200	10,000
Homebuy loans receivable	16	88	114
Investment in joint venture	17	5,472	5,484
Liquidity Reserve Fund		3,548	3,474
		1,055,263	952,748
Current assets			
Properties held for sale	18	8,741	2,476
Trade and other debtors	19	6,677	6,123
Cash and cash equivalents		75,071	87,407
		90,489	96,006
Current liabilities			
Creditors: Amounts falling due within one year	20	(35,110)	(31,132)
Loans: Amounts falling due within one year	20	(7,879)	(5,477)
Net current assets		**47,500**	**59,397**
Total assets less current liabilities		**1,102,763**	**1,012,145**
Creditors: Amounts falling due after more than one year	21	(469,520)	(473,571)
Provisions for liabilities			
Provisions	23	(240)	(477)
Defined benefit pension liability	9	-	(41,346)
Total net assets		**633,003**	**496,751**
Reserves			
Income and expenditure reserve		230,371	163,671
Revaluation reserve		402,632	333,080
Total reserves		**633,003**	**496,751**

The Financial Statements were issued and approved by the Board on 21 September 2023 and signed on its behalf by:

Andrew McConnell | Shendi Keshet

Andrew McConnell
Chair

Shendi Keshet
Chair, Audit, Risk and Assurance Committee

Neil Warren
Secretary

ASSOCIATION STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible fixed assets - housing properties	12	1,016,082	913,647
Tangible fixed assets - other	13	17,137	15,888
Intangible assets	14	2,736	4,141
Investment properties	15	10,200	10,000
Homebuy loans receivable	16	88	114
Investment in joint venture	17	4,250	3,500
Liquidity Reserve Fund		3,548	3,474
		1,054,041	950,764
Current assets			
Properties held for sale	18	8,741	2,476
Trade and other debtors	19	6,687	6,157
Cash and cash equivalents		75,067	87,376
		90,495	96,009
Creditors: Amounts falling due within one year	20	(35,110)	(31,128)
Loans: Amounts falling due within one year	20	(7,878)	(5,477)
Net current assets		**47,507**	**59,404**
Total assets less current liabilities		**1,101,548**	**1,010,168**
Creditors: Amounts falling due after more than one year	21	(469,520)	(473,571)
Provisions for liabilities			
Provisions	23	(240)	(477)
Defined benefit pension liability	9	-	(41,346)
Total net assets		**631,788**	**494,774**
Reserves			
Income and expenditure reserve		229,156	161,694
Revaluation reserve		402,632	333,080
Total reserves		**631,788**	**494,774**

The Financial Statements were issued and approved by the Board on 21 September 2023 and signed on its behalf by:

Andrew McConnell Shendi Keshet

Andrew McConnell	Shendi Keshet	Neil Warren
Chair	**Chair, Audit, Risk and Assurance Committee**	**Secretary**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	Note	31 March 2023 £'000	31 March 2022 £'000
Net cash generated from operating activities	27	45,693	49,589
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets - housing properties		(61,276)	(46,491)
Purchase of tangible fixed assets - other		(2,272)	(656)
Purchase of intangible assets		(412)	(179)
Proceeds from sale of tangible fixed assets		12,100	11,096
Grant received		12,097	9.977
Grant repaid		-	(334)
Investment in joint venture		(750)	-
Interest received		1,087	117
		(39,426)	(26,470)
Cash flow from financing activities			
Interest paid		(18,635)	(17,197)
Homebuy loans received		32	21
		(18,603)	(17,176)
Net change in cash and cash equivalents	27	(12,336)	5,943
Cash and cash equivalents at beginning of the year		87,407	81,464
Cash and cash equivalents at end of the year		75,071	87,407

Notes to the Financial Statements

1. Legal Status

Wakefield and District Housing Limited (WDH) is a registered provider of social housing registered under the Co-operative and Community Benefit Societies Act 2014, with a registration number 7530, and is an exempt charity.

WDH Solutions Limited (WDHS) is a wholly owned trading subsidiary of WDH and is incorporated in England under the Companies Act 2006 as a Private Limited Company limited by guarantee. The main activity of WDHS is to conduct commercial activities this company is currently dormant.

Bridge Homes (Yorkshire) LLP is a Limited Liability Partnership (LLP) incorporated in England under the Companies Act 2006. WDH and Wakefield Council incorporated the joint venture, Bridge Homes (Yorkshire) LLP. WDH has a 50% interest and Wakefield Council has a 50% interest. The joint venture has been established to build homes for sale.

The registered office of WDH and its subsidiary and joint venture undertakings is Merefield House, Whistler Drive, Castleford, West Yorkshire, WF10 5HX.

2. Accounting Policies

Basis of Accounting

The Financial Statements of the Group and the Association are prepared following the historical cost convention, amended for valuation of housing properties, and in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102), the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and complies with the Accounting Direction for Private Registered Providers of Social Housing 2019. There were no material departures from that standard.

The Financial Statements are presented in Sterling (£'000) which is also the functional currency.

The individual accounts of the Association have adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes.
- financial instrument disclosures, including:
  - categories of financial instruments; and
  - items of income, expenses, gains, or losses relating to financial instruments.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Going Concern

The Financial Statements have been prepared on a going concern basis which the Board consider to be an appropriate for the following reasons.

In the year, WDH are reporting an operating surplus of £24.6m which includes an actuarial pension charge of £10.8m which after interest costs has resulted in the £7.3m surplus for the year. Total comprehensive income is £136.3m for the year reflecting the ongoing investment in the housing assets and a reduction in the pension liability. The Statement of Financial Position has strengthened with total assets less current liabilities increasing to £1.1bn and total net assets of £633m.

The Group has strong positive operational cashflows, with £75m of cash reserves as at the 31 March 2023

The majority of WDH's income, is generated from the provision of social housing, WDH has increased its rents by 7.0% on average for 2023/2024 which is in line with the RSH Rent Standard, and this income is forecast to be collected in line with prior years.

WDH prepares a long-term business plan which is updated and approved on an annual basis this shows that WDH can service its debt facilities whilst continuing to comply with lenders covenants. The most recent business plan was approved in February 2023 by the Board for the financial year 2023/2024.

Detailed and challenging stress testing and sensitivity analysis under a rigorous suite of scenarios are used to test the business plan, the main areas tested include:

- Changes in rental income
- Increased operating costs.
- Increased Reinvestment expenditure above the existing stock condition survey relating to EPC C and Zero Carbon costs.
- Deterioration in New Build markets
- Changes in interest rates
- Reduction in availability of financing.
- Large one-off events
- Impact of Covid 19
- Impact of Brexit
- Changes in Inflation
- Economic contraction in the UK
- Cost of living impact on tenants' ability to maintain tenancies.

The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified and costed to return the plan to compliance.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Going Concern (continued)

As a result of this review the Board believe the Group and company has sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios the group and company have adequate resources to continue in business for the foreseeable future.

Consequently, the Board are confident that the Group and Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Public Benefit Entity

WDH is a public benefit entity in accordance with FRS 102. The Board, in making their decisions about public benefit and what has been done to achieve the entity's purpose, have had due regard to the public benefit guidance when exercising any powers or duties to which the guidance is relevant.

Significant Management Judgements and Estimates

The preparation of the Financial Statements requires management to make significant judgements and estimates.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Significant Management Judgements

The following are significant management judgements made in applying the accounting policies of the Group that have the most significance on the Financial Statements.

<table>
<tr><th>Area of Judgement</th><th>Description</th></tr>
<tr><td>Impairment</td><td>WDH have considered potential indicators of impairment. These have included, internal and external sources of information, such as obsolescence, changes in government policy, demand, and the market value of properties. As a result, WDH estimated the recoverable amount of certain housing properties as follows:
• Determined the level at which recoverable amount is assessed. The cash generating unit being by group of assets.
• Estimated the recoverable amount.
• Calculated the carrying amount of the asset.
• Compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.
The recoverable amount is the higher of the assets value in use and fair value less costs to sell. The impairment loss recognised in the year is shown in note 12.</td></tr>
<tr><td>Capitalisation of Property Development Costs</td><td>Capitalisation of development costs requires the exercise of judgement to ensure that costs are directly attributable to bringing the asset into existence. After capitalisation, management monitor the asset and considers whether changes indicate that an impairment provision is required. The total amount capitalised in the year is shown in note 12.</td></tr>
<tr><td>Capitalisation of Property Improvement Costs</td><td>Capitalisation of improvement costs requires the exercise of judgement in the allocation of those costs to be capitalised and those to be expensed. During improvement, work in progress is apportioned based on estimations derived from experience of similar schemes. On receipt of the Final Account, an analysis of costs, on an individual component basis, determines the actual allocation of costs as being capital or revenue expenditure.</td></tr>
<tr><td>Categorisation of Properties as Investment Properties</td><td>The use of the asset has been considered by management when classifying assets as investment properties or property, plant, and equipment. Assets classified as investment properties are shown in note 15. Assets classified as property, plant and equipment are shown in note 13.</td></tr>
</table>

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Area of Judgement	Description
Classification of Loans as Basic	Interest bearing instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method: a) The contractual return to the holder is • a fixed rate. • a positive rate or a positive variable rate; or • a combination of a positive or a negative fixed rate and a positive variable rate. b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged. c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that: • the new rate satisfies condition a) and the variation is not contingent on future events other than a change of a contractual variable rate to protect the holder against credit deterioration of the issuer, changes in levies applied by a central bank or arising from changes in relevant taxation or law; or • the new rate is a market rate of interest and satisfies condition a). d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods. e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law. Loan commitments to receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.
Measurement of Basic Financial Instruments	Financing transactions are recognised initially at their fair value, being the present value of future payments discounted at a market rate of interest. After initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Fees paid on the establishment of interest-bearing borrowings are recognised as transaction costs of the borrowings to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. On the date of draw-down the fees are adjusted into the fair value of the loans. The fees are further unwound to the profit and loss account over the loan term using the effective interest rate method. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Interest bearing borrowings are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Area of Judgement	Description
Valuation of financial instruments	The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole: • Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities. • Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. • Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. WDH uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Valuation techniques include using the price in a binding sale agreement and recent arm's length market transactions for an identical asset between knowledgeable, willing parties, reference to the current fair value of another asset that is substantially the same as the asset being measured, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the asset and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, WDH uses that technique. For financial assets and financial liabilities that are recognised at fair value on a recurring basis, WDH determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period. Refer to the financial liabilities note for further detail on specific valuation techniques.
Valuation of Housing Properties	Management reviews its valuation of housing properties at each reporting date, based on a formal valuation report. Uncertainties in these estimates relate to the discount rate, the cost of property maintenance and future cash flows. However, the valuation is carried out by professional external valuers, Savills. Future maintenance spend is dictated by the most recent stock condition survey.
Valuation of Investment Properties	Investment properties comprise of shops and garages held for letting. Investment properties were valued at 31 March 2023 at market value. The Group's investment properties have been valued by Savills (UK) Limited, a general practice firm providing surveying and valuation services. The latest valuation was performed on 31 March 2023.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Area of Judgement	Description
Useful Lives of Depreciable Assets	Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected use of the assets. Uncertainties in these estimates relate to changes to internal or external standards which may require more frequent replacement of key components of housing property. Accumulated depreciation at 31 March 2023 is shown in notes 12 and 13.
Defined Benefit Pension Obligation (DBPO)	Management's estimate of the DBPO 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 DBPO amount and the annual defined benefit expenses (as analysed in note 9). The valuation is carried out by external professional actuaries, Aon Hewitt. The net asset at 31 March 2023 was £74m, this was restricted to Nil in the financial statements as at 31 March 2023 as the benefit can't be realised through lower employer contributions or refund.
Recoverability of Debtors – Bad Debt Provision	Management estimates the recoverability of debtors on a line-by-line basis based on past experience. Payment plans in place and the level of housing benefit are also taken into consideration when assessing the level of the provision. The actual recoverability of the debtor may differ from the estimate made

Basis of Consolidation

Consolidated Financial Statements have been prepared in accordance with the requirements of FRS 102. The Group accounts consolidate the results of WDH and all its subsidiaries at 31 March 2023 using acquisition accounting. The Group accounts also include its joint venture using the gross equity method. Transactions within the Group have been eliminated on consolidation.

Investment in Subsidiaries

The consolidated Financial Statements incorporate entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

Investments in subsidiaries are accounted for at cost less impairment in the accounts of the Association. The investment in WDHS is £nil.

Consistent accounting policies are applied across the Group.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Investment in Joint Venture

The joint venture has been accounted for in the consolidated Financial Statements using the gross equity method. The carrying amount of the investment is adjusted in each year by the Association's share of the results of the joint venture less the Association's share of any relevant gains or losses, and any other changes in the joint venture's net assets including distributions to its owners. The Association's share of the joint venture's results is recognised in the Consolidated Statement of Comprehensive Income. In the Association, the investment has been recognised at cost.

Turnover

Turnover comprises of rental income receivable in the year; service charges; income from shared ownership first tranche sales; other services included at invoiced values (excluding VAT where recoverable) of goods and services supplied in the year; revenue grants receivable in the year and capital grants.

Revenue Recognition

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

The Group adopts a fixed method for calculating and charging service charges to its tenants and a variable method for leaseholders. Income is recognised based on the amounts chargeable. Expenditure is recorded when a service is provided.

Income from first tranche sales is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of grant funding have been met. Capital grants are recognised as revenue on completion of the property. Charges for support services funded under Housing Support are recognised as they fall due under the contractual arrangements with the Administering Authority.

Taxation

WDH is a charitable Association and therefore is not subject to corporation tax on surpluses derived from charitable activities.

Any surplus on non-charitable activities is taxed.

WDHS is subject to corporation tax. WDHS gift aids any profits to WDH in line with the Deed of Covenant.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Value Added Tax (VAT)

The Group is registered for Value Added Tax (VAT). The Group charges VAT on some of its income and can 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 is included as a current liability or asset.

In respect of major refurbishment expenditure works undertaken there is a VAT Shelter Agreement, approved by HMRC, against which WDH can recover the VAT incurred on qualifying first-time expenditure. Under the VAT Shelter agreement, a proportion of the receipts from HMRC is payable to Wakefield Council as part of the Transfer Agreement. VAT recoverable under the VAT Shelter and retained by the Association is treated as a windfall receipt annually and credited against revenue expenditure. Any amounts due from HMRC under the VAT Shelter Agreement are shown as other debtors and any amounts payable to Wakefield Council are shown as creditors.

HMRC approved the implementation of a Special Method Partial Exemption Scheme from the date of transfer.

Interest Payable

Interest payable is charged to the Statement of Comprehensive Income in the current year. Interest is not capitalised on borrowings to finance the Improvement and New Build Programmes.

Homebuy Loans

Home buy loans administered by WDH on behalf of the Homes and Communities agency have been provided to individuals to assist in purchasing a WDH property built for outright sale. The loan is a secured loan and is due to be repaid after five years after which interest will be charged on any outstanding loan balance. WDH does not receive any Homebuy grant directly.

WDH have provided a loan secured against equity to tenants allowing them to buy into the improvement programme. Loans are provided up to the value of works required.

Homebuy loans are treated as public benefit entity concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Liquidity Reserve Fund

The liquidity reserve fund is a ring-fenced amount that holds a minimum of 12 months of interest payments in advance and forms part of the terms and conditions of the bLEND loan product.

Financial Instruments

The Group only holds basic financial instruments that result in the recognition of financial assets and liabilities such as trade and other debtors, trade and other creditors and loans from banks.

Financial instruments, which are financing transactions, which meet the criteria of a basic financial instrument as defined in Section 11 of FRS102 are accounted for under an amortised cost model. The effective interest rate method, which applies the interest rate that exactly discounts the estimated future cash flows to the carrying amount of the financial instrument at initial recognition, has been used to calculate amortised cost. Any directly attributable fees and transaction costs are capitalised and amortised using this method. Any non-attributable fees and transaction costs are expensed.

In line with Section 11 of FRS 102, where there are changes in the estimated cashflows, the carrying value is adjusted to reflect the revised carrying amount of the present value, of the estimated future cash flows at the original effective interest rate. The difference between the revised carrying amount of the debt instrument and the previous carrying amount is recognised immediately in profit or loss.

Loan modifications are assessed on a case-by-case basis and where modifications are deemed to be substantial the instrument is derecognised. Where modifications are considered to be non-substantial, they are accounted for in accordance with Section 11 of FRS102.

Other financial liabilities that are payable or receivable within one year, typically trade creditors and trade debtors (other than those on payment arrangements), are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each financial year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income. The impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Financial Instruments (continued)

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position, where there is an enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Where debtors are on payment plans, the balance is shown at its present value, discounted at a market rate, obtainable by the tenants.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured at amortised cost.

Pensions

WDH participates in the Local Government Pension Scheme (LGPS), a defined benefit scheme. The LGPS is a multi-employer scheme with more than one participating employer. The scheme is administered by the West Yorkshire Pension Fund (WYPF) under the regulations governing the LGPS. Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary, using the projected unit method.

For the WYPF, scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets in the Statement of Financial Position. A net surplus would be recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan.

The current service cost and costs from settlements and curtailments are charged against the operating surplus. Past service costs are recognised in the current reporting year. Net interest costs are calculated by applying the discount rate to the net defined benefit liability and are recognised in the Statement of Comprehensive Income as a finance cost. Re-measurements are reported in Other Comprehensive Income. Refer to note 9 for more details.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Housing Properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally available for rent and properties are stated at valuation.

Completed housing properties are stated at fair value (EUV-SH) at the date of valuation, less subsequent accumulated depreciation, and accumulated impairment loss. Revaluation of the properties is undertaken every year.

WDH has an investment programme to improve the condition of its housing stock. Improvements are works which result in an increase in the net income, such as an increase in rental income, a reduction in future maintenance costs, or results in a significant extension of the useful economic life of the property in the business. Housing properties undergoing major refurbishment are included in the valuation.

Housing properties under construction are stated at cost. The cost includes acquiring the land and buildings and property development.

Salary costs of employees directly attributable to developing new build schemes have been capitalised based on the time spent on each scheme.

Works to existing properties that replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Shared ownership properties are split proportionally 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. Related sales proceeds are included in turnover, and the remaining element is classed as a fixed asset and included in housing properties at valuation, less any provisions needed for depreciation or impairment.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Commuted Sum Properties

WDH has an agreement with the local authority to purchase properties at market value, subject to the receipt of a contribution from the local authority. These properties are classified as social housing properties as they are available to rent at social rent. Commuted sum properties are held at valuation and revalued every year. The contribution received from Wakefield Council for commuted sum properties is treated as capital grant, accounted for using the performance model and recognised as income when the performance conditions are met. In this case the grant is recognised as income on completion of the property.

Investment Properties

Investment properties consist of commercial properties and other properties not held for 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 the Statement of Comprehensive Income.

Government Grants

Government grants include grants receivable from the Regulator of Social Housing, local authorities, and other government organisations. 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 a liability. For Social Housing Grant this means that grant is recognised as revenue on completion of the property.

Grant due from government organisations or received in advance is included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Regulator of Social Housing. On the sale of a property the grant may be repayable. However, it is normally available to be recycled and credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Other Grants

As with government 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 is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Depreciation of Housing Properties

The Group separately identifies the major components of its housing properties held for letting, and charges depreciation, to write down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Group depreciates the major components of its freehold and leasehold housing properties at the following annual rates:

	Existing Properties	New Build
Structure	50 years	100 years
Roofs	50 years	70 years
Flat roofs	30 years	30 years
Kitchens	20 years	20 years
Bathrooms	30 years	30 years
Windows and doors	30 years	30 years
Heating systems	30 years	30 years
Boilers	15 years	15 years
Electrical	30 years	30 years
Air source heat pumps	20 years	20 years
Lifts	30 years	30 years

Freehold land is not depreciated.

The retained proportion of shared ownership properties and properties held as intermediate rent are depreciated over the estimated useful life of the property as a complete unit in line with the rates above.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Schemes Under Construction

Schemes under construction relate to new build properties that are not yet complete and are not depreciated.

Impairment

Existing housing properties are reviewed for impairment on an annual basis. Other fixed assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. The recoverable amount is the higher of the assets value in use and fair value less costs to sell. Any such write down is charged to operating surplus unless it is a reversal of a past revaluation surplus, in which case it is taken to the revaluation reserve.

Properties for Sale

Properties developed for shared ownership first tranche sales are included in current assets as they are intended to be sold. The split between housing properties and properties for sale is determined by the percentage of the property to be sold under a first tranche disposal. Shared ownership first tranche sales are initially valued at cost, which comprises of materials, direct labour, and direct development overheads, then subsequently at cost less any impairment.

Other Tangible Fixed Assets

Other tangible fixed assets are measured at historical cost less accumulated depreciation and any impairment losses.

Depreciation is provided on a straight-line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful life. No depreciation is provided on freehold land.

The principal annual rates used for other assets are:

	Asset Life
Plant and equipment racking	4 years
Plant and equipment	5 years
Computer and office equipment	5 years
Motor vehicles	5 years
Furniture, fixtures, and fittings	10 years
CCTV	15 years
Solar Panels	30 years
Air Conditioning	30 years
Freehold buildings	50 years

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Other Tangible Fixed Assets (continued)

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 or deficit for the year.

Intangible Assets: Software Development Costs

WDH continues to develop its operating software which is used to support the Group's activities and as a management tool for monitoring and evaluating performance. Design and content development costs are capitalised to the extent that they deliver demonstrable benefits to the Group and are amortised over five years. Ongoing costs of maintaining and operating the software are charged as other operating costs as incurred.

Impairment of intangible assets beyond the residual value is written off to the Statement of Comprehensive Income. Intangible assets are amortised over five years.

Leased Assets

All the Group's lease obligations are operating leases. Rentals paid under operating leases are charged to the Statement of Comprehensive Income, on a straight-line basis over the lease term.

The aggregate benefit of lease incentives (such as a rent-free period) is recognised as a reduction to the expense over the lease term on a straight-line basis.

Holiday Pay Accrual

The Group recognises a provision for annual leave accrued by employees, as a result of services rendered in the current year, and which employees are entitled to carry forward and use by the end of April, unless there are exceptional circumstances preventing them from doing so. The provision is measured at salary costs payable for the period of absence.

Cyclical Maintenance

The cost of cyclical maintenance and internal decorations is taken to the Statement of Comprehensive Income when the work is performed.

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Revaluation Reserve

When housing properties are revalued, the difference between the revaluation amount and the carrying value of the land and structure elements of housing properties is credited to the housing property revaluation reserve.

Depreciation of revalued properties is calculated at each year end. The difference between historical cost depreciation and the valuation depreciation is transferred between the revaluation reserve and the income and expenditure reserve. This is shown within the Statement of Changes in Reserves.

Disposal Proceeds Fund

The remaining balance has been fully allocated to development schemes and will be released on completion of the related properties. All schemes have started on site.

Provisions

An entity shall recognise a provision only when:

(a) the entity has an obligation at the reporting date as a result of a past event.
(b) it is probable (i.e. more likely than not) that the entity will be required to transfer economic benefits in settlement; and
(c) the amount of the obligation can be estimated reliably

High rise

WDH has five existing residential buildings which have External Wall Systems (EWS) that contains material which at the time of installation met all requirements. However, since the year end these would not now meet the current standards of insulation.

The Board have approved works for the sum of £12.8m to remove the EWS from the five high rise blocks, this sum also includes additional works relating to the improvement of the buildings. There is no legal requirement for WDH to complete this work.

Consideration has also been given surrounding the potential of a constructive obligation to leaseholders. Although the leaseholders have been informed of the works, there is no obligation for WDH to complete the work. As a result, no provision has been recognised for this.

Affordable rents

Following a system review of the rent setting process, WDH has made an error in the calculation of a number of Affordable rents which are not in compliance with the RSH Rents guidance. A provision was recognised in note 23 in 2021/2022 for the anticipated level of refunds due to benefit agencies or tenants and has been fully released in 2022/2023.

Notes to the Financial Statements (Continued)

3. Turnover, Cost of Sales, Operating Costs and Operating Surplus

Group – continuing activities

	Year ended 31 March 2023				
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	Operating surplus / (deficit) £'000
Social housing lettings	161,387	-	-	(140,565)	20,822
Other social housing activities					
First tranche low-cost home ownership sales	7,402	-	(7,254)	-	148
Development costs not capitalised				(1,060)	(1,060)
Gain on disposal of assets	-	4,591	-	-	4,591
Other	245	-	-	(303)	(58)
	7,647	4,591	(7,254)	(1,363)	3,621
Activities other than social housing*	4,285	-	-	(4,285)	-
Fair value movement of investment properties	-	200	-	-	200
	4,285	200	-	(4,285)	200
Total	173,319	4,791	(7,254)	(146,213)	24,643

	Year ended 31 March 2022				
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	Operating surplus / (deficit) £'000
Social housing lettings	144,378	-	-	(132,656)	11,722
Other social housing activities					
First tranche low-cost home ownership sales	13,505	-	(13,515)	-	(10)
Development costs not capitalised	-	-	-	(1,719)	(1,719)
Gain on disposal of assets	-	4,206	-	-	4,206
Other	206	-	-	(206)	-
	13,711	4,206	(13,515)	(1,925)	2,477
Activities other than social housing*	3,453	-	-	(3,564)	(111)
Fair value movement of investment properties	-	400	-	-	400
	3,453	400	-	(3,564)	289
Total	161,542	4,606	(13,515)	(138,145)	14,488

*Activities other than social housing includes rents from shops and garages and Care Link.

Notes to the Financial Statements (Continued)

3. Turnover, Cost of Sales, Operating Costs and Operating Surplus (continued)

Association – continuing activities

	Year ended 31 March 2023				
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	Operating surplus / (deficit) £'000
Social housing lettings	161,387	-	-	(140,565)	20,822
Other social housing activities					
First tranche low-cost home ownership sales	7,402	-	(7,254)	-	148
Development costs not capitalised	-	-	-	(1,060)	(1,060)
Gain on disposal of assets	-	4,591	-	-	4,591
Other	245	-	-	(303)	(58)
	7,647	4,591	(7,254)	(1,363)	3,621
Activities other than social housing*	4,285	-	-	(4,285)	-
Fair value movement of investment properties	-	200	-	-	200
	4,285	200	-	(4,285)	200
Total	173,319	4,791	(7,254)	(146,213)	24,643

	Year ended 31 March 2022				
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	Operating surplus / (deficit) £'000
Social housing lettings	144,378	-	-	(132,656)	11,722
Other social housing activities					
First tranche low-cost home ownership sales	13,505	-	(13,515)	-	(10)
Development costs not capitalised	-	-	-	(1,719)	(1,719)
Gain on disposal of assets	-	4,206	-	-	4,206
Other*	206	-	-	(206)	-
	13,711	4,206	(13,515)	(1,925)	2,477
Activities other than social housing	3,428	-	-	(3,541)	(113)
Fair value movement of investment properties	-	400	-	-	400
Total	161,517	4,606	(13,515)	(138,122)	14,486

*Activities other than social housing includes rents from shops and garages and Care Link.

Notes to the Financial Statements (Continued)

3. Turnover, Cost of Sales, Operating Costs and Operating Surplus (continued)

Particulars of income and expenditure from social housing lettings

Group and Association

	General Needs Housing £'000	Supported Housing And Housing For Older People £'000	Low Cost Home Ownership £'000	2023 £'000	2022 £'000
Turnover from social housing lettings					
Rent receivable net of identifiable service charges	135,576	6,091	1,928	143,595	134,975
Service charge income	1,427	3,810	42	5,279	5,039
Government grants taken to income	7,596	-	4,917	12,513	4,364
Turnover from social housing lettings	144,599	9,901	6,887	161,387	144,378
Management	(46,908)	(3,257)	(842)	(51,007)	(50,911)
Service charge costs	(2,364)	(4,752)	-	(7,116)	(6,117)
Routine maintenance	(23,161)	(1,104)	(75)	(24,340)	(20,487)
Planned maintenance	(2,811)	(42)	(2)	(2,855)	(2,489)
Major repairs expenditure	(24,271)	(215)	-	(24,486)	(23,756)
Bad debts	(313)	(21)	(15)	(349)	(394)
Impairment	(230)	-	-	(230)	(65)
Depreciation of housing properties	(25,367)	(1,580)	(400)	(27,347)	(25,858)
Deprecation of other fixed assets	(2,540)	(174)	(121)	(2,835)	(2,579)
Operating expenditure on social housing lettings	(127,965)	(11,145)	(1,455)	(140,565)	(132,656)
Operating surplus on social housing lettings	16,634	(1,245)	5,432	20,822	11,722
Void losses	1,694	313	14	2,021	2,049

Notes to the Financial Statements (Continued)

4. Accommodation in Management and Development

Group and Association

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

	At 1 April 2022	Additions	Conversions	Sales and Demolitions	Tenure Movements	At 31 March 2023
Social Housing						
General Needs						
• Social Rent	27,289	26	0	(155)	(11)	27,149
• Affordable Rent	2,114	169	0	(12)	0	2,271
Supported Housing and housing for older people	1,572	0	0	0	(1)	1,571
Low-cost home ownership	769	142	0	(24)	12	899
Total owned	31,744	337	0	(191)	0	31,890
Accommodation Managed for others	7	0	0	0	0	7
Total accommodation	**31,751**	**337**	**0**	**(191)**	**0**	**31,897**

WDH manages 4 Alms Houses for Wrays Homes (2022: 4 units), a registered charity; and 3 properties for the Megson Trust (2022: 3 units).

In addition to the above, four properties held for sale at 1 April 2022 transferred to Harrogate Council during the year.

Notes to the Financial Statements (Continued)

5. Operating Surplus

This is arrived at after charging:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Depreciation of housing properties	27,347	25,858	27,347	25,858
Depreciation and amortisation of other tangible fixed assets	2,835	2,579	2,835	2,579
Impairment	230	64	230	64
Operating lease rentals:				
• Land and buildings	506	523	506	523
• Office equipment and computers	35	48	35	48
• Motor vehicles	1,702	1,805	1,702	1,805
Audit Fees				
Fees payable (excluding VAT) to the Group's auditor for the audit of the Financial Statements of:				
• Association	117	110	117	110
• Subsidiaries	-	4	-	-
	117	114	117	110
Fees Payable to the Group's auditor in respect of:				
• Other assurance services	8	4	8	4
• Tax compliance services	5	8	6	8
	13	12	14	12
Internal auditor's remuneration (Beever and Struthers)	108	86	108	86

Notes to the Financial Statements (Continued)

6. Sale of Fixed Assets

Group and Association

	2023 £'000	2022 £'000
Disposal proceeds – housing properties	12,100	10,706
Carrying value of fixed assets at valuation	(7,024)	(6,219)
	5,076	4,487
Capital grant recycled (note 22)	(491)	(423)
Surplus on sale of housing properties	4,585	4,064
Surplus on sale of land and current assets	5	
Surplus on sale of other assets	(5)	136
Surplus on Homebuy Loans	6	6
Surplus on sale of fixed assets	4,591	4,206

Included in the above are staircasing sales of shared ownership properties. During the year there were 24 full staircasing and six partial staircasing sales which generated a surplus on disposal of £505k.

7. Interest Receivable and Other Income

Group and Association

	2023 £'000	2022 £'000
Interest receivable liquidity reserve fund	74	4
Interest receivable from deposits	1,087	124
	1,161	128

WDH operates a liquidity reserve fund linked to its bLEND funding this relates to a minimum of 1 year's interest payment held on deposit. All other interest receipts are received on WDH's deposit accounts.

8. Interest Payable and Similar Charges

Group and Association

	2023 £'000	2022 £'000
Unwinding of discount for fair value of debtors	(129)	326
Defined benefit pension charge	1,031	2,092
Recycled capital grant fund	43	6
Loan interest	18,635	17,196
Effective interest rate release	(1,942)	(3,523)
	17,638	16,097

Notes to the Financial Statements (Continued)

9. Employees

Average monthly number of employees expressed based on 37 hours a week in full time equivalents:

Group and Association

	2023 No	2022 No
Administration	444	436
Technical services	463	458
Housing, support, and care	302	293
	1,209	1,187

Employee costs:

Group and Association

	2023 £'000	2022 £'000
Wages and salaries	41,986	40,092
Social security costs	4,271	3,860
Other pension costs	6,364	5,891
	52,621	49,843

The full time equivalent number of employees who received remuneration (including Executive Directors):

	2023 No.	2022 No.
£60,001 to £70,000	2	4
£70,001 to £80,000	1	5
£80,001 to £90,000	9	3
£90,001 to £100,000	1	2
£100,001 to £110,000	1	-
£110,001 to £120,000	2	2
£120,001 to £130,000	-	-
£130,001 to £140,000	1	2
£160,001 to £170,000	-	-
£190,001 to £200,000	1	-
£200,001 to £210,000	1	1

Notes to the Financial Statements (Continued)

9. Employees (continued)

West Yorkshire Pension Fund

WDH's employees are entitled to be members of the LGPS. The LGPS is a multi-employer scheme with more than one participating employer. The scheme is administered by the WYPF under the regulations governing the LGPS. It is a defined benefit scheme. Triennial and FRS 102 actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary.

The market value of WDH's share of the schemes assets at the 31 March 2023 was £365.2m against scheme liabilities of £290.6m, a surplus of £74.6m this has improved from a deficit of position of £41.3m 2021/2022. The net asset at 31 March 2023 is restricted to Nil in the financial statements at 31 March 2023 as the benefit can't be released through lower employer contributions or refund.

The most recent triennial actuarial valuation was completed as at 31 March 2022 and rolled forward allowing for different financial assumptions required under FRS 102, to 31 March 2023. The next triennial valuation will be undertaken at 31 March 2025 and incorporated into the Financial Statements next year.

The result of the Triannual valuation was that the long term pension rate within the plan was decreased to 15.0% (March 2022 Tri annual valuation). The previous long term contribution rate was 17.1% (March 2019 Tri annual valuation).

Rates have been decreased to reflect the funding position of the scheme which has improved and reflecting the change in the discount rates. Prudence being built into the Actuary's long term funding assumptions and the future liabilities of the scheme. WDH's contribution rate for 2023/2024 will be 15.6%, this is a decrease from the current contribution rate of 15.7%.

The contribution rate will decrease by 0.2 or 0.3% per annum up to the long term rate over the next three years. The current and future contribution rates are listed below. The rates payable post 2022 are in-line with the 2022 Triannual review.

	% Per annum
2023/2024	15.6
2024/2025	15.4
2025/2026	15.3
2026/2027 (long term)	15.0

The employer's contribution to the LGPS by WDH for the year ended 31 March 2023 was £6.3m (2022: £5.9m). The employer contribution rate for next year is set at 15.6% which will be in the region of £6.1m for the year ending 31 March 2024. WDH remain a committed member of the WYPF, and these increases are affordable to WDH in the long term and are included in the approved Business Plan.

Notes to the Financial Statements (Continued)

9. Employees (continued)

During the Triannual review, the Actuary also completed its formal Tier Three review of all employers within the scheme. The review was conducted to reflect the financial strength of each employer within the scheme and to introduce specific funding classifications to all employers. Employers could be classified into three funding target types: Orphan, Intermediate, Secure, with high, medium, or low risk profiles. Only fully taxpayer backed Tier 1 and Tier 2 employers can be classified as secure, for example, local authorities.

WDH has been classified as an Admitted Body with an Intermediate, Medium risk profile. In terms of risk / funding profile, the funding profile has remained the same as the previous valuation.

McCloud

In December 2018, the Court of Appeal ruled that there was age discrimination in the way certain transitional protections have been applied in respect of the Judges and Firefighters pension schemes. The principles of this case are also applicable to Local Government Pension Schemes. The liability was first included in the accounts for the year ended 31 March 2019, any change in the allowance to 31 March 2023 has been taken to other comprehensive income.

Guaranteed Minimum Pension

Guaranteed Minimum Pension is a portion of pension that was accrued by individuals who were contracted out of the Stated Second Pension prior to 6 April 1999. The rate at which GMP was accrued, and the date it is payable, is different for men and women, meaning there is in inequality for male and female members who have GMP. The liability was first included in the accounts for the year ended 31 March 2019, any change in the allowance to 31 March 2023 has been taken to other comprehensive income.

In October 2020, a second ruling in the Lloyds bank case clarified that compensation would be required to members who transferred benefits out since May 1990. The Government has not yet acknowledged a liability in public service schemes nor indicated an approach to rectify this. As a result, this has not been included in the liability. Our actuary AON have confirmed that at present there is no methodology to calculate what the potential liability will be. Therefore, this has not been factored into the year-end liability.

Notes to the Financial Statements (Continued)

9. Employees (continued)

Financial Assumptions

	31 March 2023 % per annum	31 March 2022 % per annum
Discount rate	4.60	2.70
Future salary increases	2.65	2.51
Future pension increases	2.60	2.90
Consumer Price Inflation	2.60	2.90

Mortality Assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis conducted as part of the 2016 valuation and allow for expected future mortality improvements. Life expectancies at age 65 resulting from these mortality assumptions are shown below:

	2023 No. of years	2022 No. of years
Retiring today:		
Males	21.6	21.8
Females	22.9	22.5
Retiring in 20 years:		
Males	24.6	24.6
Females	25.7	25.7

Major Categories of Plan Assets

	%	Value at 31 March 2023 £'000	%	Value at 31 March 2022 £'000
Equity	80.8	295,084	79.8%	286,214
Property	3.3	12,052	4.0%	14,347
Government bonds	6.9	25,199	7.4%	26,541
Corporate bonds	4.6	16,799	4.8%	17,216
Cash	2.3	8,400	2.9%	10,401
Other	2.1	7,669	1.1%	3,945
	100%	**365,203**	**100%**	**358,664**

Notes to the Financial Statements (Continued)

9. Employees (continued)

Amounts Recognised in Surplus or Deficit

	2023 £'000	2022 £'000
Current service cost	17,152	18,402
Amounts charged to operating costs	17,152	18,402

	2023 £'000	2022 £'000
Net interest	1,031	2,092
Amounts charged to interest payable and similar charges	1,031	2,092

Reconciliation of Opening and Closing Balances of the Present Value of Scheme Liabilities

	2023 £'000	2022 £'000
Opening scheme liabilities	400,010	424,214
Current service cost	17,152	18,402
Interest cost	10,725	8,860
Contributions by participants	2,759	2,640
Actuarial (gain) on liabilities	(131,501)	(46,672)
Benefits paid	(8,534)	(7,434)
Closing value of scheme liabilities	290,611	400,010

Reconciliation of Opening and Closing Balances of the Present Value of Scheme Assets

	2023 £'000	2022 £'000
Opening fair value of plan assets	358,664	321,722
Interest income	9,694	6,768
Actuarial (loss) / gain on assets	(3,760)	29,213
Contributions by employer	6,380	5,755
Contributions by participants	2,759	2,640
Net benefits paid out	(8,534)	(7,434)
Closing fair value of scheme assets	365,203	358,664

Notes to the Financial Statements (Continued)

9. Employees (continued)

Net position of the Pension Scheme in the Statement of Financial Position

	2023 £'000	2022 £'000
Scheme liabilities	(290,611)	(400,010)
Scheme assets	365,203	358,664
Net surplus / (deficit) of the pension scheme	74,592	(41,346)
Effect of asset ceiling	(74,592)	-
Net surplus / (deficit) recognised	-	(41,346)

The net surplus as at 31 March 2023 is restricted to Nil. A net surplus would only be recognised to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan. Neither option is available to WDH through its membership of the WYPF.

Actuarial Gain Recognised in Other Comprehensive Income

	2023 £'000	2022 £'000
Actuarial gain on liabilities	131,501	46,672
Actuarial (loss) / gain on assets	(3,760)	29,213
Actuarial gain	127,741	75,885
Assets not recognised due to asset restrictions.	(74,592)	-
Actuarial gain recognised.	53,149	75,885

Actual Return on Scheme Assets

	2023 £'000	2022 £'000
Interest income on assets	9,694	6,768
(Loss) / Gain on assets	(3,760)	29,213
Actual return on scheme assets	5,934	35,981

Notes to the Financial Statements (Continued)

9. Employees (continued)

Sensitivity Analysis

Adjustment to Discount Rate

	+ 0.1% Per annum £'000	Base figure £'000	- 0.1% Per annum £'000
Present value of total obligation	289,799	290,611	296,423

Adjustment to Rate of General Increase in Salaries

	+ 0.1% Per annum £'000	Base figure £'000	- 0.1% Per annum £'000
Present value of total obligation	291,483	290,611	289,739

Adjustment to Pension Increase Rate

	+ 0.1% Per annum £'000	Base figure £'000	- 0.1% Per annum £'000
Present value of total obligation	295,551	290,611	285,671

Adjustment to Mortality Age Rating

	-1 year Per annum £'000	Base figure £'000	+1 year Per annum £'000
Present value of total obligation	298,167	290,611	283,055

Notes to the Financial Statements (Continued)

10. Board Members and Executive Directors

Executive Directors Emoluments

Key management personnel	2023 £'000	2022 £'000
Aggregate emoluments of Executive Directors (including National Insurance but excluding pension)	866	793
Aggregate value of Association pension contributions	106	103
Total Emoluments	**972**	**896**
Number of Executive Directors accruing retirement benefits under defined benefit schemes as at year end	5	5
Highest Paid Director		
Aggregate emoluments (excluding National Insurance)	213	206
Pension contributions	33	31

The Chief Executive is a member of the LGPS. He is an ordinary member of the pension scheme with no enhanced or special terms. The Association does not make any further contribution to an individual pension arrangement for the Chief Executive or any other Director.

There was no compensation payable to Directors or past Directors. There was no consideration payable to third parties for making available the services of any person to perform the role of Director. During the year, ex-gratia payments totalling £44k were made (2022: £nil).

Non-Executive Board Emoluments

	Position	2023 £	2022 £
Jacqueline Speight	Board Chair	20,000	18,505
Phillip Earnshaw	Board Vice Chair	12,000	12,435
Graham Stokes (Resigned 22 September 2022)	Committee Chair	6,000	12,435
Andrew McConnell	Committee Chair	12,000	11,724
Stephen Davis	Committee Chair	12,000	11,724
Christopher Michael Gaskell	Board Member	9,500	9,590
Michael Longfellow	Board Member	9,500	9,590
Suzan Harrington	Board Member	9,500	9,590
Ajman Ali	Board Member	9,500	8,893
Shendi Keshet	Board Member/ Committee Chair	10,750	8,893
Clare King	Board Member	9,500	6,928
Stephen Green (Resigned 31 July 2021)	Board Member	-	7,180
Total Emoluments		**120,250**	**127,487**

Notes to the Financial Statements (Continued)

11. Tax on Surplus on Ordinary Activities

(a) Analysis of Charge in Year

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Current Tax				
UK Corporation Tax on result for the period	59	102	59	102
Adjustments in respect of prior periods	-	-	-	-
Total Current Tax (note 11b)	59	102	59	102
Deferred Tax				
Origination and reversal of timing differences	-	-	-	-
Total Deferred Tax	-	-	-	-
Tax on surplus	59	102	59	102

The tax assessed is the same as the standard rate of Corporation Tax in the UK, 19% (2022: 19%). The differences are explained below:

(b) Total tax reconciliation

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Surplus / (loss) on ordinary activities before tax	7,404	(1,210)	8,165	(1,483)
Adjustments in respect of charitable activities	(7,095)	1,749	(7,857)	2.022
Surplus on ordinary activities subject to tax	308	539	308	539
Surplus on ordinary activities subject to tax multiplied by the standard rate of corporation tax in the UK of 19%	59	102	59	102
Effects of:				
Utilisation of tax losses	-	-	-	-
Total tax charge	59	102	59	102

Unused tax losses total £nil (2022: £nil).

Notes to the Financial Statements (continued)

12. Tangible Fixed Assets – Properties

Group and Association

Housing properties

	Social Housing Properties Held for Letting £'000	Social Housing Properties Under Construction £'000	Shared Ownership Properties Held for Letting £'000	Total Properties £'000
Cost or valuation				
At 1 April 2022	843,843	28,190	45,347	917,380
Additions	-	45,566	-	45,566
Work to existing	16,882	-	-	16,882
Transfer to rented	-	-	-	-
Transfer to shared	(634)	-	1,018	384
Transfer to current	(634)	-	(860)	(1,494)
Transfer to other	(95)	-	-	(95)
Schemes	23,347	(38,863)	15,515	-
Disposals	(6,873)	-	(1,947)	(8,820)
Valuation adjustment	48,417	-	1,826	50,243
At 31 March 2023	924,253	34,893	60,899	1,020,045
Depreciation and impairment				
At 1 April 2022	(3,733)	-	-	(3,733)
Depreciation	(26,947)	-	(400)	(27,347)
Transfer to rented	-	-	-	-
Transfer to shared	29	-	(29)	-
Transfer to current	29	-	5	34
Released on	1,466	-	330	1,796
Impairment	(230)	-	-	(230)
Valuation adjustment	25,423	-	94	25,517
At 31 March 2023	(3,963)	-	-	(3,963)
Net book value				
At 31 March 2023	920,290	34,893	60,899	1,016,082
At 31 March 2022	840,110	28,190	45,347	913,647

Notes to the Financial Statements (continued)

12. Tangible Fixed Assets – Properties (continued)

Valuation

Completed housing properties are stated at EUV-SH with special assumptions, including notional directly attributable material acquisition costs. WDH's housing properties have been valued by professional external valuers, Savills (UK) Limited, a general practice firm providing surveying and valuation services. The latest valuation was performed on 31 March 2023. The full valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors and incorporates the regulatory requirements of the RSH.

Properties at valuation under EUV-SH have a carrying value of £981m (2022: £885m).

In valuing housing properties, discounted cash flow methodology was adopted with the following key assumptions:

Group and Association

	2023 %	2022 %
Discount rates		
Social Transferred	5.25%	5.00%
Social Post Transfer	5.25%	4.75%
Intermediate	5.25%	4.75%
Affordable Transferred	5.25%	5.00%
Affordable Post Transfer	5.25%	4.75%
Shared Ownership	4.25%	4.00%
CPI Inflation		
Year 1	6.00%	4.00%
Year 2	2.75%	2.30%
Year 3	2.25%	2.00%
Year 4	2.00%	2.00%
Year 5 onwards	2.00%	2.00%
Long Term Rental Growth	CPI	CPI + 1%

Notes to the Financial Statements (continued)

12. Tangible Fixed Assets – Properties (continued)

The carrying value of housing properties that would have been included in the Financial Statements had the assets been carried at historical cost less depreciation and impairment is as follows:

Group and Association	2023 £'000	2022 £'000
Housing properties at historical cost	882,739	828,935
Depreciation and impairment	(251,186)	(229,956)
	631,553	598,979

Social Housing and Other Grants

Group and Association	2023 £'000	2022 £'000
Total Social Housing Grant at 31 March:		
Recognised in the Statement of Comprehensive Income	10,183	4,364
Recognised in previous years	68,988	64,624
Deferred income	10,389	11,161
	89,560	80,149

Housing properties book value net of depreciation:

Group and Association	2023 £'000	2022 £'000
Freehold land and buildings	1,013,422	911,465
Long leasehold land and buildings	2,352	2,182
	1,015,774	913,647

At the 31 March 2023, the Group and WDH had 261 (2022: 261) social housing properties held for letting and four (2022: four) low-cost shared ownership properties on long leaseholds.

Expenditure on works to existing properties:

Group and Association	2023 £'000	2022 £'000
Improvement works capitalised	16,882	13,037
Amounts charged to income and expenditure account	21,626	20,672
	38,508	33,709

Impairment

The Group considers individual assets when assessing for impairment in accordance with the requirements of FRS 102 and SORP 2018. There was an impairment charge during the year ended 31 March 2023 of £230k relating to Social Housing Properties held for letting (2022: £64k relating to Assets held for sale).

Notes to the Financial Statements (Continued)

13. Tangible Fixed Assets – Other

Group and Association

	Freehold Buildings £'000	Plant and Equipment £'000	Furniture Fixtures and Fittings £'000	Computer Equipment £'000	Motor Vehicles £'000	Under construction £'000	Total £'000
Cost							
At 1 April 2022	12,271	1,115	8,326	2,664	111	373	24,860
Additions	-	-	-	-	-	1,449	1,449
Transferred to completed	81	-	194	1,349	-	(896)	728
Transferred from housing Properties	-	-	95	-	-	-	95
Transferred to revenue							
Disposals	-	-	(621)	(1,407)	-	-	(2,028)
At 31 March 2023	12,352	1,115	7,994	2,606	111	926	25,104
Depreciation							
At 1 April 2022	1,906	709	3,995	2,251	111	-	8,972
Depreciation charged in year	246	24	331	417	-	-	1,018
Disposals	-	-	(616)	(1,407)	-	-	(2,023)
At 31 March 2023	2,152	733	3,710	1,261	111	-	7,967
Net book value							
At 31 March 2023	10,200	382	4,284	1,345	-	926	17,137
At 31 March 2022	10,365	406	4,331	413	-	373	15,888

Assets under construction are uncompleted works to office facilities and communal heating. There are no tangible fixed assets purchased under finance leases.

Notes to the Financial Statements (Continued)

14. Intangible Assets

	Computer Software £'000	Computer Software Under Construction £'000	Total £'000
Cost			
At 1 April 2022	14,674	216	14,890
Additions	-	412	412
Transferred to completed	216	(216)	-
Transferred to revenue	-	-	-
At 31 March 2023	14,890	412	15,302
Amortisation			
At 1 April 2022	10,749	-	10,749
Amortisation in year	1,817	-	1,817
At 31 March 2023	12,566	-	12,566
Net book value			
At 31 March 2023	2,324	412	2,736
At 31 March 2022	3,925	216	4,141

Notes to the Financial Statements (Continued)

15. Investment Properties

	£'000
At 1 April 2022	10,000
Increase in fair value	200
At 31 March 2023	10,200

Investment properties comprise of shops and garages held for letting. Investment properties were valued at 31 March 2023 at market value. The Group's investment properties have been valued by Savills (UK) Limited, a general practice firm providing surveying and valuation services.

In valuing investment properties, the following key assumptions were used:

Group and Association	2023 %	2022 %
Garages		
Future rent increases	CPI	CPI
Void losses	30%	30%
Shops		
Year 1	CPI	CPI
Year 2 onwards	CPI	CPI
Void losses	30%	30%

Notes to the Financial Statements (Continued)

16. Homebuy Loans

Group and Association	£'000
At 1 April 2022	114
Loans repaid	(26)
Interest charged	2
Interest paid	(2)
At 31 March 2023	88

Home buy loans were administered by WDH on behalf of the Homes and Communities agency have been provided to individuals to assist in purchasing a WDH property built for outright sale. The loan is a secured loan and is due to be repaid after five years after which interest will be charged on any outstanding loan balance. WDH does not receive any Homebuy grant directly.

WDH have provided a loan secured against equity to tenants allowing them to buy into the improvement programme. Loans are provided up to the value of works required. Homebuy loans are treated as public benefit entity concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest.

17. Investment in Subsidiaries and Joint Venture

As required by statute and the accounting standards, the Financial Statements consolidate the result of WDHS, which is a subsidiary of WDH. WDH has the right to appoint members to the Board of the subsidiaries and thereby exercises control over them. WDH is the ultimate parent undertaking.

The following are subsidiary and joint venture undertakings of the Association:

Name	Holding
WDH Solutions Limited (Dormant)	100%
Bridge Homes (Yorkshire) LLP	50%

Prior to being dormant the main activity of WDHS is the provision of repairs, maintenance, and installations, predominantly outside of the social housing sector.

Bridge Homes (Yorkshire) LLP is a joint venture created in July 2014, as a Limited Liability Partnership whose main activity is to build and sell homes. WDH has a 50% interest in Bridge Homes, it is considered to be a joint venture on the basis of joint control. The investment in Bridge Homes is shown below.

Notes to the Financial Statements (Continued)

17. Investment in Subsidiaries and Joint Venture (continued)

Investment in the Joint Venture

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 April	5,484	5,213	3,500	3,500
Share of profit/(loss) in joint venture	(762)	271	-	-
Investment in year	750	-	750	
At 31 March	5,472	5,484	4,250	3,500

During the year WDH there were £nil intra-group transactions with WDHS as the subsidiary is dormant. Transactions with Bridge Homes are shown in note 33 related parties.

	2023 £'000	2022 £'000	Allocation Basis
Management Services WDHS	-	5	The charge is based on directly attributable labour costs.
Directly attributable costs of WDHS	-	18	Directly attributable costs.
Gift aid	-	-	Gift aid received from WDHS.
	-	23	

18. Properties Held for Sale

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Properties held for sale	8,741	2,476	8,741	2,476
	8,741	2,476	8,741	2,476

Notes to the Financial Statements (Continued)

19. Trade and Other Debtors

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Due within one year				
Rent and service charges receivable	6,395	7,171	6,395	7,171
Less net present value of tenants on arrangements	(612)	(741)	(612)	(741)
Less provision for bad and doubtful debts	(4,509)	(4,945)	(4,509)	(4,945)
	1,274	1,485	1,274	1,485
Sundry debtors	1,202	834	1,202	834
Less provision for bad and doubtful debts	(468)	(412)	(468)	(412)
	734	422	734	422
Other debtors	711	463	711	464
Prepayments and accrued income	3,923	3,704	3,923	3,704
Amounts due from Bridge Homes (Yorkshire) LLP	35	49	35	49
Amounts due from WDH Solutions	-	-	10	33
	6,677	6,123	6,687	6,157

Notes to the Financial Statements (Continued)

20. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debt (EIR Note 25)	5,570	5,477	5,570	5,477
Debt (Loan Due Note 25)	2,308	-	2,309	-
Trade creditors	5,871	2,605	5,871	2,605
Rent and service charges received in advance	3,120	3,189	3,120	3,189
Social Housing Grant received in advance	10,388	11,161	10,388	11,161
Recycled capital grant fund (note 22)	326	424	326	424
Disposal proceeds fund	945	1,458	945	1,458
Corporation tax	59	100	59	100
Other tax and social security	941	962	941	962
Other creditors	1,818	2,157	1,817	2,156
Accruals and deferred income	11,638	9,071	11,638	9,068
Amounts due to Bridge Homes (Yorkshire) LLP	5	5	5	5
	42,989	36,609	42,989	36,605

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

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debt (note 25)	468,533	472,878	468,533	472,878
Recycled capital grant fund (note 22)	987	693	987	693
	469,520	473,571	469,520	473,571

Notes to the Financial Statements (Continued)

22. Recycled Capital Grant Fund

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 April	1,118	954	1,118	954
Grants recycled	521	429	521	429
Withdrawals	(368)	(271)	(368)	(271)
Interest	42	6	42	6
At 31 March	1,313	1,118	1,313	1,118

Withdrawals from the Recycled Capital Grant Fund have been used for the purchase and development of new housing schemes.

£326k is due within one year (2022: £424k).

23. Provisions

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 April	477	-	477	-
Additions	240	477	240	477
Released to SOCI in year	(477)		(477)	
At 31 March	240	477	240	477

An additional provision of £240,000 has been recognised in the year in relation for subsidence works to properties in connection with insurance claims lodged with WDH insurers.

Provisions of £477,000 were released in 2023 for the affordable rent calculation errors, recognised last year and repaid in year.

Notes to the Financial Statements (Continued)

24. Advance Receipts and Payments

Immediately prior to entering into the Stock Transfer Agreement between Wakefield Council and WDH at March 2005, Wakefield Council and WDH entered into a contract for WDH to perform the improvement works required to bring the properties into an agreed state. The contract was for a fixed sum equal to the expected cost of the works, which is £672m exclusive of VAT. At transfer, WDH contracted with Wakefield Council to acquire the benefit of the agreed refurbishment works (£672m) plus the housing properties at a price equal to the agreed value of the properties in their unenhanced condition (£15m). These contracts have enabled WDH to recover VAT on repair and improvement costs that would otherwise have been expensed.

At the time of transfer, WDH paid over a net cash amount of £15m to Wakefield Council, representing the acquisition of the properties in their unenhanced condition (£15m) and the value of Wakefield Council's obligation to carry out the improvements works (£672m), less the amount due to be incurred by WDH under the Development Agreement in relation to the anticipated cost of the repairs and improvements (£672m). To date, £725m of improvement work has gone through the VAT shelter, this is more than the original obligation. However, the shelter continues to operate for first time works on transferred properties.

25. Debt Analysis

Group and Association	2023 £'000	2022 £'000
Bank loans < 1 year (note 20)	7,879	5,477
Bank loans > 1 year (note 21)	468,533	472,878
	476,412	478,354

Bank loans < 1 year comprises of both capital and effective interest calculations as appropriate.

Group and Association Bank loans maturity analysis	2023 £'000	2022 £'000
Within one year	2,309	-
Between one and two years	3,009	2,309
Between two and five years	5,071	6,837
After five years	389,611	390,854
Total drawn loans	400,000	400,000
Fair value adjustment	76,412	78,354
	476,412	478,354

The table above reflects the cash repayments required for the loan facilitates reconciled back to the total loan balance.

Notes to the Financial Statements (Continued)

26. Share Capital

	2023 £
Shares of £1 each, allotted and fully paid	
As at 1 April	11
Net issues less retirements	(1)
As at 31 March	10

The shares are non-transferable, non-redeemable and carry no rights to receive either income or capital payments. They are therefore classified as non-equity shares.

Notes to the Financial Statements (Continued)

27. Group Cash Flow from Operating Activities

	2023 £'000	2022 £'000
Surplus / (loss) / for the year	7,345	(1,312)
Adjustments for non-cash items:		
Depreciation of housing property	27,347	25,858
Depreciation of other fixed assets	1,018	845
Amortisation of intangible assets	1,817	1,734
Impairment	230	65
Grant income	(12,513)	(4,364)
Net gain on disposal of assets	(4,591)	(4,206)
(Gain) on valuation of investment property	(200)	(400)
Increase in liquidity reserve fund	(74)	(4)
Decrease / (increase) in property held for sale	(6,259)	3,115
(Increase) in trade and other debtors	(1,563)	(1,423)
Increase in trade and other creditors	5,403	961
(Decrease) / Increase in provisions	(237)	477
Pension costs less contributions payable	10,772	12,647
Tax payable	59	102
Share of operating Loss / (surplus) in joint venture	762	(271)
	21,971	35,136
Adjustments for investing or financing activities:		
Interest payable	17,638	16,097
Interest received	(1,161)	(121)
	16,477	15,976
Tax paid	(100)	(211)
Net cash generated from operating activities	45,693	49,589

Analysis of changes in net debt

	31 March 2022 £'000	Cash flows £'000	Noncash movement £'000	31 March 2023 £'000
Cash	87,407	(12,336)	-	75,071
Bank loans due within one year	(5,477)	-	(2,402)	(7,879)
Bank loans due greater than one year	(472,878)	-	4,345	(468,533)
Total	(390,949)	(12,336)	1,943	(401,341)

Notes to the Financial Statements (Continued)

28. Financial Commitments

Capital expenditure commitments were as follows:

Group and Association	2023 £'000	2022 £'000
Capital expenditure tangible assets		
Expenditure contracted for but not provided in the accounts	69,842	52,554
Expenditure authorised by the Board, but not contracted	94,225	22,187
Total tangible assets	164,067	74,741
Capital expenditure intangible assets		
Expenditure contracted for but not provided in the accounts	-	-
Expenditure authorised by the Board, but not contracted	-	-
Total intangible assets	-	-
Total	164,067	74,741

Commitments will be financed through WDH's cash reserves, operating cash flows and, if required, through borrowings from the loan facility.

Capital funding commitments

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

	2023 £'000	2022 £'000
Expected change in loan cash flows due within one year	-	-
Loan facility expiring in less than one year		-
Loan facility expiring in more than one year but not more than two years	-	-
Loan facility expiring in more than two years	40,000	120,000
	40,000	120,000

The revolving credit facility was £120m as at 31 March 2023. £80m of this was cancelled in year; £40m with Santander effective 1 April 2023 and £40m with RBS effective from 3 May 2023.

Notes to the Financial Statements (Continued)

29. Operating Leases

The future minimum lease payments of leases are as set out below. Leases relate to office space in eight locations, photocopiers, and motor vehicles.

		2023 £'000	2022 £'000
(i)	Land and buildings		
	Within one year	384	590
	Between one to five years	1,225	1,876
	Later than five years	656	949
	Total	2,265	3,415
(ii)	Office equipment and computers		
	Within one year	18	18
	Between one to five years	5	23
	Later than five years	-	-
	Total	23	41
(iii)	Motor vehicles		
	Within one year	1,684	1,551
	Between one to five years	1,486	4,932
	Later than five years	-	-
	Total	3,170	6,483

30. Contingent Assets and Liabilities

The Group and Association have no contingent assets at 31 March 2023 (2022: £nil).

Notes to the Financial Statements (Continued)

31. Financial Assets and Liabilities

The policy on financial risk management is explained in the Report of the Board as are references to financial risks.

Categories of financial assets and liabilities

	2023 £'000	2022 £'000
Financial Assets at amortised cost		
Homebuy loans receivable (note 16)	88	114
Liquidity reserve fund	3,548	3,474
Rents and service charges receivable (note 19)	1,274	1,485
Sundry debtors (note 19)	727	423
Other debtors (note 19)	3,207	2,419
Cash and cash equivalents	75,071	87,407
	83,914	95,322
Financial Liabilities at amortised cost		
Debt (note 25)	476,412	478,354
Trade creditors (note 20)	5,871	2,605
Other creditors (note 20)	1,817	2,156
Disposal Proceeds Fund (note 20)	945	1,458
Recycled Capital Grant Fund (note 22)	1,313	1,118
Accruals (note 20)	10,572	8,480
	496,930	494,171

Financial Assets

Other than debtors, financial assets held are overnight cash deposits of £62.6m at 31 March 2023 (2022: £60.3m) and are held at call, and £12.5m (2022: £27.1) cash on term deposit. They are sterling denominated and attract interest at rates that vary with bank rates.

Financial Liabilities excluding Trade Creditors – Interest Rate Risk Profile

The Group's financial liabilities are sterling denominated. The interest rate profile of the Group's financial liabilities at 31 March was:

	2023 £'000	2022 £'000
Floating rate	80,301	77,686
Fixed rate	396,111	400,668
Total (note 25)	476,412	478,354

Notes to the Financial Statements (Continued)

32. Significant Financial Liabilities

The key terms of the loans have been summarised in the table below.

Secured Bank Loans	Security / Terms	Repayment Terms	As at 31 March 2023 £'000
RBS facility A 6.22%- 6.82%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	The final instalment of the loan amount will be repaid in March 2036.	130,992
RBS facility B1 SONIA +1.3%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in April 2030.	42,279
RBS facility B2 2.20%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in April 2030.	57,544
Santander Facility A 6.66%-7.04%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in single instalments in 2034 to 2036.	72,990
Santander facility B1 5.95%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in single instalment in April 2030.	13,149
Santander facility B2 SONIA + Margin	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in April 2030.	38,022
bLEND 3.46%	The loan is secured by a first ranking legal charge over a suitable mix of properties sufficient to meet the Asset cover test.	Repayable in a single instalment in September 2047.	121,436
		Total	476,412

Notes to the Financial Statements (Continued)

32. Significant Financial Liabilities (continued)

The loan security values by lender are as follows:

Lender	Security value at 31 March 2023
RBS - March 2023 (Tri-annual valuation)	£351.0m
Santander- March 2023 (tri-annual valuation)	£244.0m
bLEND – May 2022 (annual valuation)	£182.9m
Total	**£777.9m**

The bLEND security valuation is updated annually this was carried out in May 2023 the security valuation increased to £209.3m.

33. Related Parties

At the year-end there was one locally elected member from Wakefield Council, Jacqueline Speight, on the Board. The Group undertakes transactions with Wakefield Council at arm's length in the normal course of business.

Disclosures in relation to key management personnel and payments to Board members are included in note 10.

In July 2014, WDH and Wakefield Council created Bridge Homes (Yorkshire) LLP, WDH has a 50% interest. The joint venture has been established to build homes for outright sale. During the year Bridge Homes purchased from WDH £383k of services (2022: £606k). During the year WDH purchased properties from Bridge Homes totalling £1,077k (2022: £255k). As at 31 March 2023 Bridge Homes owed WDH £41k (2022: £48k) and WDH owed Bridge Homes £313k (2022: £5k). In addition, WDH paid £179k in advance to Bridge Homes (2022: £nil).

All related party transactions are at arm's length.

Vision
to create confident communities

Mission
to inspire, transform and promote excellence

Values
to be creative, inclusive and work with integrity

WDH, Merefield House, Whistler Drive,
Castleford, WF10 5HX

This document is also available electronically at wdh.co.uk

This document is also available in other formats on request.

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Wakefield and District Housing Limited

A charitable Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014. Register Number: 7530

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