



Wakefield and District Housing Limited

Annual Report and Financial Statements for the year ended 31 March 2024

Community Benefit Society No. 7530



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Financial Highlights – Five Year Summary

For the year ended 31 March	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Social housing stock					
General needs	29,598	29,420	29,403	29,400	29,344
Supported and older people	1,513	1,571	1,572	1,607	1,691
Low-cost home ownership	1,034	899	769	684	597
Total social housing stock owned	32,145	31,890	31,744	31,691	31,632
New homes built or acquired	422	337	281	262	399
Statement of comprehensive income					
Total turnover	194,462	173,319	161,542	153,345	158,491
Operating surplus	33,222	24,643	14,488*	18,965*	31,720*
Statement of financial position					
Total fixed assets	1,113,156	1,055,263	952,748	887,564	814,973
Net current assets / (liabilities)	20,670	47,500	59,397	61,939	(439,893)**
Total assets less current liabilities	1,133,826	1,102,763	1,012,145	949,503	375,080
Loans (due over one year)	(460,297)	(468,533)	(472,878)	(476,405)	-
Other long-term liabilities	(832)	(987)	(693)	(498)	(752)
Provisions	(238)	(240)	(477)	-	-
Pension asset/(liability) restricted to nil***	0	0	(41,346)	(102,492)	(79,478)
Total reserves	672,459	633,003	496,751	370,108	294,850
Key ratios					
Operating margin (overall)	17.1%	14.2%*	9.0%*	12.4%*	20.0%*
Operating margin (social housing)	19.2%	12.9%	8.1%	13.6%	21.9%
Voids and bad debt (rent losses) As a % of income from lettings	1.34%	1.59%	1.74%	2.41%	2.01%
Rent and service charge arrears Current tenant rent arrears as % income less grants from lettings	2.22%	3.07%	3.78%	3.03%	5.01%
Liquidity Current assets as a ratio of current liabilities	1.40	2.11	2.62	3.09	0.20
Debt per Unit £'s	12,372	12,543	12,601	12,622	13,192
Cost per Unit £'s (RSH VFM metric 5)	£4,172	£4,103	£3,820	£3,162	£3,194

*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



Andrew McConnell
Chair



Elizabeth Cook
Senior Independent
Director



Ajman Ali



Stephen Davis



Michael Graham



Suzan Harrington



Shendi Keshet



Clare King



Michael Longfellow



Gareth Mann-Tighe



Antony Nelson

Other movements during the year:

Resignations: Christopher Mike Gaskell (25 May 2023)
Jaquie 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



Martyn Shaw
Executive Director of
Technical Services



Sarah Roxby
Executive Director of
Housing



Tracy Tallant
Director of Organisational
Development



Neil Warren
Executive Director of
Resources



Sue Young
Executive Director of
Investment

Secretary

Neil Warren (with effect from 31 July 2023)

Movements in year:

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

Sarah Roxby, Executive Director of Housing (Appointed 01 October 2023)

Neil Warren, Executive Director of Resources (Appointed 31 July 2023) post was vacant on 31 March 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 Eden Building Irwell Street Salford Manchester M3 5EN
Internal Auditors	Beever and Struthers LLP One Express 1 George Leigh Street Manchester M4 5DL
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 our 2024 Annual Report and Financial Statements.

I have had the pleasure of being a member of the Board since 2020 and I was honoured to be appointed Chair, 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 improved our existing homes to offer better places to live in the places people want to live and we have delivered more new affordable homes celebrating the delivery our 4000th home. None of this could have been achieved without the invaluable support of our residents, employees and partners.

Over time our work with local partners has gone from strength to strength, and so has our ability to offer support.

It's only with the great support of our partners and working together, that we can offer vital, specialist care and wellbeing services that our customers value so much. Which mean they can live well at home, get support with their finances, their wellbeing and their safety when things get tough.

As a Board, climate change and the energy efficiency of our homes remains high on our agenda.

During 2023 / 2024 we improved 873 more homes to EPC Band C and we have continued to move forward on our trajectory for achieving our ambition for net zero carbon operations by 2030, further reducing our carbon footprint. We have

also been accredited as a Bronze Carbon Literate Organisation by The Carbon Literacy Project.

We are passionate about customer feedback and making sure that everyone has the opportunity to have their say, so we continue to strengthen how we involve our residents in the services we provide.

Our efforts will, most importantly, ensure we deliver what residents want and maintain high standards of tenant satisfaction, as measured through the new Tenant Satisfaction Measures (TSMs). Whilst also ensuring that we are best placed to meet the requirements of the Consumer Standards set out by the Regulator of Social Housing (RSH).

As we approach our 20th year, I and the Board look forward to continuing to work with our residents, colleagues and partners to support more people in more places, building vibrant 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.

We continue to strive to improve the customer experience and satisfaction with the services we provide, and this year has been no different. We have invested significantly in our digital capabilities to help customers access the services and information they need when they need it, including launching our new website.

The results of our most recent Tenant Survey, show customer satisfaction with our services remains high. We are proud that the majority of our results place us as one of the top performing when compared nationally across the housing sector Housemark benchmarking.

We continue to deliver our investment programme to improve our existing homes and neighbourhoods and progress our ambitions to deliver more new homes. We are also continuing to work with partners to improve areas through regeneration.

During the last year alone, we invested £75.4 million in delivering more new affordable homes and improving homes through our investment programme and we have plans to invest nearly a further £107 million during the 2024 / 2025 financial year.

Our governance and financial viability remain strong. In January 2024 we celebrated our updated G1/V1 regulatory grading. This is the highest grading possible, and one held by only 15% of housing associations across the country.

The next 12 months are going to be both challenging and exciting, but we are well placed to deliver our future ambitions. We are proud of the things we have achieved, our growth and ability to respond and adapt to changing environments.

As we approach our 20th year, it is this strength that we want to take forward as we evolve our business, supporting more people in more places and building vibrant communities.

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

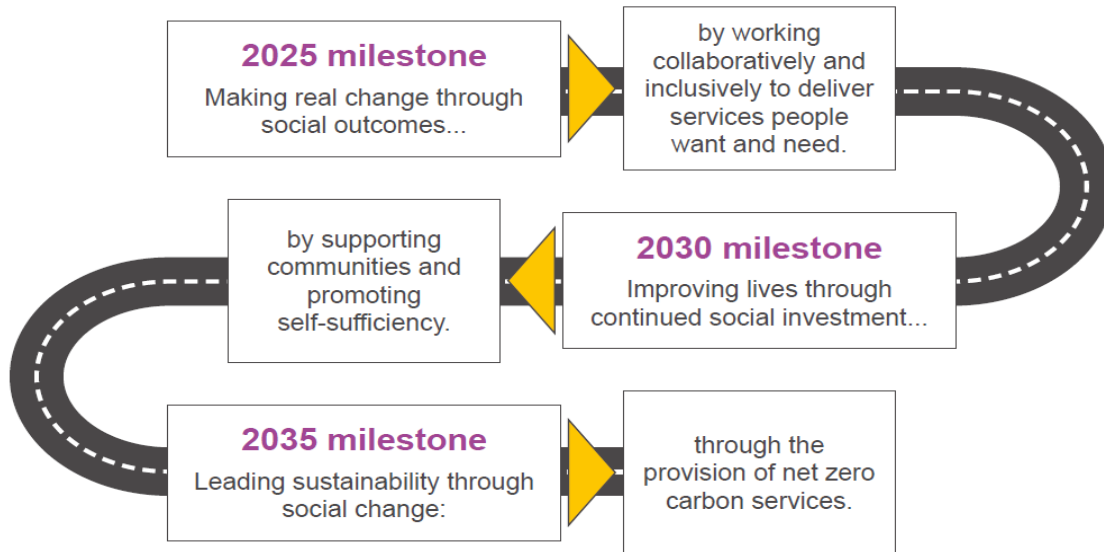


Andy Wallhead
Chief Executive

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 32,145 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 22 February 2024, setting out more detailed delivery plans and key actions for the year ahead to 2025. The following objectives and priorities are being pursued:

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

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, Risk and Assurance 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, Risk and Assurance 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	
Consumer Regulation and Housing Ombudsman expectations	Data quality, security and compliance
An effective strategic planning and business planning framework	Leadership and governance
Asset management	Development ambitions
Landlords’ health and safety compliance	Health and safety of employees and stakeholders

Strategic report (continued)

Key risk and main drivers	How the Board gets assurance
<p>Consumer Regulation and Housing Ombudsman expectations</p> <p>Ensuring systems and processes are in place to achieve and demonstrate compliance with the revised regulatory framework and new Complaint Handling Code.</p>	<p>Gap analysis performed against the new Consumer Standards presented to the Governance Committee in May 2024. A working group is overseeing delivery of the action plan under the Governance Committee's oversight.</p> <p>A self-assessment has also been performed against the Complaint Handling Code. Process improvements include the implementation of case management as part of Salesforce.</p>
<p>Data quality, security and compliance</p> <p>Having comprehensive, accurate data and an appropriate data culture.</p> <p>Arrangements to raise awareness and guard against cyber-related risks and data loss.</p> <p>Accuracy and accessibility of data and compliance with GDPR.</p>	<p>The Governance Committee have approved a new Data Strategy and work is underway to establish a new team that will oversee its implementation.</p> <p>Operational risks overseen by the Information Governance Group, who are currently implementing a project to cleanse and migrate data from network servers onto SharePoint.</p> <p>Board approved Information Security Policy, with 24/7 Security Operations Centre monitoring and continual scanning for new vulnerabilities.</p> <p>Critical systems and data are hosted externally by specialist third-party, over multiple sites.</p>
<p>An effective strategic planning and business planning framework</p> <p>Ensuring a clear and appropriately funded business strategy is vital to deliver the competing priorities associated with providing safe, energy efficient homes, and delivery of new homes.</p>	<p>WDH's V1 grading was reinstated by the Regulator of Social Housing (RSH) in January 2024.</p> <p>Each year, the Board review and approve WDH's Business Strategy. The content and format are currently being reviewed as part of the Strategy and Brand Programme.</p> <p>The Board oversee the annual review of the Business Plan and the scenarios used for stress testing.</p> <p>The Corporate Management Team, Audit, Risk and Assurance Committee and Board receive performance and Risk Indicator updates which include performance against our Financial Golden Rules.</p>
<p>Leadership and governance</p> <p>Effectiveness of WDH's governance arrangements and internal control framework.</p> <p>Compliance against regulatory standards and chosen code of governance.</p>	<p>Annual review against the NHF Code of Governance reported to the Governance Committee.</p> <p>Board Performance Management Framework, including Board appraisal procedure and improvement plan; succession planning; and recruitment and selection policy.</p> <p>Collective CMT leadership training and CMT Away Days. Performance management framework, including annual appraisals and six-monthly reviews. Succession planning; induction; and development plans.</p>

Key risk and main drivers	How the Board gets assurance
<p>Asset management</p> <p>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.</p>	<p>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.</p> <p>The Board and Property Investment Committee receive performance updates on how well we are managing property compliance and delivering our reinvestment programme.</p>
<p>Development ambitions</p> <p>Ensuring an appropriate pipeline of properties to meet the ambitions of the Development Programme.</p> <p>External economic and construction industry factors impacting cost and delivery of the programme and exposure in relation to shared ownership properties.</p>	<p>Board approved New Build and Investment Plan and Investment Policy, and Land and Property Acquisition Policy.</p> <p>Property Investment Committee oversight of the Development Programme.</p> <p>All new development proposals require completion of a financial appraisal which must meet Board approved parameters to ensure viability of schemes.</p> <p>Refinancing of the loan portfolio was completed to create additional long term development capacity.</p>
<p>Landlords' health and safety compliance</p> <p>Ensuring fire safety within multi-storey blocks and independent living schemes.</p> <p>Gas and electrical compliance; legionella and asbestos safety; and safety of lifts.</p> <p>Ensuring homes are free from systemic issues giving rise to damp, mould and condensation (DMC).</p>	<p>Compliance Team oversees and reports on property compliance to Strategic Compliance Group and Property Investment Committee, with performance information reported to the management team and Board.</p> <p>Key controls include:</p> <ul style="list-style-type: none"> • 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.
<p>Health and safety – employees and stakeholders</p> <p>Ensuring the health and safety of employees and our stakeholders.</p>	<p>Our central Health and Safety Team report to the Health and Safety Management Group, who, together with the Board, Governance and People Committee and Audit, Risk and Assurance Committee, receive a range of KPIs and Risk Indicators which monitor performance against the Board's Risk Appetite by exception.</p>

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 units with	
Aluminium Composite Materials (ACM)	External Wall Systems (EWS) requiring remediation work
0	5 buildings 216 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 buildings, this work has continued during 2023/2024 and is expected to be completed by 2026/2027.

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 has impacted the UK through 2023/2024, however these are forecast to reduce in 2024/2025 and fall back to the BOE long term target of 2.0%. To mitigate these pressures WDH has a pay settlement in place for 2024/2025, additionally cost pressures on material and service supplies are being experienced, however the new build and reinvestment programme as approved by Board for 2024/2025 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.

Strategic report (continued)

Financial liabilities - The risks associated with bank borrowings are considered 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 assets. 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 notes 25, 31 and 32.

Loans at 31 March 2024	At Book Value	At Fair Value
Fixed rate instruments	£'m	£'m
Financial liabilities Bank loans	317.7	388.9
Variable rate instruments		
Financial liabilities Bank loans	80.0	80.2
Total	397.7	469.1

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 2024	At Book Value	At Fair Value
Variable rate instruments Cash flow sensitivity	£'m	£'m
100 bp increase	0.80	0.82
100 bp decrease	(0.80)	(0.82)

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 WDH such as Cash wise and the Debt team which aim to ensure tenancies are sustainable.

Arrears have reduced throughout 2023/2024 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 14% year on year to 2.2 % (2023 3.1%) and rent losses due to voids and bad debts percentage of income from lettings have also reduced to 1.3% (2023 1.6%).

	2023/ 2024 Result	2022/ 2023 Result	2021/ 2022 Result
Percentage of Debit	2.2%	3.1%	3.8%
Total Arrears	£5.5m	£6.4m	£7.2m

Strategic report (continued)

Financial Review and Performance

The financial position of the Group remains robust. The operating surplus for 2023/2024 being £33.2m, as result of increased income and stable operating costs.

An operating surplus of £873k was generated from Bridge Homes (Yorkshire) LLP, the Group surplus for the year after tax of £20.6m shows a significant increase on 2022/2023.

The Group Statement of Financial Position shows increased asset balances and slight increases in liabilities due to increased loan borrowings to fund new build ambitions, the financial position remaining strong with marginally reduced gearing and strong liquidity.

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 49 and supporting notes can be found at pages 56 – 107. The following provides a summary:

For the year ended 31 March	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Total turnover	194,462	173,319	161,542	153,345	158,491
<i>Of which: income from lettings</i>	<i>176,657</i>	<i>161,386</i>	<i>144,378</i>	<i>141,769</i>	<i>138,719</i>
Operating Costs	(161,173)	(153,467)	(151,595)	(130,852)	(127,322)
<i>Of which: operating costs from lettings</i>	<i>(141,975)</i>	<i>(140,566)</i>	<i>(132,656)</i>	<i>(122,457)</i>	<i>(108,278)</i>
Impairment loss	0	(230)	(65)	(3,761)	(290)
Surplus on sale of property	1,113	4,591	4,206	1,233	2,129
Fair value movement on investment property	(1,180)	200	400	(1,000)	(1,288)
Operating surplus	33,222*	24,643*	14,488*	18,965*	31,720*
Share of operating (loss) surplus in joint venture	873	(762)	271	792	379
Net interest payable	(13,212)	(16,477)	(15,969)	(14,868)	(18,526)
Exceptional finance credit / (charge)	-	-	-	15,048	(111,370)
Surplus / (loss) for the year after tax**	20,647	7,345	(1,312)	19,726	(97,938)
Other comprehensive income	18,809	128,908	127,955	55,532	44,391
Total comprehensive income/(loss)	39,456	136,253	126,643	75,258	(53,547)
Operating margin (overall)*	17.1%	14.2%*	9.0%*	12.4%*	20.0%*
Operating margin (social housing)	19.2%	12.9%	8.1%	13.6%	21.9%
EBITDA interest cover*** (RSH VFM Metric 4)	214.3%	123.6%	130.8%	260.6%	217.9%

*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)

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

Strategic report (continued)

Group turnover at £194.5m (2023: £173.3m) has increased by 12.2%, due to income from social housing lettings, accounting for 91% of turnover, and an increase in revenue from low-cost home ownership sales, to £12.7m (2023: £7.6m).

Group operating costs at £161.2m remain relatively static (2023: £153.5m), at 82.8% of turnover (2023: 88.4%).

Income from social housing lettings increased to £176.7m (2023: £161.4m) due to increases in social housing grant released to income of £14.8m (2023: £12.5m) and in rental income (excluding services charges) of £155.6m (2023: £143.6m), 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 2.2% (2023: 3.1%) and rent losses due to voids and bad debts percentage of income from lettings decreasing to 1.3% (2023: 1.6%) respectively, within Board trigger limits.

Operating expenditure on social housing lettings increased to £142.3m (2023: £140.6m), with expenditure on routine and planned maintenance of £30.0m (2023: £27.2m) increasing due to cost pressures, service charge costs of £9.0m (2023: £7.1m) and increased depreciation charges of £36.4m (2023: £30.2m).

Management costs reduced to £45.5m largely as a result of reduced actuarial pension adjustments (2023: £51.0m). Underlying management costs excluding the actuarial pension adjustment at £44.7m (2023: £40.2m) were lower than budgeted expectations.

This resulted in an operating surplus from social housing lettings of £33.9m (2023: £20.8m) and a social housing operating margin of 19.2% (2023 12.9%).

Turnover from other activities increased to £17.8m (2023: £11.9m) largely as a result of an increase in low cost home ownership sales.

These factors resulted in an overall group operating surplus of £33.2m increased on the prior year (2023: £24.6m) and an overall operating margin of equal 17.1% (2023: 14.2%). The overall group surplus being £20.6m (2023: £7.3m).

Other comprehensive income at £34.7m has decreased (2023: £128.9m) representing an unrealised gain on revaluation of housing properties of £18.1m (2023: £75.8m) and an actuarial gain in respect of the pension scheme of £0.66m (2023: £53.1m). 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 £55.8m (2023: £45.7m).

The closing cash position at 31 March 2024 of £59m (2023: £75.0m) is sufficient funding to deliver the Business Plan approved investment in new housing supply during 2024/2025 and all liquidity needs of the organisation during 2024/2025 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	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Tangible fixed assets – housing properties	1,078,523	1,016,082	913,647	847,163	776,702
Tangible and Intangible fixed assets – other	15,480	19,873	20,029	21,989	23,121
Investment properties	9,000	10,200	10,000	9,600	10,600
Homebuy loans	82	88	114	129	129
Investment in joint venture	6,345	5,472	5,484	5,213	4,421
Liquidity Reserve Fund	3,726	3,548	3,474	3,470	-
Total fixed assets	1,113,156	1,055,263	952,748	887,564	814,973
Net current assets / (liabilities)	20,670	47,500	59,397	61,939	(439,893) *
Total assets	1,133,826	1,102,763	1,012,145	949,503	375,080
Loans (due over one year)	(460,297)	(468,533)	(472,878)	(476,405)	-
Other long-term liabilities	(1,070)	(1,227)	(1,170)	(498)	(752)
Pension (liability)/asset**	0	0	(41,346)	(102,492)	(79,478)
Total reserves	672,459	633,003	496,751	370,108	294,850
Debt per Unit £'s	12,372	12,543	12,601	12,622	13,192
Liquidity (current assets as a ratio of current liabilities)	1.40	2.11	2.62	3.09	0.20
Gearing (RSH VFM metric 3)	38.7%	39.5%	42.8%	47.3%	55.4%

*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 £102.1m, asset reflected at nil due the asset being restricted under FRS102, a pension asset 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 £1.11bn (2023: £1.06bn), with housing properties valued at £1.08bn (2023: £1.02bn) 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, increased to £6.3m (2023: £5.5m), reflecting WDH's share of the annual profit.

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 £1.13bn (2023: £1.10bn). 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 2024 to £59m (2023: £75m), this reduction funded the newbuild investment WDHs cash balance will be used to fund the new build programme throughout 2024/2025 and will continue to reduce.

As at March 2024, WDH had existing fixed and floating rate debt, at £318m and £80m respectively, with interest rates ranging from SONIA 2.2% to 7.04%, which creates sufficient hedging against

interest rate increases; the weighted average cost of capital is 4.88%. No breaches of the covenant occurred during the year or are anticipated in the future.

Outstanding loan balances of £398m, excluding Fair Value adjustment (2023: £400.0m) offset by a small increase in the number of social housing units to 32,145 (2023: 31,890 units) resulted in a debt per unit of £12,372 (2023: £12,543). The available loan facility as at March 2024 now totals £438m with £40m undrawn, reduced from £440m at March 2023. Additional Loan facilities have been secured post year end increasing the Loan Facility to £527m as at August 2024.

Other long-term liabilities of £1.07m (2023 £1.2m) 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 £102.1m, 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 (2023: £74.6m asset), the position of the pension scheme has improved due to increases in the value of scheme assets of £29.4m, partially offset by an increase of scheme liabilities of £1.9m.

There has been a change to the financial assumptions over the period, with the discount rate increasing by 0.20% to 4.80%, salary increase assumptions decreasing by 0.06% to 2.59%, and assumptions regarding the Consumer Price Index (CPI) inflation and future pension increases remaining at 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 in the 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 £672m (2023: £633m) 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.

Securing Value for Money (VFM)

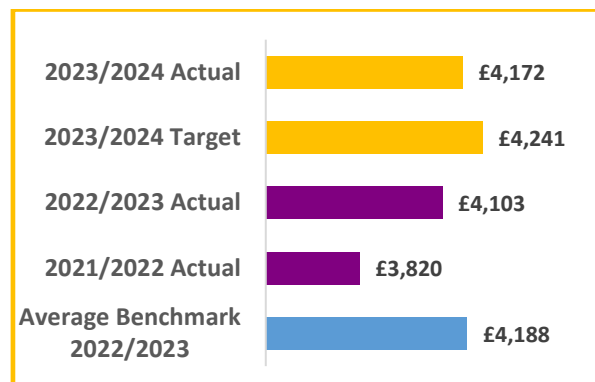
Value for money is embedded in the delivery of the Business Strategy priorities. Over the past 12 months, WDH has continued to make a significant investment in new housing supply, existing properties, and tenant support, to deliver increased VFM to all stakeholders.

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 £4,172 the headline social housing cost per unit, met target budget expectations.

Routine maintenance expenditure showed an increase of 12% in comparison to 2022/2023, due to increased cost pressures, but remain affordable to WDH in the long term.

Underlying management costs excluding the actuarial pension adjustment at £44.5m (2023: £40.2m) and capitalised major repairs £23.4m (2023: £19.3m) were slightly lower than budgeted expectations.

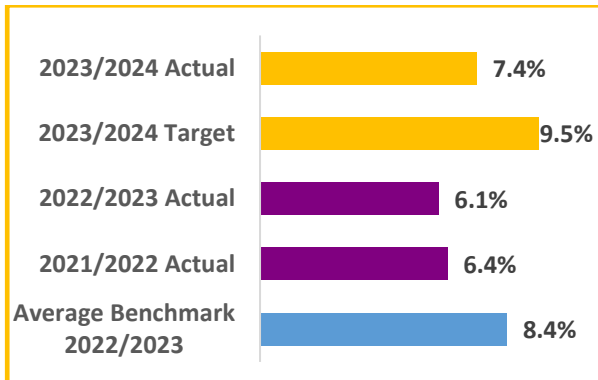
Effective management of budgets and a rigorous approach to procurement ensures a constant drive for improved VFM across all services and enables the provision of excellent services.

A target of £4,730 has been set for 2024/2025 in line with the Business Plan 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)



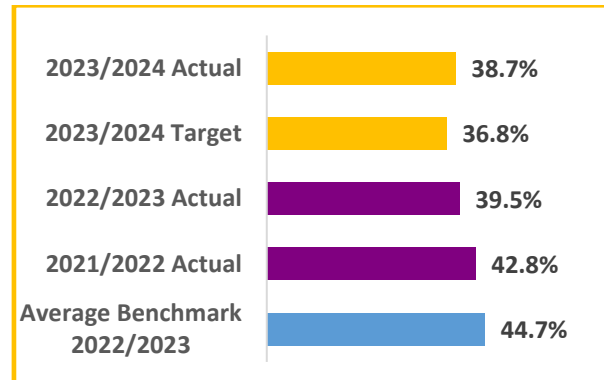
Reinvestment in new and existing homes as a % of the total value of our housing assets increased to 7.4% from 6.1% in 2022/2023.

This reflects investment of £67.6 million in the development of new properties, increasing from £45 million in 2022/2023, and £21.3 million of capital reinvestment in our existing homes, which increased from £19 million in 2022/2023.

This was broadly in line with target due to increased cost pressures, and a greater number of new homes delivered 422 against a target of 415.

A target of 10.8% has been set for 2024/2025 in line with plans to continue to invest in more new homes with planned investment to develop 310 new units in 2024/2025 and increased investment in our existing housing stock.

Gearing (RSH VFM metric 3)



Gearing decreased to 38.7% from 39.5% in 2022 / 2023 as a result of an increase in the valuation of housing properties.

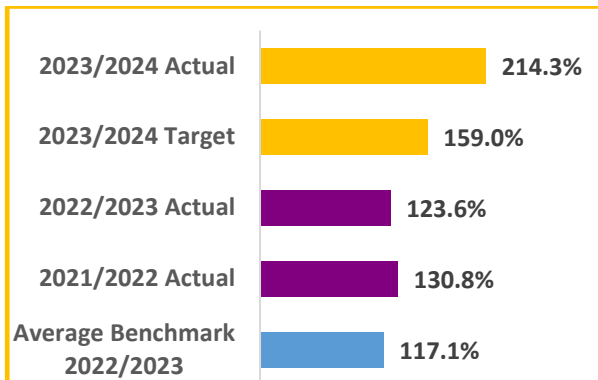
The value of long and short term loan reduced slightly, at £469m of drawn loan facilities (2022/2023 £476m).

Strong cashflow continues to minimise borrowing requirements, a £30m drawdown of funding is forecast at the end of 2024/2025 which will be from existing facilities.

A target of 33.5% has been set for 2024/2025 based on historical cost of properties.

Strategic report (continued)

EBITDA MRI interest cover (RSH VFM metric 4)



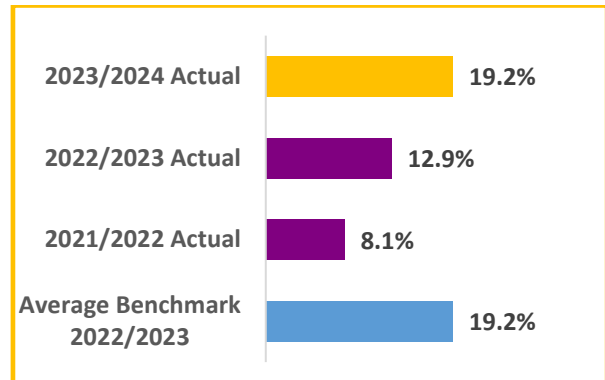
**EBITDA MRI 2020/2021 excludes exceptional finance credit*

EBITDA interest cover increased to 214.3% from 2022/2023 at 123.6%, exceeding target expectations.

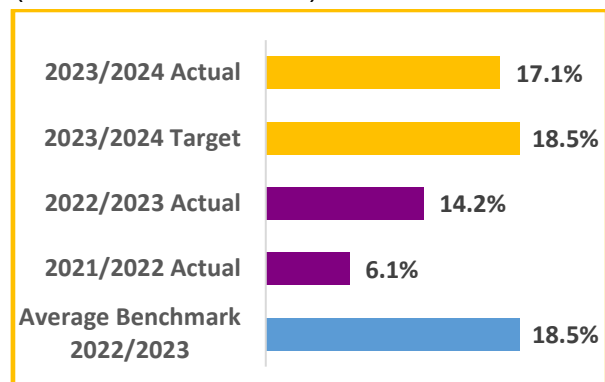
Improved performance was as a result of an increase in the overall operating surplus, offset by increased capitalised major repairs spend and government grants taken to income, which is deducted from the surplus to calculate the interest cover.

A target of 136.5% has been set for 2024/2025 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 19.2% from 12.9% in 2022/2023. This reflects increases in income from lettings and government grants partially offset by increases in operating costs, primarily maintenance expenditure and depreciation costs.

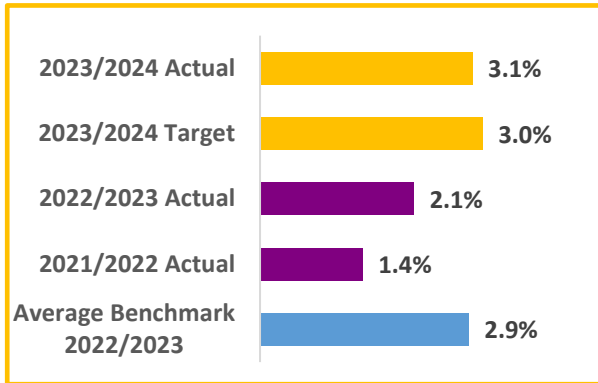
The overall operating margin, excluding the surplus from the disposal of fixed assets and the fair value of investment properties, increased to 17.1% from 14.2% in 2022/2023.

WDH underlying performance to VFM 6b equals 19.6% for 2023/2024 when the year end FRS102 pension adjustment of £0.8m is added back to the VFM metric 6a.

An operating margin target of 22.5% has been set for 2024/2025. This excludes FRS102 actuarial pension charges.

Strategic report (continued)

Return on Capital Employed (RSH VFM metric 7)

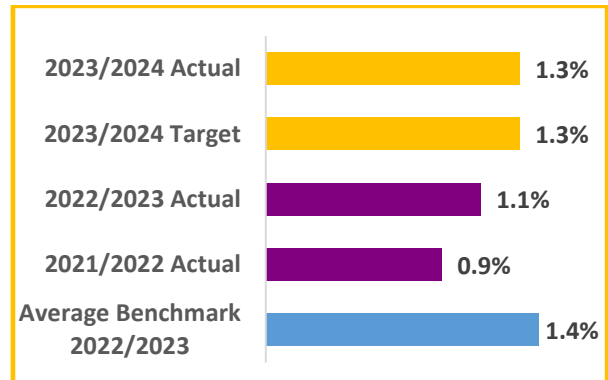


The return on capital employed, generated from core housing assets increased positively to 3.1% from 2.1% in 2022/2023.

Improved performance on 2022/2023, 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 3.9% has been set for 2024/2025.

Effectiveness

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



New social housing supply increased to 1.3% as a result of an increase in delivery of units to 422 from 337 units in 2022/2023, meeting the intended target.

Overall units owned has increased marginally to 32,152 units from 31,890 impacted by Right to Buy and Right to Acquire sales and demolitions.

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

A target of 1% has been set for 2024/2025 based on the delivery of 310 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 was maintained at 82.4% (2022/2023: 82.4%). Satisfaction with value for money of rent increased to 82.9% (2022/2023: 80.8%).

We continue to invest to deliver improvements and enhance the customer experience and digital customer contact offer with improved customer contact

solutions, telephony and a new customer website all delivered during 2023/2024.

Overall net cashable efficiencies of £150k (2022/2023: £1.2m) were made across service delivery, reducing costs and contributing to improved VFM.

Whilst the average number of days to complete repairs increased slightly to 9.1 days (2022/2023: 8.6 days) and did not meet the target, 94.7% of repairs were completed at the first visit, meeting the target. Satisfaction with repairs and maintenance increased slightly to 86.6% (2022/2023: 86.2%).

The average cost of a responsive repair at £542 decreased slightly but fell short of target, impacted by inflation and increased cost pressures.

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result	2023/2024 performance benchmark comparison**			
						Upper	Median	Lower	WDH Quartile
Tenant satisfaction with the overall service provided (%)*	82.8%	Met	>/= 82.4%	82.4%	81.6%*	78%	69%	63%	Upper
Tenant satisfaction with the overall repairs service (%)*	86.6%	Met	>/= 86.2%	86.2%	81.7%*	78%	70%	65%	Upper

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result	2022/2023 performance benchmark comparison			
						Upper	Median	Lower	WDH Quartile
Average number of calendar days to complete repairs	9.1	Not met	8.5	8.6	7.9	10.7	16.4	21.8	Upper
Repairs completed at first visit (%)	94.7%	Met	94%	95%	95.4%	95%	89%	79%	Upper
Average cost of a responsive repair per property (£)	£542	Nearly met***	£501	£561	Not reported	£474	£579	£664	Median
Tenant satisfaction with value for money of rent (%)	83.3%	Met	>/= 80.8%	80.8%	87.5%	Not compared			
Net cashable efficiencies	£150k	Not met	£250k	£1.2m	£474k	Not compared			

* 2023/2024 based on RSH TSM data low cost rental accommodation (LCRA), 2022 / 2023 RSH TSM pilot data, 2021/2022 STAR Housemark

** Benchmarks based on Housemark TSM National Benchmarking data LCRA , June 2024

***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 now anticipated to commence during 2024/2025.

Our annual Tenant Survey showed that the proportion of tenants who feel supported by WDH to maintain their tenancy increased to 87.9% (2022/2023: 74.5%).

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

Waiting times for support from our Cash Wise support improved to 7 working days from 10 working days in 2022 / 2023, meeting intended targets.

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result
Tenants feeling supported by WDH to maintain their tenancy (%)	87.9%	Met	>= 74.5%	74.5%	86.1%
Average waiting time for Cash Wise support (days)	7	Met	9	10	N/A

Strategic report (continued)

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

In 2023/2024, £33.9m (net) was invested in new build development and acquisitions providing an additional 422 new social homes (2022/2022: 337) across Wakefield and our wider area of operation. Overall net spend being lower than budgeted largely due to higher levels of grant income.

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.

The average development scheme payback remained strong being 38 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).

The Board has ambitious plans to increase delivery of new homes and has created capacity for further growth following refinancing in early 2020. The economic climate and challenges within the housing market has meant our ambition to provide 2,000 new homes between 2020 and 2025 has been challenging. By 2025, we expect to have delivered nearly 1,600 new homes.

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 2023/2024 there were 40 legal completions on homes for outright sale (2023/2024: 0) through Bridge Homes (Yorkshire) LLP, WDH's joint venture with Wakefield Council.

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result	2022/2023 performance benchmark comparison			
						Upper	Median	Lower	WDH Quartile
Number of new homes delivered	422	Met	415	337	281	721	269	176	Median
New build programme expenditure £ million (net of grant and sales income)	£33.9	Met	£51.3	£40.7	£17.5	Not compared			
Average development scheme payback period	38 years	Met	<=40 years	39 years	39 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. During 2023/2024 £41.5m was invested in our homes through our reinvestment programme (2022/2023: £41.0m) against a budget of £47.4 million. The underspend being due to under delivery against the intended annual programme which has now been reprogrammed for 2024/2025.

Our annual Tenant Survey showed 87.1% of tenants were satisfied that their home is well maintained, a significant increase on the previous year (2023: 82.6%) and 83.4% were satisfied that their home is safe (2023: 85.5%).

Delivering programmes of compliance and building safety across our portfolio 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.

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.

Our Tenant Survey showed, 74.2% of tenants were satisfied that WDH makes a positive contribution to their neighbourhood.

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result
Reinvestment programmes spend (ex VAT) £ million	£41.5	Not met	£47.4	£41.0	£40.2
Reinvestment programme % completed	79%	Not met	100%	75%	106%

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result	2023/2024 performance benchmark comparison**			
						Upper	Median	Lower	WDH Quartile
Tenant satisfaction that their home is well maintained*	83.4%	Met	>= 82.6%	82.6%	Not reported	78%	69%	63%	Upper
Tenant satisfaction that their home is safe*	87.2%	Met	>= 85.5%	85.5%	Not reported	82%	76%	70%	Upper
Tenant satisfaction that WDH makes a positive contribution to the neighbourhood*	74.5%	Met	>= 73.4%	73.4%	Not reported	71%	63%	56%	Upper

*RSH TSM data based on low cost rental accommodation (LCRA) only

** Benchmarks based on Housemark TSM National Benchmarking data LCRA , June 2024

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 76% of people leaving the programme moved into further employment

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result
% people moving into further employment following support by the Training for Employment Programme	76%	Met	70%	72%	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 to 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 (2022/2023: 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.

Sickness absence decreased slightly to 11.4 days per FTE (2022/2023: 12 days) but fell slightly short of the 10.5 day target.

Emphasis continues to be placed on supporting our employees' health and wellbeing and reducing levels of sickness absence.

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result	2022/2023 performance benchmark comparison			
						Upper	Median	Lower	WDH Quartile
Overall employee satisfaction (mean score out of 10)	7.2	Met	>=7.2	7.2	7.2	8.5	8.0	7.1	Median
Sickness absence – average days lost (per FTE)	11.4	Nearly Met*	10.5	12	11.5	10.7	12.1	13.0	Median

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

Strategic report (continued)

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

WDH maintains G1/ V1 Financial Viability Regulatory Status for Governance and Financial Viability, following the annual stability check by the Regulator of Social Housing (RSH) in December 2023.

WDH focus aligned to the business model, is to increase value for money (VFM) to deliver an increased social dividend from core housing activities.

Time taken to relet our homes improved significantly to an average of 24 days, impacting positively on letting income.

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.

Overall, social dividend, total income less core operating costs, of £108.1m (2022/2023: £95.98m) was reinvested in new homes, existing homes, and other services, creating additional social value for our tenants and communities.

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result	2022/2023 performance benchmark comparison			
						Upper	Median	Lower	WDH Quartile
Social dividend invested £	£108.1m	Met	£91.7 (forecast)	£95.98m	£69.8m	Not compared			
Average days taken to let dwellings (CORE and Affordable Rents)	24	Met	25	34	42	37.52	47.99	62.85	Upper
Amount of current tenant rent arrears as % of estimated rental debit (excluding voids)	3.0%	Met	3.0%	2.7%	2.8%	3.0%	3.6%	4.7%	Upper
Amount of former tenant rent arrears as % of estimated rental debit (excluding voids)	1.1%	Met	1.2%	1.2%	1.2%	1.2%	1.6%	2.3%	Upper

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.

Work has taken place during 2023/2024 to 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 2023/2024, 55.9% of waste from our operations managed via our waste transfer station was recycled meeting the intended target.

Metric	2023 /2024 Result	Position against target	2023/ 2024 Target	2022/ 2023 Result	2021/ 2022 Result
% waste recycled at waste transfer station	55.9%	Met	55%	55.0%	55.3%

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 third ESG Report in October 2023, 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 2023/2024 ESG Report will be published in October 2024.

Strategic report (continued)

Improving performance and value for Money (VFM)

Following the annual review, WDH's Board 22 February 2024, agreed the 2025 Business Strategy – 2024 Update, setting out the key actions to 2025 in support of 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 RSH Consumer Standards.

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 £72.8m of

planned net investment to deliver a further 310 units during 2024/2025.

Additional joint ventures with strategic partners continue to be sought to increase the supply of new homes.

Significant investment in existing stock will continue to maintain and improve the quality of our homes, including £53.9m

of investment works as part of our reinvestment programme during 2024/2025.

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 2024/2025 (Continued)

The Board have agreed 2024/2025 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/V1 rating.

VFM related metric	2024/2025 Annual Target	Compared to Housemark Quartile 2022/2023
Customer excellence: Providing high quality, value for money, tenant shaped services		
Responsive repairs cost per property	£617	Median
Responsive repairs – percentage fixed first time	94.5%	Median
Average number of days taken to complete repairs	8.5	Upper
RSH TSM TP01 – Satisfaction with the overall service provided (%)	>= 82.8%	Not Applicable
Satisfaction with value for money of rent (%)	>= 82.9%	Not Applicable
RSH TSM TP03 – Satisfaction with the overall repairs service (%)	>= 86.6%	Not Applicable
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
Tenants feeling supported by WDH to maintain their tenancy (%)	>=87.6%	Not Applicable
New homes and growth: Increasing access to high quality affordable housing		
New build expenditure programme net spend	£72.8m	Not applicable
Average development scheme payback period	<= 40 years	Not applicable
Reinvestment (RSH VFM metric 1)	10.8%	Upper
Number of new homes delivered	310	Median
New supply delivered % - social housing (RSH VFM Metric 2a)	1%	Lower

Strategic report (continued)

Improving performance and value for Money (VFM) in 2024/2025 (Continued)

VFM related metric	2024/2025 Annual Target	Compared to Housemark Quartile 2022/2023
High quality homes and Neighbourhoods: Meeting the highest standards of safety and repair and regenerating our communities		
Reinvestment Programme spend	£53.9 m	Not applicable
Reinvestment programme % completed	100%	Not applicable
RSH TSM TP04 – Tenant satisfaction that their home is well maintained (%)	>= 83.4%	Not Applicable
RSH TSM TP05 – Tenant satisfaction that their home is safe (%)	>= 87.2%	Not Applicable
RSH TSM TP11 – Tenant satisfaction that WDH makes a positive contribution to the neighbourhood. (%)	>= 74.5%	Not Applicable
Workforce of the future: Ensuring a highly skilled, capable, and resilient workforce		
Sickness absence – days lost per FTE employee	<10 days	Not applicable
Overall employee satisfaction (mean score out of 10)	>= 7.2	Not applicable
Business of the future: Being a fit for purpose, forward looking business		
Headline Social Housing Cost per unit (RSH VFM Metric 5)	£4,730	Lower
Gearing (RSH VFM metric 3)	33.5%	Upper
EBITDA MRI (RSH VFM metric 4)	136.5%	Median
Operating margin – social housing lettings (RSH VFM metric 6a)	Not set	Not applicable
Operating margin – overall (RSH VFM metric 6b)	22.5%*	Median
Return on capital employed (RSH VFM metric 7)	3.9%	Upper
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%	Not applicable
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

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/V1 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 19 September 2024 and signed on its behalf by:

<i>Andrew McConnell</i>
Andrew McConnell
Chair

Report of the Board

The Board presents its report and the audited Financial Statements for the year ended 31 March 2024.

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 2024 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 2023/2024.
- 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 six 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 £90k (2023: £98k) through Neighbourhood Panels and to local Food banks in support of community initiatives and activities, 105 Community Grants were made for local schemes, 22 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.

Post Balance Sheet Events

New Funding

Additional funding has been secured by WDH post year end the new loans total £90m of additional funding secured from the Royal Bank of Scotland and Santander. Taking total funding to £527m as at September 2024 (up from £437m at 31 March 2023) of which £400m is drawn.

A further £30m is being finalised with the Affordable Homes Guarantee Scheme which will be completed in Quarter 3 of 2024/2025 taking total funding to £557m

Change of Name

WDH Solutions Limited changed its name to Vico Homes Limited on the 18 July 2024.

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, Risk and Assurance 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 2023, 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, Risk and Assurance 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, Risk and Assurance 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) 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, Risk and Assurance Committee and Board by exception.
- 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, Risk and Assurance 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, Risk and Assurance 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 9 reviews undertaken, including 1 high, 24 medium and 15 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 £33.2m which includes an actuarial pension charge of

£802k which after interest costs has resulted in a £20.6m surplus for the year.

Total comprehensive income is £39.5m 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 £672.5m.

The Group has strong positive operational cashflows, with £59m of cash reserves as at the 31 March 2024.

The majority of WDH's income, is generated from the provision of social housing, WDH has increased its rents by 7.7% on average for 2024/2025 for social housing properties and for shared ownership properties in line with lease agreements, WDH is compliant 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 WDH's 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 2024 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.
- 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 25 July 2024 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 was proposed at the AGM and confirm by the Audit Risk and assurance committee.

Approval

The report of the Board was approved by the Board on 19 September 2024 and signed on its behalf by:

<i>Andrew McConnell</i>
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 2024 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 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 2024 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 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, 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, FRS 102 and UK 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

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override and revenue recognition in relation to property sales and other 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 completion statement, ensuring that completion statement supports the period in which the asset has been disposed.
- 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.
- 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.

BDO LLP
Eden Building
Irwell Street
Salford
Manchester
M3 5EN

20 September 2024

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 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Turnover	3	194,462	173,319
Operating expenditure			
Operating costs	3	(161,173)	(153,467)
Profit on disposal of property, plant, and equipment	6	1,113	4,591
Fair value movement of investment property	15	(1,180)	200
Operating surplus	3	33,222	24,643
Share of operating surplus in joint venture	17	873	(762)
Profit before interest and tax		34,095	23,881
Interest receivable and other income	7	2,673	1,161
Interest payable and financing costs	8	(15,885)	(17,638)
Surplus before taxation		20,883	7,404
Taxation	11	(236)	(59)
Surplus for the year		20,647	7,345
Other comprehensive income			
Unrealised gain on revaluation of housing properties	12	18,148	75,759
Actuarial gain in respect of pension schemes	9	661	53,149
Total comprehensive income		39,456	136,253

The Financial Statements were issued and approved by the Board on 19 September 2024 and signed on its behalf by:

Andrew McConnell

Shendi Keshet

Neil Warren

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 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Turnover	3	194,462	173,319
Operating expenditure			
Operating costs	3	(161,173)	(153,467)
Profit on disposal of property, plant, and equipment	6	1,113	4,591
Fair value movement of investment property	15	(1,180)	200
Operating surplus	3	33,222	24,643
Interest receivable and other income	7	2,673	1,161
Interest payable and financing costs	8	(15,885)	(17,638)
Surplus before taxation		20,010	8,166
Taxation	11	(236)	(59)
Surplus for the year		19,774	8,107
Other comprehensive income			
Unrealised gain on revaluation of housing properties	12	18,148	75,759
Actuarial gain in respect of pension schemes	9	661	53,149
Total comprehensive income		38,583	137,015

The Financial Statements were issued and approved by the Board on 19 September 2024 and signed on its behalf by:

Andrew McConnell

Andrew McConnell
Chair

Shendi Keshet

Shendi Keshet
**Chair, Audit, Risk and
Assurance Committee**

Neil Warren

Neil Warren
Secretary

The Association's results relate wholly to continuing activities.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2024

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
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	53,149	75,759	128,907
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
Surplus for the year	20,647	-	20,647
Actuarial gain on defined benefit pension scheme	661		661
Unrealised gain on revaluation of housing properties	-	18,148	18,148
Other comprehensive income	661	18,148	18,809
Reserves transfers:			
Transfer from revaluation reserve to income and expenditure reserve	10,117	(10,117)	-
Balance at 31 March 2024	261,796	410,663	672,459

ASSOCIATION STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2024

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
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
Surplus for the year	19,774	-	19,774
Actuarial gain on defined benefit pension scheme	661	-	661
Unrealised gain on revaluation of housing properties	-	18,148	18,148
Other comprehensive income	661	18,148	18,809
Reserves transfers:			
Transfer from revaluation reserve to income and expenditure reserve	10,117	(10,117)	-
Balance at 31 March 2024	259,708	410,663	670,371

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets - housing properties	12	1,078,523	1,016,082
Tangible fixed assets - other	13	13,991	17,137
Intangible assets	14	1,489	2,736
Investment properties	15	9,000	10,200
Homebuy loans receivable	16	82	88
Investment in joint venture	17	6,345	5,472
Liquidity Reserve Fund	15	3,726	3,548
		<u>1,113,156</u>	<u>1,055,263</u>
Current assets			
Properties held for sale	18	8,392	8,741
Trade and other debtors	19	4,914	6,677
Cash and cash equivalents		<u>59,007</u>	<u>75,071</u>
		72,313	90,489
Current liabilities			
Creditors: Amounts falling due within one year	20	(42,863)	(35,110)
Loans: Amounts falling due within one year	20	(8,780)	(7,879)
		<u>(51,643)</u>	<u>(43,000)</u>
Net current assets		20,670	47,500
		<u>20,670</u>	<u>47,500</u>
Total assets less current liabilities		1,133,826	1,102,763
		<u>1,133,826</u>	<u>1,102,763</u>
Creditors: Amounts falling due after more than one year	21	(461,129)	(469,520)
		<u>(461,129)</u>	<u>(469,520)</u>
Provisions for liabilities			
Provisions	23	(238)	(240)
Defined benefit pension liability	9	-	-
		<u>(238)</u>	<u>(240)</u>
Total net assets		672,459	633,003
		<u>672,459</u>	<u>633,003</u>
Reserves			
Income and expenditure reserve		261,796	230,371
Revaluation reserve		410,663	402,632
		<u>672,459</u>	<u>633,003</u>
Total reserves		672,459	633,003
		<u>672,459</u>	<u>633,003</u>

The Financial Statements were issued and approved by the Board on 19 September 2024 and signed on its behalf by:

Andrew McConnell

Andrew McConnell
Chair

Shendi Keshet

Shendi Keshet
Chair, Audit, Risk and Assurance Committee

Neil Warren

Neil Warren
Secretary

ASSOCIATION STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets - housing properties	12	1,078,523	1,016,082
Tangible fixed assets - other	13	13,991	17,137
Intangible assets	14	1,489	2,736
Investment properties	15	9,000	10,200
Homebuy loans receivable	16	82	88
Investment in joint venture	17	4,250	4,250
Liquidity Reserve Fund	15	3,726	3,548
		<u>1,111,061</u>	<u>1,054,041</u>
Current assets			
Properties held for sale	18	8,392	8,741
Trade and other debtors	19	4,924	6,687
Cash and cash equivalents		<u>59,002</u>	<u>75,067</u>
		72,318	90,495
Creditors: Amounts falling due within one year	20	(42,861)	(35,110)
Loans: Amounts falling due within one year	20	(8,780)	(7,879)
		<u>20,677</u>	<u>47,507</u>
Net current assets			
		<u>1,131,738</u>	<u>1,101,548</u>
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	21	(461,129)	(469,520)
Provisions for liabilities			
Provisions	23	(238)	(240)
Defined benefit pension liability	9	-	-
		<u>670,371</u>	<u>631,788</u>
Total net assets			
Reserves			
Income and expenditure reserve		259,708	229,156
Revaluation reserve		<u>410,663</u>	<u>402,632</u>
Total reserves		<u>670,371</u>	<u>631,788</u>

The Financial Statements were issued and approved by the Board on 19 September 2024 and signed on its behalf by:

Andrew McConnell

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Chair

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Shendi Keshet
Chair, Audit, Risk and Assurance Committee

Neil Warren

Neil Warren
Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Net cash generated from operating activities	27	55,803	45,693
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets - housing properties		(78,769)	(61,276)
Purchase of tangible fixed assets - other		(2,511)	(2,272)
Purchase of intangible assets		-	(412)
Proceeds from sale of tangible fixed assets		6,400	12,100
Grant received		23,860	12,097
Investment in joint venture		-	(750)
Interest received		2,353	1,087
		<u>(48,667)</u>	<u>(39,426)</u>
Cash flow from financing activities			
Interest paid		(20,904)	(18,635)
Homebuy loans received		13	32
Repayment of loans		(2,309)	-
		<u>(23,200)</u>	<u>(18,603)</u>
Net change in cash and cash equivalents	27	(16,064)	(12,336)
Cash and cash equivalents at beginning of the year		<u>75,071</u>	<u>87,407</u>
Cash and cash equivalents at end of the year		<u>59,007</u>	<u>75,071</u>

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 New Build Services Limited is a wholly owned trading subsidiary of WDH and incorporated in England under the Companies Act 2006 as a Private Limited Company limited by guarantee. No trading activity took place in 2023/ 2024.

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 £33.2m which includes an actuarial pension charge of £661k which after interest costs has resulted in the £20.6m surplus for the year. Total comprehensive income is £39.5m 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 £672.5m.

The Group has strong positive operational cashflows, with £59m of cash reserves as at the 31 March 2024, with access to £40m of additional funding available from its agreed loan funding.

The majority of WDH's income, is generated from the provision of social housing, WDH has increased its rents by 7.7% on average for 2024/2025 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 2024 by the Board for the financial year 2024/2025.

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
- 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)

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.

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.

Area of Judgement	Description
Impairment	<p>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:</p> <ul style="list-style-type: none"> • 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. <p>The recoverable amount is the higher of the assets value in use and fair value less costs to sell. No impairment loss is needed or recognised in the year.</p>
Capitalisation of Property Development Costs	<p>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.</p>
Capitalisation of Property Improvement Costs	<p>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.</p>
Categorisation of Properties as Investment Properties	<p>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.</p>

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Area of Judgement	Description
Classification of Loans as Basic	<p>Interest bearing instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:</p> <p>a) The contractual return to the holder is</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that:</p> <ul style="list-style-type: none"> • 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). <p>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.</p> <p>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.</p> <p>Loan commitments to receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.</p>
Measurement of Basic Financial Instruments	<p>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.</p> <p>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.</p> <p>Interest bearing borrowings are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.</p>

Notes to the Financial Statements (Continued)

2. Accounting Policies (continued)

Area of Judgement	Description
Valuation of financial instruments	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>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.</p> <p>Refer to the financial liabilities note for further detail on specific valuation techniques.</p>
Valuation of Housing Properties	<p>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.</p>
Valuation of Investment Properties	<p>Investment properties comprise of shops and garages held for letting. Investment properties were valued at 31 March 2024 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 2024.</p>

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 2024 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 2024 was £102m, this was restricted to Nil in the financial statements as at 31 March 2024 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 or asset 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
Automatic Fire Detection Systems HRB	20 Years	20 Years
Door Entry Systems HRB	20 Years	20 Years
Lighting in communal areas HRB	30 Years	30 Years
Fire Doors within HRB	20 Years	20 Years
Sprinkler Systems HRB	20 Years	20 Years
Smoke Ventilation System HRB*	20 Years	20 Years

*HRB = High Rise Buildings.

Freehold land is not depreciated.

Notes to the Financial Statements (Continued)

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.

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 £25.5m 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.

Notes to the Financial Statements (Continued)

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

Group – continuing activities

	Year ended 31 March 2024				
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	Operating surplus / (deficit) £'000
Social housing lettings	176,655	-	-	(142,777)	33,878
Other social housing activities					
First tranche low-cost home ownership sales	12,747	-	(12,454)	-	293
Development costs not capitalised	-	-	-	(843)	(843)
Gain on disposal of assets	-	1,113	-	-	1,113
Other	288	-	-	(327)	(39)
	13,035	1,113	(12,454)	(1,170)	524
Activities other than social housing*	4,772	-	-	(4,772)	-
Fair value movement of investment properties	-	(1,180)	-	-	(1,180)
	4,772	(1,180)	-	(4,772)	(1,180)
Total	194,462	(67)	(12,454)	(148,719)	33,222

	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

* 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 2024				
	Turnover £'000	Other Income £'000	Cost of Sales £'000	Operating Costs £'000	Operating surplus / (deficit) £'000
Social housing lettings	176,655	-	-	(142,777)	33,878
Other social housing activities					
First tranche low-cost home ownership sales	12,747	-	(12,454)	-	293
Development costs not capitalised	-	-	-	(843)	(843)
Gain on disposal of assets	-	1,113	-	-	1,113
Other	288	-	-	(327)	(39)
	13,035	1,113	(12,454)	(1,170)	524
Activities other than social housing*	4,772	-	-	(4,772)	-
Fair value movement of investment properties	-	(1,180)	-	-	(1,180)
	4,772	(1,180)	-	(4,772)	(1,180)
Total	194,462	(67)	(12,454)	(148,719)	33,222

	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

* 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	2024 £'000	2023 £'000
Turnover from social housing lettings					
Rent receivable net of identifiable service charges	146,514	6,663	2,423	155,600	143,595
Service charge income	1,927	4,282	57	6,266	5,279
Government grants taken to income	9,458	-	5,331	14,789	12,513
Turnover from social housing lettings	157,899	10,945	7,811	176,655	161,387
Management	(40,860)	(2,872)	(958)	(44,690)	(40,235)
Management – Pension FRS 102 adjustment	(750)	(52)	-	(802)	(10,772)
Service charge costs	(3,635)	(5,392)	-	(9,027)	(7,116)
Routine maintenance	(26,374)	(797)	(31)	(27,202)	(24,340)
Planned maintenance	(2,752)	(52)	(2)	(2,806)	(2,855)
Major repairs expenditure	(21,333)	(184)	-	(21,517)	(24,486)
Bad debts	(324)	(22)	(16)	(362)	(349)
Impairment	-	-	-	-	(230)
Depreciation of housing properties	(31,516)	(1,569)	(499)	(33,584)	(27,347)
Depreciation of other fixed assets	(2,412)	(219)	(156)	(2,787)	(2,835)
Operating expenditure on social housing lettings	(129,956)	(11,159)	(1,662)	(142,777)	(140,565)
Operating surplus on social housing lettings	27,943	(214)	6,149	33,878	20,822
Void losses	1,526	275	1	1,802	2,021

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 2023	Additions	Conversions	Sales and Demolitions	Tenure Movements	At 31 March 2024
Social Housing						
General Needs						
• Social Rent	27,149	14	(1)	(77)	(5)	27,080
• Affordable Rent	2,271	252	0	(5)	0	2,518
Supported Housing and housing for older people	1,571	0	0	(58)	0	1,513
Low-cost home ownership	899	156	0	(26)	5	1,034
Total owned	31,890	422	(1)	(166)	0	32,145
Accommodation Managed for others	7	0	0	0	0	7
Total accommodation	31,897	422	(1)	(166)	0	32,152

WDH manages 4 Alms Houses for Wrays Homes (2023: 4 units), a registered charity; and 3 properties for the Megson Trust (2023: 3 units).

Notes to the Financial Statements (Continued)

5. Operating Surplus

This is arrived at after charging:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Depreciation of housing properties	32,834	27,347	32,834	27,347
Depreciation and amortisation of other tangible fixed assets	3,538	2,835	3,538	2,835
Impairment	-	230	-	230
Operating lease rentals:				
• Land and buildings	385	506	385	506
• Office equipment and computers	38	35	38	35
• Motor vehicles	1,551	1,702	1,551	1,702
Audit Fees				
Fees payable (excluding VAT) to the Group's auditor for the audit of the Financial Statements of:				
• Association	137	117	124	117
• Subsidiaries	-	-	-	-
	<u>137</u>	<u>117</u>	<u>124</u>	<u>117</u>
Fees Payable to the Group's auditor in respect of:				
• Other assurance services	9	8	9	8
• Tax compliance services	2	5	2	6
	<u>11</u>	<u>13</u>	<u>11</u>	<u>14</u>
Internal auditor's remuneration (Beever and Struthers)	114	108	114	108

Notes to the Financial Statements (Continued)

6. Sale of Fixed Assets

Group and Association

	2024	2023
	£'000	£'000
Disposal proceeds – housing properties	6,321	12,100
Carrying value of fixed assets at valuation	(5,009)	(7,024)
	1,312	5,076
Capital grant recycled (note 22)	(234)	(491)
Surplus on sale of housing properties	1,078	4,585
Surplus on sale of land and current assets	60	5
Loss on sale of other assets	(32)	(5)
Surplus on Homebuy Loans	7	6
Surplus on sale of fixed assets	1,113	4,591

Included in the above are staircasing sales of shared ownership properties. During the year there were 26 full staircasing and 5 partial staircasing sales which generated a surplus on disposal of £559k (2022/2023 £505k).

7. Interest Receivable and Other Income

Group and Association

	2024	2023
	£'000	£'000
Defined Benefit Pension	141	-
Interest receivable liquidity reserve fund	178	74
Interest receivable from deposits	2,354	1,087
	2,673	1,161

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

	2024	2023
	£'000	£'000
Unwinding of discount for fair value of debtors	(51)	(129)
Defined benefit pension charge	-	1,031
Recycled capital grant fund	60	43
Loan interest	20,904	18,635
Effective interest rate release	(5,028)	(1,942)
	15,885	17,638

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

	2024	2023
	No	No
Administration	430	444
Technical services	469	463
Housing, support, and care	301	302
	1,200	1,209

Employee costs:

Group and Association

	2024	2023
	£'000	£'000
Wages and salaries	45,592	41,986
Social security costs	4,500	4,271
Other pension costs	6,177	6,364
	56,269	52,621

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

	2024	2023
	No.	No.
£60,001 to £70,000	7	2
£70,001 to £80,000	2	1
£80,001 to £90,000	9	9
£90,001 to £100,000	2	1
£100,001 to £110,000	1	1
£110,001 to £120,000	-	2
£120,001 to £130,000	3	-
£130,001 to £140,000	-	1
£140,000 to £190,000	2	1
£210,001 to £220,000	1	1
	27	19

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 2024 was £394.6m against scheme liabilities of £292.5m, a surplus of £102.1m this is a further improvement from a surplus of £74.6m in 2023/2024. The net asset at 31 March 2024 is restricted to Nil in the financial statements at 31 March 2024 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.

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 2024/2025 will be 12.3%, this is a decrease from the current contribution rate of 14.0%. The contribution rate for 2023/2024 and future contribution rates are listed below. The rates payable post 2022 are in-line with the 2022 Triannual review.

	% Per annum
2023/2024	14.0
2024/2025	12.3
2025/2026	10.6
2026/2027 (long term)	15.0

The employer's contribution to the LGPS by WDH for the year ended 31 March 2024 was £6.2m (2023: £6.3m). The employer contribution rate for next year is set at 12.3% which will be in the region of £5.6m for the year ending 31 March 2025. 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. WDH has a Subsumption agreement in place with Wakefield MDC who are a Scheduled Body. This has resulted in WDH having a lower risk profile in the view of the pension fund and this has resulted in lower contribution rates.

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 2024 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 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 2024 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.

Goodwin Ruling

In June 2020 an Employment Tribunal ruled, in relation to the Teachers' Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation.

Notes to the Financial Statements (Continued)

9 Employees (continued)

Goodwin Ruling (continued)

The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements.

The LGPS expects the Goodwin judgement to add around 0.2% to the Defined Benefit Obligation (DBO) for a typical employer, however the impact will vary depending on the membership profile. It is unlikely to be higher than 0.5% of the DBO. The LGPS will not allow for this within our standard service on grounds of materiality.

Those changes are yet to be reflected in the LGPS Regulations, nor in the data the LGPS receive from the Administering Authority, the LGPS does not allow for this ruling in its calculations. Therefore, this has not been factored into the year-end liability.

Financial Assumptions

	31 March 2024 % per annum	31 March 2023 % per annum
Discount rate	4.80	4.60
Future salary increases	2.59	2.65
Future pension increases	2.60	2.60
Consumer Price Inflation	2.60	2.60

Mortality Assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis conducted as part of the 2022 valuation and allow for expected future mortality improvements. Life expectancies at age 65 resulting from these mortality assumptions are shown below:

	2024 No. of years	2023 No. of years
Retiring today:		
Males	21.0	21.6
Females	22.3	22.9
Retiring in 20 years:		
Males	24.2	24.6
Females	25.2	25.7

Notes to the Financial Statements (Continued)

9. Employees (continued)

Major Categories of Plan Assets

	Value at 31 March 2024		Value at 31 March 2023	
	%	£'000	%	£'000
Equity	79.4	313,285	80.8	295,084
Property	2.8	11,048	3.3	12,052
Government bonds	8.5	33,538	6.9	25,199
Corporate bonds	4.2	16,572	4.6	16,799
Cash	1.8	7,102	2.3	8,400
Other	3.3	13,021	2.1	7,669
	100	394,566	100	365,203

Notes to the Financial Statements (Continued)

9. Employees (continued)

Amounts Recognised in Surplus or Deficit

	2024 £'000	2023 £'000
Current service cost	6,975	17,152
Past service cost	4	-
Amounts charged to operating costs	6,979	17,152

	2024 £'000	2023 £'000
Interest on net defined benefit (asset) / liability before asset restriction	(3,572)	1,031
Interest on unrecognised asset	3,431	-
Amounts charged to interest payable and similar charges	(141)	1,031

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

	2024 £'000	2023 £'000
Opening scheme liabilities	290,611	400,010
Current service cost	6,975	17,152
Past service cost	4	-
Interest cost	13,233	10,725
Contributions by participants	2,956	2,759
Actuarial (gain) on liabilities	(12,260)	(131,501)
Benefits paid	(9,032)	(8,534)
Closing value of scheme liabilities	292,487	290,611

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

	2024 £'000	2023 £'000
Opening fair value of plan assets	365,203	358,664
Interest income gain / (loss)	16,805	9,694
Actuarial gain / (loss) on assets	12,457	(3,760)
Contributions by employer	6,177	6,380
Contributions by participants	2,956	2,759
Net benefits paid out	(9,032)	(8,534)
Closing fair value of scheme assets	394,566	365,203

Notes to the Financial Statements (Continued)

9. Employees (continued)

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

	2024 £'000	2023 £'000
Scheme liabilities	(292,487)	(290,611)
Scheme assets	394,566	365,203
Net surplus of the pension scheme	102,079	74,592
Effect of asset ceiling	(102,079)	(74,592)
Net surplus recognised	-	-

The net surplus as at 31 March 2024 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

	2024 £'000	2023 £'000
Actuarial gain on liabilities	12,260	131,501
Actuarial gain / (loss) on assets	12,457	(3,760)
Actuarial gain/ (loss)	24,717	127,741
Assets not recognised due to asset restrictions.	(24,056)	(74,592)
Actuarial gain recognised.	661	53,149

Actual Return on Scheme Assets

	2024 £'000	2023 £'000
Interest income on assets	16,805	9,694
Gain / (Loss) on assets	12,457	(3,760)
Actual return on scheme assets	29,262	5,934

Notes to the Financial Statements (Continued)

9. Employees (continued)

Sensitivity Analysis

Adjustment to Discount Rate

	+ 0.1%	Base figure	- 0.1%
	Per annum	figure	Per annum
	£'000	£'000	£'000
Present value of total obligation	286,637	292,487	298,337

Adjustment to Rate of General Increase in Salaries

	+ 0.1%	Base figure	- 0.1%
	Per annum	figure	Per annum
	£'000	£'000	£'000
Present value of total obligation	293,364	292,487	291,610

Adjustment to Pension Increase Rate

	+ 0.1%	Base figure	- 0.1%
	Per annum	figure	Per annum
	£'000	£'000	£'000
Present value of total obligation	297,459	292,487	287,515

Adjustment to Mortality Age Rating

	-1 year	Base figure	+1 year
	Per annum	figure	Per annum
	£'000	£'000	£'000
Present value of total obligation	300,092	292,487	287,175

Notes to the Financial Statements (Continued)

10. Board Members and Executive Directors

Executive Directors Emoluments

	2024	2023
Key management personnel	£'000	£'000
Aggregate emoluments of Executive Directors (including National Insurance but excluding pension)	872	866
Aggregate value of Association pension contributions	105	106
Total Emoluments	977	972
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)	214	213
Pension contributions	31	33

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 £20k were made (2023: £44k).

Non-Executive Board and Committee Emoluments

	Position	2024	2023
		£	£
Andrew McConnell (appointed Chair 31 July 2023)	Chair / Committee Chair	17,333	12,000
Stephen Davis	Committee Chair	12,000	12,000
Shendi Keshet	Committee Chair	12,000	10,750
Clare King	Committee Chair	11,167	9,500
Ajman Ali	Board Member	9,500	9,500
Elizabeth Cook (appointed 31 July 2023)	Senior Independent Director/Committee Chair	8,000	-
Michael Graham (appointed 31 July 2023)	Board Member	6,333	-
Suzan Harrington	Board Member	9,500	9,500
Michael Longfellow	Board Member	9,500	9,500
Gareth Mann-Tighe (appointed 31 July 2023)	Board Member	7,667	-
Antony Nelson (appointed 31 July 2023)	Board Member	6,333	-
Iain Shorthose	Independent Committee Member	2,667	-
Jacqueline Speight (Resigned 31 7 2023)	Board Chair	6,667	20,000
Phillip Earnshaw (Resigned 31 7 2023)	Board Vice Chair	4,000	12,000
Graham Stokes (Resigned 22 September 2022)	Committee Chair	-	6,000
Christopher Michael Gaskell (Resigned 31 5 2023)	Board Member	1,583	9,500
Total Emoluments		124,250	120,250

Notes to the Financial Statements (Continued)

11. Tax on Surplus on Ordinary Activities

(a) Analysis of Charge in Year

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Current Tax				
UK Corporation Tax on result for the period	295	59	295	59
Adjustments in respect of prior periods	(59)	-	(59)	-
Total Tax (note 11b)	<u>236</u>	<u>59</u>	<u>236</u>	<u>59</u>
Deferred Tax				
Origination and reversal of timing differences	-	-	-	-
Total Deferred Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax on surplus	<u>236</u>	<u>59</u>	<u>236</u>	<u>59</u>

The tax assessed is the same as the standard rate of Corporation Tax in the UK, 25% (2023: 19%). The differences are explained below:

(b) Total tax reconciliation

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Surplus on ordinary activities before tax	20,883	7,404	19,774	8,166
Adjustments in respect of charitable activities	(19,703)	(7,095)	(18,594)	(7,857)
Surplus on ordinary activities subject to tax	1,180	308	1,180	308
Surplus on ordinary activities subject to tax multiplied by the standard rate of corporation tax in the UK of 25% (19% 2023)	295	59	295	59
Effects of:				
Utilisation of tax losses	-	-	-	-
Total tax charge	<u>295</u>	<u>59</u>	<u>295</u>	<u>59</u>

Unused tax losses total £nil (2023: £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 2023	924,253	34,893	60,899	1,020,045
Additions	-	67,563	-	67,563
Work to existing	21,285	-	-	21,285
Transfer to rented	-	-	-	-
Transfer to shared	(364)	-	2,250	1,886
Transfer to current	(243)	-	(1,418)	(1,661)
Transfer from OFA	4,925	-	-	4,925
Schemes completed	36,498	(61,715)	14,889	(10,328)
Disposals	(4,955)	-	(1,880)	(6,835)
Valuation adjustment	(16,021)	-	1,627	(14,394)
At 31 March 2024	965,378	40,741	76,367	1,082,486
Depreciation and impairment				
At 1 April 2023	(3,963)	-	-	(3,963)
Depreciation charged in	(33,085)	-	(499)	(33,584)
Transfer to rented	-	-	-	-
Transfer to shared	27	-	(27)	-
Transfer to current	18	-	7	25
Transfer from OFA	(841)	-	-	(841)
Released on disposal				
Disposal	1,667	-	191	1,858
Valuation adjustment	32,214	-	328	32,542
At 31 March 2024	(3,963)	-	-	(3,963)
Net book value				
At 31 March 2024	961,415	40,741	76,367	1,078,523
At 31 March 2023	920,290	34,893	60,899	1,016,082

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 2024. 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 £1,018m (2023: £981m). In valuing housing properties, discounted cash flow methodology was adopted with the following key assumptions:

Group and Association

	2024 %	2023 %
Discount rates		
Social Transferred	5.25%	5.25%
Social Post Transfer	5.25%	5.25%
Intermediate	5.25%	5.25%
Affordable Transferred	5.25%	5.25%
Affordable Post Transfer	5.25%	5.25%
Shared Ownership	4.50%	4.25%
CPI Inflation		
Year 1	2.30%	6.00%
Year 2	1.90%	2.75%
Year 3	2.10%	2.25%
Year 4	2.20%	2.00%
Year 5 onwards	2.00%	2.00%
Long Term Rental Growth	CPI+1%	CPI

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	2024 £'000	2023 £'000
Housing properties at historical cost	943,622	882,739
Depreciation and impairment	(273,215)	(251,186)
	<u>670,407</u>	<u>631,553</u>

Social Housing and Other Grants

Group and Association	2024 £'000	2023 £'000
Total Social Housing Grant at 31 March:		
Recognised in the Statement of Comprehensive Income	12,674	10,183
Recognised in previous years	79,171	68,988
Deferred income	19,081	10,389
	<u>110,926</u>	<u>89,560</u>

Housing properties book value net of depreciation:

Group and Association	2024 £'000	2023 £'000
Freehold land and buildings	1,076,443	1,013,730
Long leasehold land and buildings	2,080	2,352
	<u>1,078,523</u>	<u>1,016,082</u>

At the 31 March 2024, the Group and WDH had 262 (2023: 261) social housing properties held for letting and 4 (2023: 4) low-cost shared ownership properties on long leaseholds.-

Expenditure on works to existing properties:

Group and Association	2024 £'000	2023 £'000
Improvement works capitalised	23,360	16,882
Amounts charged to income and expenditure account	17,966	21,626
	<u>41,326</u>	<u>38,508</u>

Impairment

The Group considers individual assets when assessing for impairment in accordance with the requirements of FRS 102 and SORP 2018. There was no impairment charge during the year ended 31 March 2024 relating to Social Housing Properties held for letting (2023: £230k 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 2023	12,352	1,115	7,994	2,606	111	926	25,104
Additions	-	-	-	-	-	1,968	1,968
Transferred to completed	-	96	932	633	-	(1,661)	-
Transferred to revenue	-	-	-	-	-	(3)	(3)
Transfer to Social housing	-	-	(4,517)	-	-	(408)	(4,925)
Disposals	-	(463)	(1,495)	(724)	-	-	(2,682)
At 31 March 2024	12,352	748	2,914	2,515	111	822	19,462
Depreciation							
At 1 April 2023	(2,152)	(733)	(3,710)	(1,261)	(111)	-	(7,967)
Depreciation charged in year	(248)	(23)	(202)	(522)	-	-	(995)
Disposals	-	463	1,463	724	-	-	2,650
Transfer to Social housing	-	-	841	-	-	-	841
At 31 March 2024	(2,400)	(293)	(1,608)	(1,059)	(111)	-	(5,471)
Net book value							
At 31 March 2024	9,952	455	1,306	1,456	-	822	13,991
At 31 March 2023	10,200	382	4,284	1,345	-	926	17,137

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 2023	14,890	412	15,302
Additions	-	545	545
Disposals	(4,708)	-	(4,708)
At 31 March 2024	10,182	957	11,139
Amortisation			
At 1 April 2023	(12,566)	-	(12,566)
Amortisation in year	(1,792)	-	(1,792)
Disposals	4,708	-	4,708
At 31 March 2024	(9,650)	-	(9,650)
Net book value			
At 31 March 2024	532	957	1,489
At 31 March 2023	2,324	412	2,736

Notes to the Financial Statements (Continued)

15. Investments

Investment Properties

	£'000
At 1 April 2023	10,200
Decrease in fair value	(1,180)
Disposal	(20)
At 31 March 2024	<u>9,000</u>

Investment properties comprise of shops and garages held for letting. Investment properties were valued at 31 March 2024 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	2024	2023
	%	%
Garages		
Future rent increases	CPI	CPI
Void losses	30%	30%
Shops		
Year 1	CPI	CPI
Year 2 onwards	CPI	CPI
Void losses	37%	30%

Liquidity Fund Reserve

	£'000
At 1 April 2023	3,548
Interest receivable	178
At 31 March 2024	<u>3,726</u>

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. Interest is received to the fund every six months.

Notes to the Financial Statements (Continued)

16. Homebuy Loans

Group and Association	£'000
At 1 April 2023	88
Loans repaid	(6)
At 31 March 2024	82

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 and NBS, which are subsidiaries 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 New Build Services (Non trading)	100%
WDH Solutions Limited (Dormant)	100%
Bridge Homes (Yorkshire) LLP	50%

NBS was incorporated 25 January 2022 but has not started trading in the financial year. When it does commence trading its main activities will be design and build of new affordable homes, which will be then transferred to WDH to be used as social housing.

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	5,472	5,484	4,250	3,500
Share of profit/(loss) in joint venture	873	(762)	-	-
Investment in year	-	750	-	750
At 31 March	<u>6,345</u>	<u>5,472</u>	<u>4,250</u>	<u>4,250</u>

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.

	2024 £'000	2023 £'000	Allocation Basis
Management Services WDHS	-	-	The charge is based on directly attributable labour costs.
Directly attributable costs of WDHS	-	-	Directly attributable costs.
Gift aid	-	-	Gift aid received from WDHS.
	<u>-</u>	<u>-</u>	

18. Properties Held for Sale

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Properties held for sale	8,392	8,741	8,392	8,741
	<u>8,392</u>	<u>8,741</u>	<u>8,392</u>	<u>8,741</u>

WDH had 124 units (108 2022/2023) for sale at 31 March 2024 with 71 (57 2022/2023) sold subject to contract as at the yearend.

Notes to the Financial Statements (Continued)

19. Trade and Other Debtors

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due within one year				
Rent and service charges receivable	5,514	6,395	5,514	6,395
Less net present value of tenants on arrangements	(561)	(612)	(561)	(612)
Less provision for bad and doubtful debts	(4,300)	(4,509)	(4,300)	(4,509)
	653	1,274	653	1,274
Sundry debtors	913	1,202	913	1,202
Less provision for bad and doubtful debts	(433)	(468)	(433)	(468)
	480	734	480	734
Other debtors	577	711	577	711
Prepayments	1,975	1,411	1,975	1,411
Accrued income	1,126	2,460	1,126	2,460
Interest receivable	24	52	24	52
Amounts due from Bridge Homes (Yorkshire) LLP	79	35	79	35
Amounts due from WDH Solutions	-	-	10	10
	4,914	6,677	4,924	6,687

Notes to the Financial Statements (Continued)

20. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Debt (EIR Note 25)	5,771	5,570	5,771	5,570
Debt (Loan Due Note 25)	3,009	2,309	3,009	2,309
Loans due within one year	8,780	7,879	8,780	7,879
Trade creditors	3,207	5,871	3,207	5,871
Rent and service charges received in advance	2,969	3,120	2,969	3,120
Social Housing Grant received in advance	16,791	10,388	16,791	10,388
Recycled capital grant fund (note 22)	511	326	511	326
Other New Build Grant received in advance	2,290	-	2,290	-
Disposal proceeds fund	-	945	-	945
Corporation tax	294	59	294	59
Other tax and social security	1,047	941	1,047	941
Other creditors	2,133	1,817	2,133	1,817
Accruals and deferred income	13,346	11,638	13,344	11,638
Amounts due to Bridge Homes (Yorkshire) LLP	275	5	275	5
Other Creditors due within one year	42,863	35,110	42,861	35,110
	51,643	42,989	51,641	42,989

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

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Debt (note 25)	460,297	468,533	460,297	468,533
Recycled capital grant fund (note 22)	832	987	832	987
	461,129	469,520	461,129	469,520

Notes to the Financial Statements (Continued)

22. Recycled Capital Grant Fund

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	1,313	1,118	1,313	1,118
Grants recycled	234	521	234	521
Withdrawals	(264)	(368)	(264)	(368)
Interest	60	42	60	42
At 31 March	1,343	1,313	1,343	1,313

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

£511k is due within one year (2023: £326k).

23. Provisions

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	240	477	240	477
Additions	-	240	-	240
Released to SOCI in year	(2)	(477)	(2)	(477)
At 31 March	238	240	238	240

Provisions of £238k in relation for subsidence works to properties in connection with insurance claims lodged with WDH insurers. This has been re-estimated from £240k in 2023.

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, £731m 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	2023 £'000
Bank loans < 1 year (note 20)	8,780	7,879
Bank loans > 1 year (note 21)	460,297	468,533
	<u>469,077</u>	<u>476,412</u>

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

Group and Association	2024 £'000	2023 £'000
Bank loans maturity analysis		
Within one year	3,009	2,309
Between one and two years	1,888	3,009
Between two and five years	4,556	5,071
After five years	<u>388,238</u>	<u>389,611</u>
Total drawn loans	397,691	400,000
Fair value adjustment	<u>71,386</u>	<u>76,412</u>
	<u>469,077</u>	<u>476,412</u>

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

Notes to the Financial Statements (Continued)

26. Share Capital

	2024 £
Shares of £1 each, allotted and fully paid	
As at 1 April	10
Less retirements	(3)
New share issues	4
As at 31 March	<u>11</u>

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

	2024 £'000	2023 £'000
Surplus for the year	20,647	7,345
Adjustments for non-cash items:		
Depreciation of housing property	32,834	27,347
Depreciation of other fixed assets	1,745	1,018
Amortisation of intangible assets	1,792	1,817
Impairment	-	230
Grant income	(14,790)	(12,513)
Net gain on disposal of assets	(1,113)	(4,591)
Loss/ (Gain) on valuation of investment property	1,180	(200)
Increase in liquidity reserve fund	(178)	(74)
Decrease / (increase) in property held for sale	317	(6,259)
Decrease / (Increase) in trade and other debtors	425	(1,563)
Decrease/ Increase in trade and other creditors	(431)	5,403
(Decrease) in provisions	(2)	(237)
Pension costs less contributions payable	802	10,772
Tax payable	236	59
Share of operating (surplus) / Loss in joint venture	(873)	762
	21,944	21,971
Adjustments for investing or financing activities:		
Interest payable	15,885	17,638
Interest received	(2,673)	(1,161)
	13,212	16,477
Tax paid	-	(100)
Net cash generated from operating activities	55,803	45,693

Analysis of changes in net debt

	31 March 2023 £'000	Cash flows £'000	Noncash movement £'000	31 March 2024 £'000
Cash	75,071	(16,066)	-	59,005
Bank loans due within one year	(7,879)	2,309	(3,210)	(8,780)
Bank loans due greater than one year	(468,533)	-	8,236	(460,297)
Total	(401,341)	(13,757)	5,026	(410,072)

Notes to the Financial Statements (Continued)

28. Financial Commitments

Capital expenditure commitments were as follows:

Group and Association	2024 £'000	2023 £'000
Capital expenditure tangible assets		
Expenditure contracted for but not provided in the accounts	111,165	69,842
Expenditure authorised by the Board, but not contracted	98,909	94,225
Total tangible assets	210,074	164,067
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	210,074	164,067

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.

	2024 £'000	2023 £'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	40,000	-
Loan facility expiring in more than two years	-	40,000
	40,000	40,000

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.

		2024	2023
		£'000	£'000
(i)	Land and buildings		
	Within one year	619	384
	Between one to five years	2,191	1,225
	Later than five years	402	656
	Total	<u>3,212</u>	<u>2,265</u>
(ii)	Office equipment and computers		
	Within one year	27	18
	Between one to five years	34	5
	Later than five years	-	-
	Total	<u>61</u>	<u>23</u>
(iii)	Motor vehicles		
	Within one year	1,525	1,684
	Between one to five years	2,174	1,486
	Later than five years	-	-
	Total	<u>3,699</u>	<u>3,170</u>

30. Contingent Assets and Liabilities

The Group and Association have no contingent assets at 31 March 2024 (2023: £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

	2024 £'000	2023 £'000
Financial Assets at amortised cost		
Homebuy loans receivable (note 16)	82	88
Liquidity reserve fund	3,726	3,548
Rents and service charges receivable (note 19)	653	1,274
Sundry debtors (note 19)	480	734
Other debtors (note 19)	1,783	3,207
Cash and cash equivalents	59,005	75,071
	<u>65,729</u>	<u>83,922</u>
Financial Liabilities at amortised cost		
Debt (note 25)	469,077	476,412
Trade creditors (note 20)	3,207	5,871
Other creditors (note 20)	2,139	1,817
Disposal Proceeds Fund (note 20)	-	945
Recycled Capital Grant Fund (note 22)	1,343	1,313
Accruals (note 20)	13,112	10,572
	<u>488,878</u>	<u>496,930</u>

Financial Assets

Other than debtors, financial assets held are overnight cash deposits of £35.9m at 31 March 2024 (2023: £62.6m) and are held at call, and £23.1m (2023: £12.5m) 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:

	2024 £'000	2023 £'000
Floating rate	80,164	80,301
Fixed rate	388,913	396,111
Total (note 25)	<u>469,077</u>	<u>476,412</u>

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 2024 £'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.	125,756
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.	42,251
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.	57,867
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.	71,411
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.	13,095
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.	37,914
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.	120,783
Total			469,077

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 2024
RBS - March 2023 (Tri-annual valuation)	£350.0m
Santander- March 2023 (tri-annual valuation)	£243.1m
bLEND – May 2022 (annual valuation)	£208.0m
Total	£801.1m

The following Security valuations were updated in April and May 2024 and increased to the following amounts RBS £368.7m Santander £256.3m and BLEND £212.8m.

33. Related Parties

In accordance with FRS 102 Related Party Disclosures, Section 33.1A the Group has not disclosed transactions entered between two or more members of the Group, where each party to the transaction is 100% owned.

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

The Board has tenant members who hold tenancy agreements on normal terms and transactions are undertaken on an arm's length basis. Total rent charged to the Tenant Board members was £5.6k (2023: £5.2k). There were no arrears on their tenancies at the reporting period end (2023: £0.1k).

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 £424k of services (2023: £383k). During the year WDH purchased properties from Bridge Homes totalling £2,041k (2023: £1,077k).

As at 31 March 2024 Bridge Homes owed WDH £79k (2023: £41k) and WDH owed Bridge Homes £275k (2023: £313k). In addition, WDH paid £0k in advance to Bridge Homes (2023: £179k). 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



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electronically at wdh.co.uk



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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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However, it may contain certain statements, expectations, statistics, projections and other information that are or may be forward-looking. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future.

They reflect WDH's current view and no assurance can be given that they will prove to be correct.

We are committed to giving everyone equal access to information.

If you would like us to communicate with you in a different way, or receive written information from us in another format, please phone 0345 8 507 507 or email onecall@wdh.co.uk