# Teign Housing

Report and financial statements

Reporting date 31 March 2023

Registered company number 04619035

Registered charity number 1112196

Regulator of Social Housing
registration number LH4403

# Contents

# Teign Housing – Company information

**Board of Management**

| **Non-Executive Directors** | | **Board Meeting Attendance (8 meetings)** |
|---|---|---|
| Andrew Jones | (Chair of Board – Retired 28/07/2022) | 3 |
| Angie Edwards-Jones | (Chair of Audit Committee – Retired 27/10/2022) | 5 |
| Maureen Robinson | (Chair of Board – Appointed as Chair 28/07/2022) | 8 |
| Rebecca Harwood-Lincoln | (Co-Optee to 27/07/2022, Full Board Member from 28/07/2022) | 7 |
| Sean Palka | (Co-Optee – Appointed 29/04/2022, Full Board Member from 27/10/2022) | 6 |
| Stephen Cook | (Chair of Audit Committee – Appointed 27/10/2022) | 8 |
| Stuart Davies | (Chair of Templer HomeBuild – Appointed 28/7/2022) | 7 |
| Stephen Higginson | | 8 |
| Joanna Davoile | | 7 |
| **Executive Director** | | |
| Jo Reece | (Chief Executive) | 8 |

**Auditors**

***External Auditor***
Beever and Struthers
150 Minories
London
EC3N 1LS

***Internal Auditor***
PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

**Solicitors**

***Housing Management***
Capsticks Solicitors LLP
1 George Street
London
SW19 4DR

***Human Resources***
Tozers
Southernhay West
Exeter
EX1 1UA

***Governance and Development***
Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

**Bankers and Funders**

***The Housing Finance Corporation***
3rd Floor
17 St Swithin's Lane
London
EC4N 8AL

***GB Social Housing***
5 Great St Helen's
London
EC3A 6AP

***Nationwide Building Society***
Public Sector Team
Kings Park Road
Moulton Park
Northampton
NN3 6NW

**Company Secretary** Helen Hilditch

**Registered Office** Millwood House
Collett Way
Newton Abbot
Devon
TQ12 4PH

## Strategic Report

The Directors present their Strategic Report incorporating the Value for Money Statement for the year ending 31 March 2023.

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers.

**Overview of the Business**

Teign Housing is a registered charity, a company limited by guarantee, and is registered with the Regulator of Social Housing. Our focus is on the core activity of the company which is the provision of low cost rented accommodation. The organisation has a wholly owned subsidiary, Templer HomeBuild Limited. Its purpose is to provide property maintenance and construction services to the Social Housing sector. Consolidated accounts for the Group are also reported along with those of Teign Housing, the parent organisation.

**Vision**

We dedicate ourselves to providing good quality homes and tailored housing support. Working with our diverse customers and trusted partners we provide effective services that bring long term benefits to all. We are sustainable in a fast-changing environment and reinvest our surpluses to grow our communities.

**Values**

***Respectful***

We treat people with empathy, respect diversity and provide quality customer service. We appreciate the relationships we build, and with our customers, contractors and partners, we are proud to be *Team Teign*.

***Resourceful***

We maximise our resources through innovation and by using our money in efficient ways. We look for opportunities to expand our business by building new homes and creating and growing valuable services. We recognise our role in supporting the local economy.

***Ethical***

We value our responsibility as a charity providing homes and services for those who need them and as an employer. We are an organisation with heart and strive to offer an empowering workplace and the personal service our communities want.

**Governance**

The Articles stipulate that there are up to 10 Board Members consisting of 7 non-executive and up to 3 executive members. The Board currently consists of 7 non-executive members and 1 executive member. The members of the Board are legally the directors of the company, and the Board is Teign Housing's governing body.

The Board adopted the National Housing Federation (NHF) 2020 Code of Governance on 1 April 2021. The Board is committed to and complies with the standards in the Code however this year there has been one exception. The new Code states that the maximum tenure will normally be up to six consecutive years and may be extended to a maximum of nine years, where the Board agrees it is in the organisation's best interest. A Board member was due to retire at the AGM in 2022. However, Teign no longer hold AGMs and the Board agreed a retirement date of 27 October 2022.

We aim to recruit Board members 6 months ahead of any vacancy. They join the Board as unpaid co-optees and are trained and inducted during this period before being formally appointed to the Board. Further training is carried out throughout their term of office. We conduct biannual pay benchmarking for all staff and Board posts and benchmark any vacancies for advertising. We have a schedule of standing orders and financial regulations which set out delegated authorities from the Board to its committees and the senior management team.

The Board is supported in its governance by two committees:

- Audit Committee
- Remuneration Committee

The key governing documents are the Articles, the Standing Orders, and the Financial Regulations, with a range of policies that guide the operational activities of the company.

All Board members are paid a fee for their services. Payments during the year were:

| | | |
|---|---|---|
| Andrew Jones | Chair of Board (retired 28/07/2022) | £2,977 |
| Maureen Robinson | Chair of Board (from 28/07/2022) | £8,110 |
| Angie Edwards-Jones | Chair of Audit (retired 27/10/2022) | £2,870 |
| Stephen Cook | Chair of Audit (appointed as chair 27/10/22) | £5,578 |
| Steve Higginson | Chair of Remuneration | £3,668 |
| Stuart Davies | Board Member | £4,729 |
| Joanna Davoile | Board Member | £3,318 |
| Sean Palka | Board Member | £1,672 |
| Rebecca Harwood-Lincoln | Board Member Resident Voice Champion | £2,700 |
| Colin McDonald | Independent Audit Committee Member | £1,905 |

For the year ending 31 March 2023 the Board met on 8 occasions. There was 91% attendance at Board meetings.

**Public Benefit Entity**

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. Teign Housing also pays due regard to the guidance published by the Charity Commission on public benefit.

We provide homes for rent at lower than market prices; homes designated for older people with additional needs and shared ownership properties. For our tenants and the wider community, we provide a personal alarm and home visit service under the brand Teigncare and through our commitment to building new homes we are helping to address the shortage of good quality affordable housing. During the year the decision was taken by the Board to cease the provision of the Teigncare service due to the significant level of investment required to maintain the service. On 3rd April 2023 the Teigncare service was sold to Appello Careline Ltd who have maintained provision of the service to the existing customers.

**Financial Performance**

Teign Housing Group has made a surplus after tax for the year of £2,549,000 (2021-22: deficit £1,661,000). Full details of our financial results can be found on pages 37 - 79.

Financial performance is monitored through the annual budget, which is set by the Board. The annual budget is based on the business plan and the Board receives a report, at each meeting, assessing the company's performance against the budget.

**Operational Performance**

The current 3-year corporate plan was agreed by Board in March 2021. The Board have established a range of key performance indicators to assess the company's performance in relation to the corporate plan objectives. The Board monitors quarterly through the Balanced Scorecard, Financial Framework, and the Development Report.

Further details of our operational performance including value for money can be found on pages 13 – 29.

**Business Plan**

The 30-year Business Plan reflects the strategic direction of the company and its future aspirations. The focus for the coming years will be to continue to maintain the housing stock to an appropriate level, deliver further new homes and manage services. The Business Plan has been thoroughly stress tested and the key risks to the organisation identified and appropriate mitigation arrangements are in place.

**Treasury Management**

At 31 March 2023 Teign Housing was funded by a £33m bond with The Housing Finance Corporation and a £25m bond with GB Social Housing and had a loan balance of £57.5m (2021-22: £57.5m) and an undrawn revolving credit facility (RCF) with Nationwide of £20m (2021-22: £20m). During the year the RCF end date was extended to 2028 from 2027. The funding agreements all contain three financial covenants. Finance costs on loans were £2.354m (2021-22: £2.411m) which equates to an average rate of 4.06% (2021-22: 4.06%). Finance costs of £391,000 were capitalised during the year (2021-22: £190,000). At 31 March 2023 Templer HomeBuild had loan balance with Teign Housing of £400,000 (2021-22: £400,000). This loan is drawn for a period of 6 months, being repaid to the parent and redrawn by the subsidiary in June and December each year. There was £15.431m of capital committed to the development programme which was in contract at 31 March 2023 (2021-22: £18.40m) and there was a cash and cash equivalents balance of £5.319m (2021-22: £16.373m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

**Reserves Policy**

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives and provide the new homes and services that the reserves are intended to support, whilst managing the risks associated with long term expenditure plans.

A budget is set each year along with a 30-year business plan including a forecast for reserves, allowing the company to achieve these objectives. This is monitored throughout the year and is reported quarterly through the management accounts to the Board.

The level held in the income and expenditure reserve at 31 March 2023 was £66,895,000 (2021-22 £64,397,000) and in the revaluation reserves £31,847,000 (2021-22 £31,929,000).
Unrestricted reserves excluding tangible fixed assets net of grant were £-86,797,000 at 31 March 2023 (2021-22 £-78,729,000) and can only be released by disposing of tangible fixed assets.

**Property Sales**

During the year six properties were sold (2021-22: 17 properties) of which 1 property was under the Right to Acquire scheme (2021-22: 1 property), 5 properties were under the Right to Buy Scheme (2021-22: 10 properties), no properties were fully staircased (2021-22: 5 properties) or were sold on the open market (2021-22: 1 property). Teign Housing received proceeds of £700,300 of which £606,200 were from right to buy sales (2021-22: £1,178,000). Under the terms of the transfer agreement, £157,956 (2021-22: £759,000) of the right to buy sale proceeds were paid to Teignbridge District Council and the remainder was retained by Teign Housing in recognition of future income foregone and this will be invested in future development.

**Staff**

The average number of employees for the year ending 31 March 2023 was 160 (2021-22: 155 employees). The Board recognises the contribution made by all staff and is committed to the continued development of its staff. During the year the company spent £106,000 on staff training and development (2021-22: £131,000).

**Restructure**

A company-wide restructure was announced in September 2022, followed by a 30-day consultation period ahead of the new organisation structure taking effect from 1st December 2022. With the many expectations and new challenges that the Social Housing sector is facing, it was felt that a restructure would best provide the platform and stability to be able to meet the requirements and continued strive to deliver excellent service provision for our tenants. The restructure resulted in a net gain of 7 new positions across Teign Housing and Templer HomeBuild. A strengthened strategic focus was gained with the forming of new Director roles across the four main pillars of the organisation, this is supported by a Leadership team and a deeper organisational structure giving greater scope for employee progression.

**Fire Safety Remedial Work**

The Building Safety Act 2022 and the new Fire Safety (England) Regulations 2022, which came into force in January 2023, set out how landlords of high-rise buildings (those with seven stories or more, or over 18m high) should work with fire services to ensure a planned and effective response to fire alarms at these buildings. We have just one property, Douglas House in Teignmouth, which falls into this high-rise definition.

To fully comply with this new legal requirement, Teign Housing commissioned an independent review of Douglas House. This Fire Risk Appraisal of External Walls (FRAEW) report based on PAS 9980 (Fire Risk Appraisal of external wall construction and cladding of existing blocks of flats – code of practice), resulted in a number of recommendations which we will be actioning including the removal of the external wall insulation. The residents have been informed of the decision and we are in constant communication with them about the progress of the project. We are in the early stages of the project and as yet the timescales and costs involved to Teign Housing are not known but are expected to be lengthy and considerable. Whilst we expect to be able to successfully apply to the Building Safety Fund for the funding of the work, this will occur after the work has begun.

**Damp and Mould**

In January 2023 Teign Housing and Templer HomeBuild collaborated to write a new Damp and Mould Policy and Procedure to set out and improve on the approach to dealing with these issues. We aim to proactively reduce issues relating to damp and mould by maintaining the housing stock to decent homes standard or better through the asset management information system, investment programmes, Housing Health and Safety Rating System assessment outcomes, initiatives to maximise customer contact points to identify issues, and the use of environmental monitoring systems. Reactively, a Damp Mould and Condensation working group monitors the situation and actions informed via a case tracker and monthly update, a specific role to investigate and monitor DMC issues has been created within THB, a triage process has been adopted to categorise reports of damp and mould at the outset to prioritise our resources and residents are contacted following remedial works and mandatory training has been delivered with a view to continue this annually and to new starters. We will be exploring how we can better prepare for an expected spike in reports of damp and mould this Winter.

**Development**

During 2022-23 we entered into 4 new contracts with a total value of £9,320,000 to purchase 3 section 106 schemes that will deliver 28 rented and 14 shared ownership homes and a build contract to deliver 8 rented homes on land that we own in Widecombe in the Moor.

We were successful in bidding on 3 further section 106 schemes, which are proceeding to contract, and a further Land led project in the Upper Coly Valley.  These schemes will deliver a total of 14 rented and 5 shared ownership properties.

| | **Social Rental Units** | **Low Cost Home Ownership** | **Total Units** |
|---|---|---|---|
| Under construction 31/03/2022 | 90 | 37 | **127** |
| Started in the year | 65 | 20 | **85** |
| Completed in the year | 35 | 13 | **48** |
| **Under construction 31/03/2023** | **120** | **44** | **164** |

48 new affordable homes were completed in 2022-23. This was less than anticipated because of delays associated with labour and material shortages due to the impact on supply from the pandemic and war in Ukraine.

We currently have contractual agreements to develop 140 homes over the next 12 months and 32 homes in 2024-25.

**Future Direction**

To achieve the Corporate Vision and Values, we focus on the core of our business and the Board has committed to the following strategic aims:

- Excellent Services – We will deliver high quality services to all our customers and partners. We will provide considerate customer services, empowering housing services and effective repairs.
- Quality Homes – We will invest in new and existing homes by maintaining high standards of repairs and improvements to our current homes and develop new homes to meet the needs of the local people.
- Sustainable Business – We will strengthen our business by continually improving our governance, increasing the value of our work, seeking ways of joint working with our partners, and investing in our staff.

Performance against these aims is monitored as part of a three-year Corporate Plan for 2021 to 2024.

We are committed to maintaining our financial performance and our delivery of good homes and customer services. We achieve this by focusing on maintaining our operational performance, maximising our income and effectively driving down costs.

To support our strategic aims we have several strategies in place. The neighbourhood services strategy gives the direction to provide excellent services and the ageing well strategy to focus on our older customers.

The asset management strategy focuses on the quality of our homes and ensures that they are of a good standard and maintained appropriately. The development strategy sets out the aspirations for future development, along with the business plan which currently has capacity for 259 homes over the next 5 years. The regeneration strategy sets out plans for longer term regeneration and £203,000 has been included in the business plan for 2023-24 with £305,000 included in each of the next four years.

The carbon reduction strategy sets out plans for the business to reduce its carbon footprint and the first stage of this is to invest in homes which have a lower energy performance rating. In order to meet the government's target of all homes having a minimum EPC (energy performance certificate) rating of C by 2035, in 2023-24 the business plan makes provision for £500,000 of investment in our homes to improve their energy performance rating and for the following 6 years £500,000 is included for this purpose, each year.

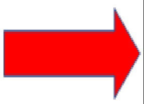
To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. We were re-accredited as Investors in People Platinum in 2020, we have a robust training and development policy and work life balance policy and in 2021-22 we introduced an agile working policy. The VFM strategy sets out how we continually seek to improve quality and performance and, where possible, reduce costs and create efficiencies.

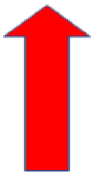
**Risk Management**

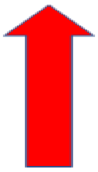
We recognise that risks happen and in order to thrive and achieve our objectives we need to take a managed degree of risk.
We have a risk framework in place which manages our risks, closely monitors them, and ensures that the way we manage them is appropriate to the reward and opportunities they will deliver. We operate in a constant changing environment and our risk owners review their risk each month to ensure that they are still appropriate.

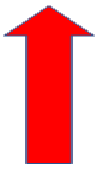
Any changes to our strategic risks are reported to our Audit Committee and Board on a quarterly basis. We support this with an assurance programme monitoring our performance via our scorecard, a robust internal audit programme and by undertaking internal assurance reviews into business processes. Our resident led scrutiny panel undertakes reviews of our service areas from a resident perspective and any identified areas for improvement are fed directly back to our Board.
Our Board considers emerging risks at each Board meeting, and during the year many of our previously emerging risks crystallised and were moved to our risk registers. These included the impact of inflation on materials and staffing, the impact of war in Europe and the increasing complexity of the mental health issues experienced by our residents.

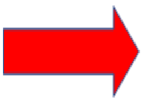
Our top risks during the year were:

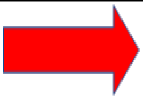
| Risk | Direction of movement during year | Why is this a risk? | How we manage this risk |
|---|---|---|---|
| Service unable to deal with the increasing complexity of vulnerable people |  | This risk reflects the impact of dealing with third parties (statutory &voluntary sector) who are finding resources stretched and finding cases more challenging.<br><br>This has the potential to affect the delivery of our<br><br>Housing services. With more pressure on support agencies, we find ourselves supporting residents and households with more complex needs. | Our Housing strategy sets out the delivery of the Housing management service equipped to manage more complex cases.<br><br>We have an established Head Start service which is structured to assist people through the start of their tenancy and then a Tenancy Sustainment service in place to support throughout the life of the tenancy. |

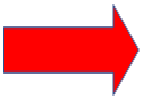
| Risk | Direction of movement during year | Why is this a risk? | How we manage this risk |
|---|---|---|---|
| Rental income is less than forecast |  | Rental income provides us with the resources to deliver our services and to provide new homes. The current risk Is the cost-of-living crisis which sees many of our residents struggling financially which may impact on their choices / ability to pay their rent, service charges or alarm charges. | We closely monitor our rent collection performance.<br>We have a well-established rents team, and a team of head start advisors who have a good relationship with our residents, and are able to provide support at all stages of a tenancy |

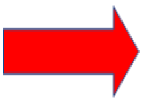
| Risk | Direction of movement during year | Why is this a risk? | How we manage this risk |
|---|---|---|---|
| Douglas House remedial works |  | Remedial works identified to meet standards identified in Building Safety Act. | Enhanced fire detection systems are in place within property.<br><br>We held a resident consultation event to inform residents and continue to update them on the progress of the works.<br><br>We are working with Devon & Somerset Fire and Rescue service to ensure highest levels of safety for residents. |

| Risk | Direction of movement during year | Why is this a risk? | How we manage this risk |
|---|---|---|---|
| Failure to meet consumer regulatory standards |  | This is linked to our overall governance and our aim of putting our customer first. | We have a Resolutions Manager dedicated to helping residents resolve complaints and dissatisfaction.<br>During the year we rolled out of our new resident involvement platform which will help us better understand our tenants and their views. |

| Risk | Direction of movement during year | Why is this a risk? | How we manage this risk |
|---|---|---|---|
| Loss of key staff, high turnover and / or inability to recruit to key roles. |  | Recruitment has been challenging this year and there has been a high staff turnover | We restructured the organisation during the year. This gave us more opportunity to grow and further develop our services. It allowed for development of a new leadership team. |

| Risk | Direction of movement during year | Why is this a risk? | How we manage this risk |
|---|---|---|---|
| Planned surplus from sales of home ownership properties or asset disposals is not achieved. |  | Uncertainty over the home ownership market. Potential delays in the delivery of new homes available. | Our business plan has been thoroughly stress tested for this scenario including a 30% drop in market value and mitigates considered.<br>Our business plan has been thoroughly stress tested for this scenario including a 30% drop in market value and mitigates considered. |

| Risk | Direction of movement during year | Why is this a risk? | How we manage this risk |
|---|---|---|---|
| Failure to manage property assets appropriately |  | This risk encompasses both our aims to meet environmental targets and also maintain high levels of service throughout the pandemic | We are currently undertaking a stock condition survey which will cover approximately 25% of our homes. This will be followed by further regular surveys.<br>We maintain high levels of Health & Safety compliance.<br>We have a multi discipline group monitoring cases of Damp, Mould and Condensation.<br>Our organisational restructure created a Head of Asset Investment role, to ensure that we manage our property assets well. |

| Risk | Direction of movement during year | Why is this a risk? | How we manage this risk |
|---|---|---|---|
| Failure to demonstrate effective governance in setting and operating an appropriate strategic direction |  | Last year we had a number of Board members reaching the end of their term and wanted to ensure that we maintain a high level of skill, experience and expertise at Board level whilst being representative of our residents | We ran a successful Board recruitment campaign and co-opted two new Board members who were subsequently both fully appointed to the Teign Housing Board during the course of the year. One of the appointments was to the new role of Resident Voice Champion to provide insight to the Board on Teign Housing's complaint handling culture. The Board also completed an external review of its overall skills matrix and annual appraisal process in April 2022. The Board is now considering its approach for the recruitment of a new Chair to replace the current incumbent who is due to retire in the summer of 2024. |

## Value for Money Statement

The Value for Money (VFM) strategy was approved by the Board in July 2021 and reflects both the changes to the value for money standard issued by the regulator in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation and these are presented below.

| | | | Group | | Association | | Budget FY23 | Target FY22 | Sector Metrics |
|---|---|---|---|---|---|---|---|---|---|
| | | | **2022/23** | 2021/22 | **2022/23** | 2021/22 | 2023/24 | 2022/23 | 2021/22 |
| Metric 1 | | Reinvestment % | **9.7%** | 7.4% | **9.7%** | 7.4% | 13.3% | 8.8% | 5.74% |
| Metric 2 | A | New supply delivered SH % | **1.3%** | 1.1% | **1.3%** | 1.1% | 3.7% | 2.2% | 1.53% |
| | B | New supply delivered NSH % | **0.0%** | 0.0% | **0.0%** | 0.0% | 0.0% | 0.0% | 0% |
| Metric 3 | | Gearing % | **32.9%** | 28.1% | **32.9%** | 28.1% | 34.0% | 36.2% | 41.98% |
| Metric 4 | | EBITDA MRI Interest Cover % | **135.9%** | 156.7% | **143.8%** | 155.9% | 127.3% | 166.6% | 141.39% |
| Metric 5 | | Social housing cost per unit £ | **£ 4,418** | £ 4,023 | **£ 4,418** | £ 4,023 | £ 4,770 | £ 4,300 | £ 4,360 |
| Metric 6 | A | Operating margin SH % | **19.3%** | 20.0% | **21.8%** | 19.7% | 21.2% | 26.0% | 23.95% |
| | B | Operating margin overall % | **20.2%** | 21.8% | **21.3%** | 21.6% | 20.3% | 24.7% | 22.70% |
| Metric 7 | | ROCE % | **2.7%** | 2.6% | **2.6%** | 2.6% | 2.6% | 3.1% | 3.28% |

The group's metrics presented above compare favourably against the sector average in some areas, but less favourably in others.

The group's re-investment of 9.7% has exceeded our target and increased when compared against last year and the sector, despite developments having been delayed at the start of the year due to materials and labour shortages. An element of this will be due to inflation and the rising cost of materials influencing the total expenditure nevertheless it does reflect our continued investment in our properties. The latest sector metrics relate to 2021-22 and as such it is difficult to compare with this benchmark as this will include lockdown delays that Housing Associations will have experienced. Even with the initial delays and shortages the both the development and capital improvement programmes have performed well with significant investment. In 2022-23 we bid on 23 section 106 schemes and were successful in securing 6 schemes with a total of 75 homes.

We have a strong development pipeline through both the purchase of section 106 schemes and smaller land led developments, both within the Teignbridge District and further afield in neighbouring authority areas. This has been further facilitated through the additional funding secured last year from the refinancing. Because of this we are seeing an increase in re-investment from the 9.7% achieved this year to 13.3% forecast for next year.

New supply delivered is a calculation based on units completed in 2022-23. We have achieved 1.3% new supply through delivering 48 units, this compares to a target of 2.2%. This difference is due to the delivery of 18 homes slipping into next year. However, these 18 homes are expected to be ready between April and July 2023.

We are just below the sector average on this metric however as the benchmark relates to 2021-22 data it is not showing the delays that have been felt across the building sector.

Committed new supply is forecasted to increase by a further 136 units in 2023-24 including 59 affordable rent, 41 social rent and 36 shared ownership properties. We will continue to seek new opportunities to achieve our development aspirations and we now have the capacity to deliver 259 homes over the next 5 years. In the 2022-23 plan the capacity was 403 homes, we have delivered 48 of these, which would leave a remaining capacity of 355, however due to the effects of the rental income cap of 7% for 2023-24, increased inflation rates averaging 14% on materials and labour costs and up to 20% on some build costs and general inflation forecast to be over the Bank of England target of 2% for 2023-24, this has resulted in a loss in capacity of 96 homes.

Gearing has increased by 4.8% from 2021-22 to 32.9%. We are utilising the loan, secured in early 2021-22, and cash reserves to fund our increased investment into new homes and regeneration, increasing the ratio. At 32.9%, this remains well below the sector average and gives us scope to increase this. We have potential through unencumbered stock to increase funding with the additional loan debt. This will allow us to further invest into new homes and regeneration, give the financial capacity to meet any requirements from the Decent Homes 2 Standard and stock condition surveys, as well as continue to develop our extensive digitalisation agenda. All of which aims to improve the quality of our homes, effectiveness of our service to tenants, improve efficiencies and achieve savings for both tenants and Teign Housing. This can be achieved whilst keeping our interest cover well within sustainable levels.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) has reduced as although the operating surplus has increased from 2021-22 by £220,000, our expenditure on capitalised major repairs has increased. The metric adjusts for this cost and reduces as the level of expenditure in this area increases. Although our funders do not use EBITDA MRI as one of their covenants, we remain within the historic targets. As a result of continued investment next year this, the interest cover ratio is expected to fall further next year as we continue our programme in new and existing properties however the new covenant terms mean that this reduction is sustainable and well above thresholds.

The social housing cost per unit has increased from £4,023 last year to £4,418 this year. This has been due to an increase in the planned maintenance compliance spending, continued regeneration works at during 2022-23 as well as an increase in the number of high cost void rectifications and the effect of high inflation across all materials and labour. Overall, whilst we have seen a cost per property increase compared to the prior year, this brings us more aligned to sector average spending per unit.

The operating margin has decreased from last year. A reduction in operating surplus was anticipated with the drive to improve our service delivered to tenants however the climate of economic instability and high inflation rates seen during 2022-23 was unforeseen at the time of budgeting, leading to the operating margin being below target.

The return on capital employed remains static due to a marginal increase operating surplus compared to last year and asset base. This metric slightly behind target and the sector. It is forecasted to continue stabilise as the investments into new homes and services are realised and generate greater turnover and cost savings.

We continue to be committed to providing good levels of customer service in, what continues to be, a challenging environment. Economic and political uncertainty are set to continue for the coming year and Teign Housing has modelled and planned for further potential issues through the business planning process as well as creating a new organisational structure to better support the service offered to tenants as well as to help reduce costs over the long term and generating efficiencies.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it in order to make informed choices about how resources are effectively channelled towards the delivery of services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality as well as stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan including the financial position after refinancing, includes the delivery of 259 homes over the next 5 years.

The Board scrutinise financial and service delivery performance at each meeting, through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps being taken to deliver improvements.

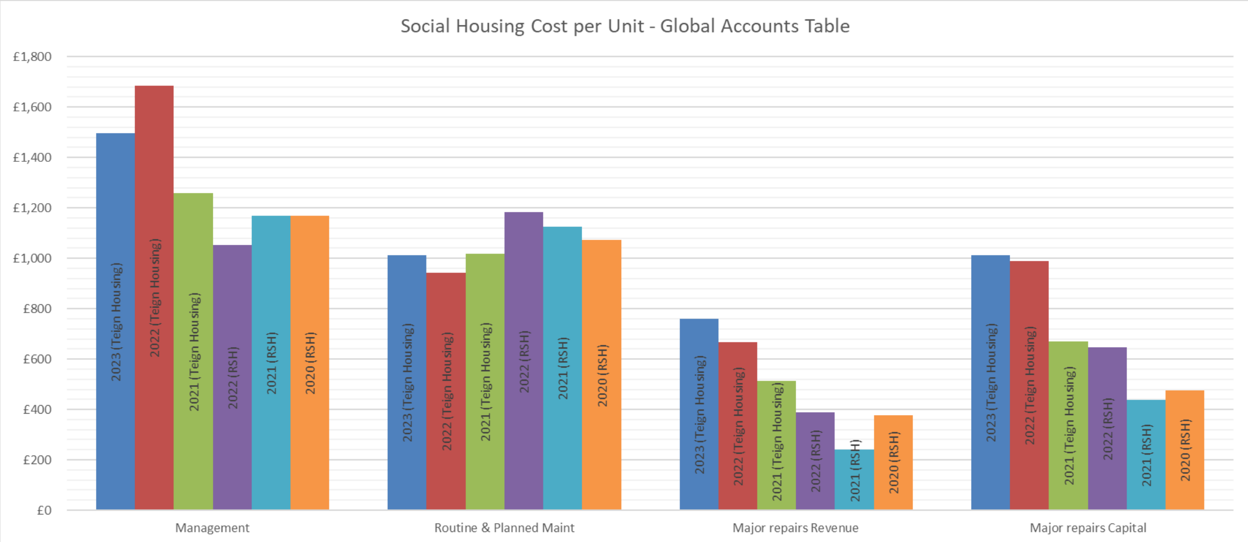
These include:

- Value for Money Metrics – full details of value for money achievements
- The balanced scorecard including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly treasury report – details of cash flow performance, loans, investments and forecasts
- Quarterly financial framework report–- details of financial performance
- Annual report – report sent annually to our tenants
- Quarterly development report – progress of development schemes, comparison to business plan, development cash flows
- Interim annual review of the business plan against actual progress
- Regular reforecasting as part of the management accounts review

An evaluation of our costs in comparison to the global accounts is presented below and the figures for Teign Housing have been re-stated in line with the current global accounts format (based on SW & SE Peer Group). The latest figures available as a sector comparative are the year ending March 2022.

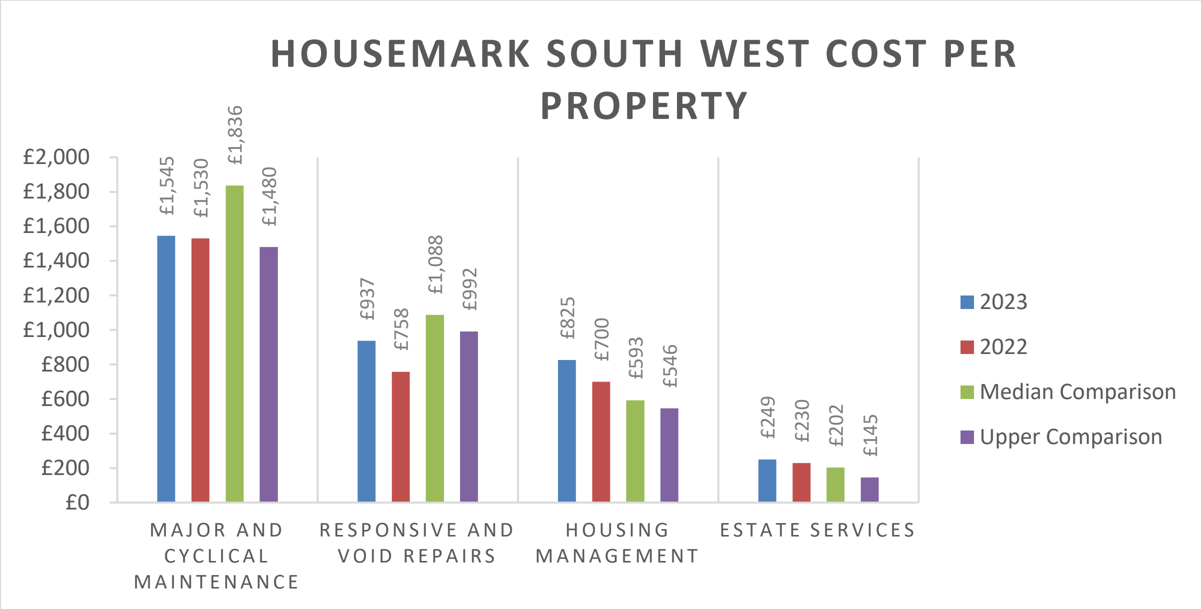
### RSH Global Accounts Comparison

| Area | Teign Housing | | | RSH Global accounts | | |
|---|---|---|---|---|---|---|
| | 2022-23<br>£ | 2021-22<br>£ | 2020-21<br>£ | 2022<br>£ | 2021<br>£ | 2020<br>£ |
| ***Expenditure – per Social Housing Property*** | | | | | | |
| Management | 1,495 | 1,684 | 1,257 | 1,053 | 1,169 | 1,169 |
| Routine & Planned Maintenance | 1,013 | 942 | 1,017 | 1,182 | 1,125 | 1,072 |
| Major repairs – Total | 1,770 | 1,656 | 1,182 | 1,038 | 677 | 855 |
| Major repairs – Revenue | 759 | 666 | 512 | 390 | 240 | 378 |
| Major repairs – Capital | 1,011 | 990 | 670 | 648 | 438 | 477 |




### South West Peer Group Housemark Comparison

| Teign Housing Cost Per Property | Teign Housing | Teign Housing | Comparison Group Median | Comparison Group Upper |
|---|---|---|---|---|
| | **2022-23** | **2021-22** | **2021-22** | **2021-22** |
| **Department** | **£** | **£** | **£** | **£** |
| Major and Cyclical Maintenance | 1,545 | 1,530 | 1,836 | 1,480 |
| Responsive and Void Repairs | 937 | 758 | 1,088 | 992 |
| Housing Management | 825 | 700 | 593 | 546 |
| Estate Services | 249 | 230 | 202 | 145 |
| | | | | |
| No of Properties | 3,787 | 3,743 | 3,626 | 2,281 |




As expected, these two comparisons against RSH (SW & SE) global accounts and the Housemark South West Housing peer group show similar findings. The global accounts figures show costs per unit in 2022-23 were above that for 2021-22 by an average of 4.0% and the Housemark cost per property shows a 13.0% increase, with there being slight differences in how these are calculated.

Management cost per unit has seen a decrease from last year. This is due to the costs for the pension cessation event accrued for in 2021-22. This was a one-off event and the management costs have returned to expected levels. Continued scrutiny of management costs and tight budgetary control will ensure the overall efficiency of the organisation.

Routine and Cyclical Maintenance have increased marginally from last year and towards the sector average. Again, this finding is similar to the Housemark data, with Teign responsive and void costs increasing but below that of the comparative. This is in part due to the increased number of high cost voids that are being seen across the sector and inflationary cost pressures on materials and labour. We are continually working to ensure we receive the best quality for the best price for our purchases to mitigate the increases as much as possible. We are also driving efficiencies where possible by planning similar works in areas and by type.

Major repairs, both capital and revenue remain above the RSH sector average. Both revenue and capital expenditure has increased over the last year. Similar figures are shown in the Housemark data. The major revenue cost per unit includes regeneration spend at the Laurel Kingsway block. Although this element of the spend is treated as a revenue cost, it relates to the project as a whole and therefore contributes to the longer-term improved stock quality. In addition to this is there has been continued expenditure on compliance, including asbestos and health and safety works. It is important to spend in these areas, in part to avoid longer term more expensive non-conformance related costs and to keep our residents safe.

This year has seen an increase to capital major repairs cost per unit. There is some fluctuation in capital expenditure year on year due to the planning of the maintenance programme in order to make the most efficient use of resources.

We will ensure that we maintain tight budgetary control going forward to provide optimum value to our tenants. We have a strong commitment to invest in our housing stock for the future and we have embarked on a stock condition survey to be completed by the end of 2024-25 to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes including a focus on damp and mould. We continue to look for opportunities to invest in renewable and efficient energy solutions for both our new build and existing homes.

With the acknowledgement that the results of the stock condition survey results will have an impact on the future strategy, the Asset Management Strategy was reviewed and updated for a 12-month period and approved by the Board in April 2023. A further updated Asset Management and Carbon Reduction Strategy will be developed when the results are known and will provide us with a clear focus and direction about the future use and energy efficiency of our assets such as continued use, redesignation, redevelopment or disposal. It defines the Teign Standard which continues to be above the current Decent Homes Standard whilst we await the publication of Decent Homes 2 and Awaab's Law, it allows us to proactively manage our planned maintenance programme to drive out maximum cost efficiency and value for money. When we dispose of properties that have been assessed as not suitable or unsustainable as affordable housing, the proceeds are used to support the development of new homes.

We continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable these are now included within the future development programme.
- Review key assets for potential opportunities.
- Assess the requirements and resources needed for progress towards EPC Band C by 2030 and Net Zero Carbon by 2050.
- The asset management software tool continues to improve the knowledge of our housing stock, including neighbourhood mapping and allows us to model the various options to determine the future of the asset.

Below is an extract from the scorecard which presents the company's performance against targets set internally and against targets taken from Housemark data in for the year ended 31 March 2023. Areas have been selected which we believe represents current VFM significance.

| Area | 2022-23 | 2021-22 | 2020-21 | 2019-20 | Housemark 2021-22 Benchmark | Target 2022-23 |
|---|---|---|---|---|---|---|
| ***Customer satisfaction*** | | | | | | |
| Repairs | 97.9% | 97.6% | 96.1% | 96.4% | 80.4% | 96.0% |
| Standard of property at re-let | 99.0% | 94.0% | 91.0% | - | - | 100.0% |
| Satisfaction with complaints process | 95.0% | 95.0% | 50.0% | 71.0% | 76.2% | 85.0% |
| ***Rent collection & arrears*** | | | | | | |
| Rent collection | 99.3% | 100.1% | 100.9% | 99.6% | 101.6% | 100.0% |
| Rent arrears (% of annual debit) | 2.7% | 2.3% | 2.5% | 2.9% | 2.3% | 3.2% |
| ***Void loss & turnaround*** | | | | | | |
| Void losses | 0.56% | 0.50% | 0.38% | 0.33% | 1.43% | 0.50% |
| Void turnaround time (days) | 25.1 | 22.6 | 25.5 days | 20.5 days | 24.08 | 25 |
| ***Digital agenda*** | | | | | | |
| Total number of tenant portal registrations | 650 | 603 | 487 | 295 | - | 1500 |
| Inbound communication by Webchat | 1.1% | 1.6% | 7.7% | 1.5% | - | - |

Although customer satisfaction with repairs has increased slightly against last year, we do continue to exceed our target for the year and against the Housemark average. Satisfaction with standard of property at relet has increased from 94.0% to 99.0%. We have increased our target to 100.0% this year and have only narrowly missed this. Satisfaction of the complaints process has been maintained at 95.0% and we continue to receive an increased number of complaints and respondents to this metric as a result of continued awareness regarding Tenant Satisfaction Measures and ability to complain. We have a dedicated resolutions manager to help manage and oversee the complaints process. With greater emphasis in this area across the organisation, it is hoped that further investigation and analysis of complaints can lead to improving systems in place, ways of doing things and dealing with the root causes.

Rent collection decreased and arrears increased from the prior year. In light of the economic climate and cost of living crisis this is not unexpected as households feel their budgets further tightened each month. We do perform less favourably against the 2021-22 benchmark however this does not take the current economic climate into account and therefore is not a fair comparison. We have continued to support tenants over the last year, through the process of applying for universal credit and working with them where possible to manage their rent payments. This has helped us to improve performance from last year and exceed our internal targets. Through our Head Start team we have sign posted and assisted tenants in securing additional financial support available to them. We have also distributed over £29,000 of financial support in the form of a hardship fund to tenants in greater need.

Void losses have increased marginally. Likely as a result of an increased void turnaround time due material and labour shortages as well as the large number of high cost void rectifications.

Across the organisation we have a strong focus on VFM, and many departments have specific VFM targets. An updated VFM report was presented to the Board for approval in July 2022. In 2022-23 our VFM focus was on:

**Digital**

The opportunity to further enhance the digital offering to customers and staff continues to be a vital part our approach to Value for Money into the future. Our Corporate plan has a digital focus and the Digital Strategy approved by the Board in March 2021 sets out our plans and ambitions for the next 3 years.

We have continued with our agile working policy; this has been well received by employees and enables to maintain the continued quality of service to our tenants.

In September the last of the remaining physical servers were decommissioned and removed from the server room at Millwood House, replaced by migrating services to Microsoft Azure (Cloud based) This was the final step in the Microsoft Modernisation Programme which has supported the move to agile working and increased security for working over a disparate area.

During the year have successfully upgraded the Civica Cx housing management system software to a more recent version (21.4). We are looking to take a further upgrade during 2023-24 which will provide additional features to assist in providing a better service to our tenants.

We have moved to an electronic expense processing system. This allows receipts to be digitally scanned saving the need for paper to be received and processed and for authorisation to follow the correct procedures before submission. This helps reduce errors and inefficiencies and supports our agile working environment.

During November 2022 the new resident portal and app were launched. This provides tenants with a self-service function to contact Teign Housing, manage their rent accounts and personal details, as well as a very useful personal budgeting tool to assist with managing their home and personal finances. The ability to access rent accounts and details at any time of day will increase the accuracy of the information held such as contact details, this will make the data more accurate. This was Phase 1, there is further functionality planned for release in Phase 2 & 3 in the new financial year. There continues to be a drive to enhance use of the CX tenant portal. Registrations have increased by 8% from last year.

Digital Notebooks were launched to the Customers & Communities Directorate in March 2023. This provides all customer facing staff with a notebook that can be written in during meetings or visits. The pages of this notebook can then be photographed, and the text uploaded as photo or converted to text to enable the swift and accurate recording of details. The page in the notebook can then be wiped down and used again for the next meeting. This will greatly improve data accuracy in our Housing

Management Software and enable the latest updates and changes to be visible in a much more timely fashion.

In September 2022 we introduced Civica Involve, changing the way the company conducts surveys and consultations, consolidating them all in to one piece of software. This will mean all data is in one place and the results can easily be accessed by a wider number of employees and enable us to conduct more customer satisfaction surveys on a monthly basis by undertaking them online for those who have internet access. The first survey conducted was the Repair Satisfaction Survey. We will be rolling this out for further surveys during the year and this will help to support the work that we are doing on the new Tenant satisfaction measures

**Improve skills and behaviours of staff**

Through learning and development, we will continue to facilitate a culture of respect and exceptional customer service, including Mary Gober training and Training delivered by Chris Gross.

**Welfare Reform**

We continue to work with our customers to support them with issues surrounding Universal Credit. We have a team of 5 in the Head Start Team who support our customers with issues such as Universal Credit claims and any grants that they may be entitled to. With a clear focus on tenancy sustainment, they consider affordability assessments and checks prior to sign up and then continue to monitor the tenant’s payment behaviours during the first 12 months of their tenancy, offering additional support as and when required. During 2022-23 the Hardship fund was launched which provided over £29,000 of financial to help to those experiencing real financial difficulty. In its first year this scheme has supported 234 households and 652 individuals have benefitted from the grants available in the fund. For 2023-24 this commitment has continued with a Hardship fund of over £37,000 available. Providing this level of support improves not only the financial situation of our tenants but also their mental stress and worry and leads to better engagement in managing tenancies.

**Asset Management**

We have recently commissioned the first part of our full housing stock survey. This will give us valuable insight into the condition of our housing stock to undertake any necessary remedial action but also better plan our cyclical and planned maintenance cycle and highlight any issues before they become too serious. Whilst a financial outlay in the short term, this will provide efficiency savings over the long term and also allow us to identify any problem stock where it may be beneficial to dispose and replace with newly developed housing.

**Procurement**

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and improves value for money for its members. In 2022-23 the savings delivered through the membership of this consortium total £185,469 bringing the total savings since we joined in 2010 to £2,019,008.

**Templer HomeBuild**

The wholly owned subsidiary, Templer HomeBuild continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on ‘right first time’ generating progressive efficiencies and cost savings. The VAT savings to be realised from Templer HomeBuild in 2022-23 were £486,200. The 2023-24 budget includes a further VAT saving of £655,432.

**Voids**

In 2022-23 we continued to see a rise in the number properties that are being returned to us in a very poor state of repair or that need extensive clearance work. The Void standard introduced 3 years ago has led to a fall in void costs when these properties are re-let however, we are still experiencing a significant rise in those property requiring considerable repair work, including structural damage. We are continuing to investigate the reasons for this and trialling earlier intervention and support to help minimise these cases.

**Tenants**

Our outsourced repairs reporting service has been brought in-house into our Customer First team in Devon. As part of our journey mapping process with tenants, it was requested that we do this to improve the service level given. We have seen improvements in the scheduling and planning of operative’s days, giving better efficiencies and it now means that with one call into Teign Housing, tenants can resolve a number of different queries across departments.

The Customer First Team continued to be engaged in Call Quality and Monitoring Coaching to improve the way we interact with our customers.

Our Customer First Team Advisors are scored on set criteria centered around tone of voice and active listening. This process has increased baseline scores which significantly improves our customers experience and, hopefully, improves their expectations of our service.

A journey mapping session involving tenants, Neighbourhood Policing Team and Teignbridge District Council was held in March to co-design improvements to managing ASB (Anti-Social Behaviours) within our communities. There will be a follow up session in early 2023-24. This direct involvement helps shape effective processes and forging links between the partner agencies to achieve better outcomes with best use of our resources for our residents.

The ASB Respect Line was launched during Q4 of 2022-23. This gives residents access to Out of Hours services to report Anti-Social Behaviour and access to welfare calls and services. This increased focus and investment on improving the service and satisfaction for resolving ASB issues will address and reduce the amount of complaints received regarding this area.

EMT approval has been given to allow tenants to pay by recurring card payment. Most of our tenants now pay by direct debit but we keen to support other means of payment that may be better suited to individuals. The service will go live in the new financial year and this assist the Income Team in collecting rent and other payments.

Homemaker South West support people with debt problems across the region. We have been working alongside them since 2019 at a cost of £24,500 since that time. They continue to support our tenants to maximise their income with total gains, with some tenants receiving over £15,000 of support they were entitled to. Some of this income supports tenants to ensure they are paying their rent which in-turn benefits the company. We see this as an efficient service, directly benefiting our tenants.

We have worked tenaciously, in partnership with THB, to continue to achieve 100% compliance on gas and electrical safety testing this year, employing various strategies, resulting in us not incurring legal costs.

Rents and Tenancy Sustainment teams have completed more DHP applications on behalf of tenants, which whilst initially it takes more time this does prove VFM when the applications are awarded as the debt is cleared quicker than us chasing a tenant for payment and the cost of the tenant making payments to us

**Independence and Wellbeing**

The Independent Living service was overhauled with the introduction of a new Independence and Wellbeing service during 2021-22 the full benefits of this have been felt in 2022-23. The team continued to offer the community events launched last year. The Winters Warmer campaign provided information as to how to reduce fuel consumption and understand benefit entitlements and avoiding fuel poverty. The company provided a hot meal to residents every 2 weeks and took place in our community rooms and continued as the Spring Kitchen and Summer Sizzlers and will be also expanding into other community rooms in the area. These all encourage the community to get together, aiming to build relationships and combat loneliness and improve wellbeing and have been very well received. The feedback has been positive about the new service, as to how this has made a difference to them, to have someone knock at their door on a regular basis is appreciated.

We have continued to capture the needs of our most vulnerable customers by setting goal plans and during the year and a further 56 customers living in our sheltered accommodation have received a plan.

**ALRT (Assisted Lifting Response Team)**

The company has continued to work in partnership with Torbay and South Devon NHS and Appello to offer this service. Customers who benefit from this service will get the Torbay ALRT team to attend to assist a non-injured faller with lifting. The team has specialist lifting equipment and training, meaning they can get customers up quickly and help advise on preventing further accidents.

It also means a shorter wait time than if they were waiting for an ambulance, as paramedics have to prioritise emergency cases over someone who is unable to get up, but unhurt.

This service has benefited 50 customers this year which has prevented them not waiting for the ambulance and then being admitted into hospital unnecessarily thus helping to reduce the time that emergency services attend to much higher priority cases.

**Teigncare**

With the digitalisation of telephone systems significant investment was needed to upgrade the alarm system. After financially modelling this, it was found that the service would no longer be financially viable to provide going forwards, so the decision was made at Board to cease the service by seeking a buyer to continue the provision. During the year negotiations were entered with Appello Careline Ltd and the sale was agreed for April 2023. This has ensured continuity of service for the existing customers.

**Tenant Involvement**

We continue to actively engage with our tenants and the wider community. We have a Resident Involvement Manager who co-ordinates this and helps us to gauge what it is that tenants' value and what they expect from us. We have a Tenants' Forum which during the year have meet via Zoom every 6 weeks. During the year we have reintroduced in person meetings but Zoom remains the preferred method due to convenience for Forum members. We continue to consult on changes to services and processes as well as tenant related policies, procedures, and strategies. We also have a Scrutiny Panel who undertake regular reviews of our services, from a tenant point of view and provide critical feedback and recommendations for service improvement. Thirdly, a tenant Service Board supports our strong ethos towards co-regulation and at their quarterly meetings they focus on areas in relation to the Regulator of Social Housing's Consumer Standards. These all help to keep Teign Housing connected with its tenants.

**Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes**

We have completed work on 26 properties in that were in bands E & F and are awaiting inspection to confirm they are now at Band C. A further 60 properties have been surveyed to confirm the work required to bring them up to EPC C. This work is budgeted for in 2023-24. 20 properties were identified as being suitable for becoming EWI pilots, this work has been successfully completed in the year and we continue to identify properties as they become void to continue this carbon reduction investment.

**Provide quality repairs**

During the year there was 97.9% satisfaction with repairs carried out.

**Provide quality repairs and minimise return visits**

During the year 99.3% of all repairs were resolved on the first visit

**Work efficiently and respectfully in customers' homes**

During the year 96.37% of all planned work was completed on time

In 2023-24 as well as the projects above which will continue, our focus will also be on:

**Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes**

The stock condition data from the stock surveys will provide better and more accurate data to inform our investment plans for carbon reduction. Using this data along with EPC information we can cost effectively target properties due for planned maintenance to both maintain decent homes standards and focus on the least energy efficient properties first to maximise the return on investment. Surveys have identified 60 properties currently at EPC band E & F to be brought up to band C in 2023-24.

Working on target of achieving a minimum EPC C across all stock by 2030, careful planning will be used to coordinate the work so that carbon zero plans integrate with EPC improvements. This will allow Social Housing Decarbonisation Fund applications to be submitted efficiently and effectively.

**Damp and Mould**

We are taking a proactive approach to this including looking at property trends, in the coming year monitors will be installed in homes where there is a greater probability of damp and mould occurring to allow us to monitor the situation, we have a damp and mould group established to focus on this issue as well as regular mould washing when applicable and advise to tenants as to how to prevent it occurring.

**Further Improve our complaints process**

The aim of the investment in a dedicated Resolutions Manager is for the organisation to be able to deliver a better service to our customers. We will continue to enhance our approach to complaints with increased training opportunities for all employees and co-develop processes with our customers. Full results are published quarterly to the Board and Tenants' Forum.

**Ensure our property assets remain sustainable**

We will continue our investment work on our less efficient properties with the aim that every home will reach a minimum of EPC band C by 2030. We have begun to trail suitable void properties to invest in, to act as a pilot and monitor these to determine if they are less costly to maintain and reduce fuel bills for customers. The detailed information regarding the condition of our stock emanating from the Stock Condition Survey will further support this.

**Develop more affordable homes**

We will continue to develop affordable homes, whilst ensuring that homes remain affordable for people living in our local communities. This may be through the purchase of section 106 developments or through smaller land led schemes. In the business plan, we have a target of delivering 140 new homes in 2023-24. We continue to review our land and properties for redevelopment opportunities. Ultimately this will lead to an increase in rental income, which in turn can be re-invested in our existing stock or to build more new homes.

**Improve cash flow by increasing the collection of non-rent debt**

As part of the restructure rechargeable repairs will be invoiced through our housing management system and the balance will show on Tenant records, the debt will be managed by the Income Team who will have sight of both rent account and non-rent charges. This holistic view will increase the success rate of the debt chasing process.

**Tenants**

The letting process will be launched in the Resident app during 2023. Parts of the lettings process have already been mapped into the app and having a dedicated place for all the pre-tenancy inspection and affordability checks has already reduced the time taken to process new applications. The app build is well underway with a target launch date of August 2023.

The Customer First Team will relaunch the Call Quality and Monitoring Coaching to improve the way we interact with our customers. Team leaders will be included in the relaunched programmed and subject matter experts will be invited to provide coaching and feedback on specific call types. This will give a wider and improved quality of response to callers by enhancing the advisor’s detailed knowledge of the call subject matter.

Mary Gober Training is scheduled in June for the Customer and Communities Team Leaders and Managers as well as the full Customer First Team. This training is focused on Customer Service but also a wider remit of matching personal skills to technical skills to best equip employees to achieve full potential and improve service levels across the directorate.

**Independence and Wellbeing**

Tenancy sustainment plans are now being created with all new tenants as part of the sign-up process. This allows goals to be set for their outcomes of moving into the sheltered schemes and also to identify any needs for support and assistance prior to moving in. This could be assistance with registering at a doctor’s surgery or other medical and social requirements. This helps the team best plan for the support needed and have it in place on the day the tenancy begins.

The Board has approved the investment in the Dispersed Alarms to be installed over the next two years, at a cost of £320,000 in line with the digitalisation project and move from analogue technology. We are currently consulting with a group of residents on the type of alarm that would best suit and have demonstrations lined up with a number of providers in the coming weeks. This promotes the engagement with the residents especially when introducing a new piece of technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

The community events with Winter Warmers, Spring Kitchen and Summer Sizzlers will continue as well as the craft sessions to promote relationships and contact and reduce any feelings of loneliness. At these sessions we are inviting partner agencies to demonstrate the support offered.

**Engaging with our community**

The neighbourhood team over the next year we will continue to focus on engaging with our communities over the digital platforms that we have available to us. During 2022-23 we trained frontline staff in mediation and develop a specialist inhouse mediator to save the cost of outsourcing this service, we will continue to use these skills and training in improving conflict mediation across our communities.

**Digital**

In 2023-24 we plan to complete the implementation of the GIS (Geographic Information System) and web mapping software so that we can benefit from full utilisation of its capabilities. This software will allow us to overlay details such as tree maps and grounds maintenance maps to a map of our housing stock, from this we can better plan resources and scheduling of services.

Implementation of a new purchase order and invoice matching software will be rolled out in the summer 2023. The new software allows for better workflows for authorising purchase orders and invoices as well as improved interface for entering details and raising orders. This will help reduce errors, enable matching of invoices to be a much more seamless process to assist the supplier payment process and provide a more efficient system for our users.

We will continue working on improvements and exploring new functionality for Civica Cx housing management system. The aim is to continue to improve both the user experience for employees and tenants including better data accuracy, increased options for repairs diagnosis and mobile functionality.

**Health and Safety**

During the year we redesigned our Health & Safety Service and are working towards aligning our practices with HSG65. The team now forms part of our overall Assurance team working collectively towards promoting a positive and impartial culture in which we can continually improve our performance. The Health & Safety Team ensure where possible and applicable that the physical environments and assets that protect our employees and customers are safe, secure and for purpose.

**Increase financial Capacity**

The RCF has been extended to 2028 and we look to make best use of our unencumbered stock by securing further funding against this to enable the continued expansion of our development capacity and capital investment in improvements for our existing stock. This project will begin in the Autumn.

**Improve our complaints process**

We continue to fully roll-out “Lessons Learned” and in 2023-24 we aim to achieve improve resident satisfaction with the complaints process.

**Ensure our residents are happy with their repairs**

Next year we aim to continue to exceed 96% satisfaction with repairs carried out.

**Provide quality repairs and minimise return visits**

Next year we aim to exceed 99% of repairs requiring only one visit.

**Work efficiently and respectfully in customers' homes**

Next year we plan to complete 100% of all planned works on time.

**Remain Financially Strong**

In 2023-24 our operating margin is budgeted to be 20.0%

**The Consumer Standards and the Social Housing White Paper**

We have delivered training for the whole company on these subjects in 2022-23 and will continue with refreshers during 2023-24 to provide updates and reinforce the importance of these crucial topics. The consumer standards working group meets regularly to discuss new initiatives to improve the service standard for our tenants, monitor current performance and review any new regulatory developments. This is important information given the heightened importance now placed on the customer and the new standards which are being put in place.

All of this continues to allow us to have a strong business plan that can manage the impact of costs increases which have resulted from the strategic decisions made to improve the quality of our homes and services and to keep our customers safe. We also continue to deliver new homes and improve the overall capacity of the plan whilst still delivering the aims and aspirations of the company.

## Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that the risks which threaten the achievement of the company's objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness and takes any steps it considers necessary to maintain or improve their effectiveness.

Teign Housing's system of internal controls includes the measures set out below

**Policy and strategy** – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

**Prevention and detection of fraud**

The system of internal control includes measures designed to prevent or detect fraud.

The Board has established a policy on the prevention, detection and investigation of fraud which includes a whistle blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud which include but are not limited to:

- A Risk Management Framework
- Authorisation controls

- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Access controls
- Exception reports
- Financial Regulations

**Board's assessment of assurance and internal control**

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 29 June 2023. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.

The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2023 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 29 June 2023 and signed on its behalf by:

**Maureen Robinson**
**Chair of the Board**

## Directors Report

The Directors present their report for the year ending 31 March 2023.

**Directors**

The directors who served the company during the year are shown on page 1.

**Information for auditors**

The directors who held office at the date of approval of this Board Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Statement of Compliance**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

**Statement of Directors Responsibilities**

The directors are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Directors on 29 June 2023 and signed on its behalf by:

**Maureen Robinson**
**Chair of the Board**

## Independent Auditor's Report to the Members of Teign Housing

### Opinion

We have audited the financial statements of Teign Housing (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated and parent Company Statement of Comprehensive Income, the Consolidated and parent Company Statement of Financial Position, the Consolidated and parent Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's income and expenditure and the parent Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

**Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or the parent Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, NHF Code of Governance 2020, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group’s activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Lee Cartwright (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Statutory Auditor
150 Minories
London
EC3N 1LS

Date: 23 August 2023

## Statement of Comprehensive Income

| | Note | Group 2023 £'000 | Group 2022 £'000 | Association 2023 £'000 | Association 2022 £'000 |
|---|---|---|---|---|---|
| **Turnover** | 2 | **21,390** | 20,479 | **21,505** | 20,567 |
| Cost of sales | 2 | **(1,137)** | (994) | **(1,137)** | (994) |
| Operating expenditure | 2 | **(15,941)** | (15,467) | **(16,074)** | (15,566) |
| Gain on disposal of property, plant and equipment | 2 | **142** | 225 | **142** | 225 |
| Movement of investments property value | 2 | **-** | (10) | **-** | (10) |
| **Operating surplus** | 2 | **4,453** | 4,233 | **4,436** | 4,222 |
| Interest receivable | 4 | **73** | 6 | **89** | 17 |
| Interest and financing costs | 5 | **(1,977)** | (5,900) | **(1,977)** | (5,900) |
| **Surplus/(Deficit) before tax** | | **2,549** | (1,661) | **2,549** | (1,661) |
| Taxation | 7 | **-** | - | **-** | - |
| **Surplus/(Deficit) before tax** | | **2,549** | (1,661) | **2,549** | (1,661) |
| | | **2,549** | (1,661) | **2,549** | (1,661) |
| **Other Comprehensive Income** | | | | | |
| SHPS - Actuarial gain/(loss) in respect of pension schemes | 19 | **(133)** | 637 | **(133)** | 637 |
| LGPS - Actuarial gain in respect of pension schemes | 19 | **-** | 796 | **-** | 796 |
| **Total** | | **(133)** | **1,433** | **(133)** | **1,433** |
| **Total comprehensive income for the year** | | **2,416** | **(228)** | **2,416** | **(228)** |

The financial statements on pages 37 to 79 were approved and authorised for issue by the Board on 29 June 2023 and were signed on its behalf by:

**Helen Hilditch**
**Company Secretary**

**Maureen Robinson**
**Chair of the Board**

**Stephen Cook**
**Chair of Audit Committee**

The results relate wholly to continuing activities and the notes on pages 41 to 79 form an integral part of these accounts.

## Statement of Financial Position

| | Note | **Group At 31-Mar-23 £'000** | Group At 31-Mar-22 £'000 | **Association At 31-Mar-23 £'000** | Association At 31-Mar-22 £'000 |
|---|---|---|---|---|---|
| **Fixed Assets** | | | | | |
| Intangible Assets | 8 | **201** | 337 | **201** | 337 |
| Tangible Assets | 9 | **160,232** | 149,113 | **160,232** | 149,113 |
| Investment Properties | 10 | **570** | 570 | **570** | 570 |
| | | **161,003** | 150,020 | **161,003** | 150,020 |
| **Current Assets** | | | | | |
| Stock | 11 | **1,580** | 788 | **1,580** | 788 |
| Debtors due in less than one year | 12 | **1,533** | 801 | **2,056** | 1,319 |
| Debtors due in greater than one year | | **965** | 965 | **965** | 965 |
| Cash and cash equivalents | 13 | **5,319** | 16,373 | **4,992** | 16,011 |
| | | **9,396** | 18,927 | **9,592** | 19,083 |
| Less creditors: amounts falling due within one year | 14 | **(2,699)** | (3,968) | **(2,895)** | (4,124) |
| **Net Current Assets** | | **6,697** | **14,959** | **6,697** | **14,959** |
| **Total assets less current liabilities** | | **167,700** | 164,979 | **167,700** | 164,979 |
| Creditors: amounts falling due after more than one year | 15 | **(68,384)** | (68,081) | **(68,384)** | (68,081) |
| **Provisions for Liabilities** | | | | | |
| Pension Liability | 19 | **(574)** | (572) | **(574)** | (572) |
| **Total Net Assets** | | **98,742** | **96,326** | **98,742** | **96,326** |
| **Reserves** | | | | | |
| Income and Expenditure reserve | | **66,895** | 64,397 | **66,895** | 64,397 |
| Revaluation reserve | | **31,847** | 31,929 | **31,847** | 31,929 |
| **Total Reserves** | | **98,742** | 96,326 | **98,742** | 96,326 |

These financial statements on pages 37 to 79 were approved and authorised for issue by the Board 29 June 2023 and were signed on its behalf by:

| | | |
|---|---|---|
| **Helen Hilditch** | **Maureen Robinson** | **Stephen Cook** |
| **Company Secretary** | **Chair of the Board** | **Chair of Audit Committee** |

The notes on pages 41 to 79 form an integral part of these accounts.

# Statement of Changes in Reserves

## Group:

| | Income and expenditure reserve | Revaluation reserve | Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **Balance at 1st April 2021 Restated** | **64,507** | **32,047** | **96,554** |
| Surplus from Statement of Comprehensive Income | (1,661) | - | (1,661) |
| Actuarial (loss) relating to the year | 1,433 | - | 1,433 |
| Transfer from revaluation reserve to income and expenditure reserve restated | 118 | (118) | - |
| **Balance at 31st March 2022** | **64,397** | **31,929** | **96,326** |
| Deficit from Statement of Comprehensive Income | 2,549 | - | **2,549** |
| Actuarial gain relating to the year | (133) | - | **(133)** |
| Transfer from income and expenditure reserve to revaluation reserve | 82 | (82) | **-** |
| **Balance at 31st March 2023** | **66,895** | **31,847** | **98,742** |

## Association:

| | Income and expenditure reserve | Revaluation reserve | Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **Balance at 1st April 2021 restated** | **64,507** | **32,047** | **96,554** |
| Deficit from Statement of Comprehensive Income | (1,661) | - | (1,661) |
| Actuarial gain relating to the year | 1,433 | - | 1,433 |
| Transfer from revaluation reserve to income and expenditure reserve restated | 118 | (118) | - |
| **Balance at 31st March 2022** | **64,397** | **31,929** | **96,326** |
| Surplue/(Deficit) from Statement of Comprehensive Incor | 2,549 | - | **2,549** |
| Actuarial gain/(loss) relating to the year | (133) | - | **(133)** |
| Transfer from income and expenditure reserve to revaluation reserve | 82 | (82) | **-** |
| **Balance at 31st March 2023** | **66,895** | **31,847** | **98,742** |

The notes on pages 41 to 79 form an integral part of these accounts

## Consolidated Statement of Cash Flows

| | Group 2023 £'000 | Group 2022 £'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **(Deficit)/Surplus for the year after tax** | 2,549 | (1,661) |
| **Adjustments for investing or financing activities** | | |
| (Gain) on sale of fixed assets | (142) | (225) |
| Interest receivable | (73) | (6) |
| Interest and financing costs | 1,977 | 5,900 |
| | 1,762 | 5,669 |
| **Adjustments for non-cash items:** | | |
| Depreciation | 2,565 | 2,566 |
| Impairment of Fixed assets | - | - |
| Government grant utilised in the year | (83) | (70) |
| (Decrease)/Increase in stock | (792) | (45) |
| Decrease/(Increase) in Investment properties | - | 10 |
| (Increase)/Decrease in trade and other debtors | (732) | (290) |
| (Increase)/Decrease in trade and other creditors | (1,289) | (1,064) |
| Pension costs less contributions payable | (145) | 25 |
| | (476) | 1,133 |
| **Net cash generated from operating activities** | 3,836 | 5,141 |
| **Cash flow from investing activities** | | |
| Capital expenditure on housing properties | (13,393) | (9,523) |
| Net proceeds on sale of housing properties | 486 | 1,003 |
| Purchase of other fixed assets and intangible assets | (109) | (116) |
| Government grant received | 500 | 92 |
| Interest received | 73 | 6 |
| **Net cash used in investing activities** | (12,443) | (8,538) |
| **Cashflow from financing activities** | | |
| Interest paid | (2,448) | (2,355) |
| Loan Break Fees | - | (4,219) |
| Interest element of finance lease rental payment | - | - |
| Loans received | - | 36,423 |
| Loans repaid | - | (21,500) |
| **Net cash used in financing activities** | (2,448) | 8,349 |
| **Net change in cash and cash equivalents** | (11,055) | 4,952 |
| **Cash and cash equivalents at beginning of year** | 16,373 | 11,421 |
| **Cash and cash equivalents at year end** | 5,319 | 16,373 |

The notes on pages 41 to 79 form an integral part of these accounts.

# Notes to the financial statements

**Legal Status**

Teign Housing is a company limited by guarantee incorporated in England and Wales under the Companies Act 2006, it is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Millwood House, Collett Way, Newton Abbot, Devon TQ12 4PH.

## 1 Principal Accounting Policies

**Basis of Accounting**

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers (2018). The Group is required under the Companies Act (Group Accounts) Regulations 2006 to prepare consolidated Group accounts.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements have been prepared in compliance with FRS102. The financial statements are prepared on the historical cost basis of accounting as modified by the valuation of the transferred rented housing stock to deemed cost on transition to FRS 102 and are presented in £000's. Investment properties are included in the financial statements at valuation.

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Group financial statements consolidate the financial statements of Teign Housing (the parent) and its subsidiary undertaking Templer HomeBuild for the year ended 31 March 2023.

**Parent company disclosure exemptions**

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

- No cash flow statement has been presented for the parent company.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

**Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of Teign Housing and entities controlled by the Group (its subsidiary). 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. Intercompany transactions and balances between group entities are eliminated in full upon consolidation.

**Going Concern**

The company's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The impact of the Covid-19 pandemic continues to be monitored and the company has adapted to various new ways of working. The future budget and business plans have been constructed with this in mind and no significant concerns were noted.

The business plan was stress tested and assessed for any imminent or likely future breach in borrowing covenants. No significant concerns have been noted, we consider it appropriate to continue to prepare the financial statements on a going concern basis.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

a. **Development expenditure.** The company capitalises development expenditure when the Board approve the agreement for contract. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

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

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

d. **Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

e. **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

A review of void losses in the year has been carried out and no properties have been identified as impaired.

A review of the schemes in development has been carried out and no properties have been identified as impaired.

Following the assessment of impairment, no impairment losses were identified in the reporting period.

f. **Provision for bad debts.** A provision is made for bad debts based on the age of the debt. The rates of the provision increase from 10% for debts over 13 weeks to 50% for debts over 52 weeks. Former tenant arrears are provided for at 100%.

g. **Valuation of investment properties.** Investment properties are included at the fair value each year and a professional revaluation has been undertaken. The revaluation has shown no change in the total market value of £570k fromthe value held in the accounts at 31 March 2022. This value has been reflected in the value of the fixed assets and the reserves balance.

**Turnover and revenue recognition**

Turnover comprises primarily of rental income receivable from tenants and leaseholders. The following items are also included within the Turnover figure:

- other services supplied excluding VAT,
- Income from property sales, including Shared Ownership and tenants exercising their "Right to Buy" their home
- Amortised capital grant

Income is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

**Service charges**

Service charge income and costs are recognised on an accruals basis. The company operates variable service charges on a scheme by scheme basis in full consultation with residents.

**Operating Leases**

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

**Loan interest costs**

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

**Capitalised Interest**

Interest on our development schemes is capitalised from the point the Board approves the project and the company begins to incur development costs.

**Categorisation of Debt**

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102.

**Corporation Tax**

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

**Value Added Tax**

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

**Intangible Assets**

Intangible assets are for IT software. They are stated at cost less accumulated depreciation.
The useful economic life is 3 to 5 years.

**Tangible Assets**

Properties for social rent transferred from the Local Authority are stated at deemed cost less accumulated depreciation, all other properties and tangible fixed assets are stated at historic cost less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e., local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties, on practical completion of construction. Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period. Staff costs and overheads directly attributable to bringing housing properties into working condition for their intended use are capitalised.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

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

UELs for identified components are as follows:

| | |
|---|---|
| Structure | 100 Years |
| Cornish Units | 50 Years |
| Kitchens | 20 Years |
| Bathrooms | 30 Years |
| Wiring | 30 Years |

| | |
|---|---|
| Heating/boilers | 15 Years |
| Windows and Doors | 30 Years |
| Pitched Roof | 70 Years |
| Flat Roof | 20 Years |
| Disabled adaptations | 10 Years |

**Low Cost Home Ownership**

The costs of low-cost home ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets. Interest on loans used to finance the development of new housing properties is capitalised during the construction period.

**Finance Leases**

Where assets are financed by leasing arrangements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term, this is generally equivalent to the original cost of the assets. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and finance cost elements and the finance costs are charged to the Statement of Comprehensive Income.

**Other Tangible Fixed Assets**

Other tangible fixed assets are stated at cost less accumulated depreciation. Leased assets are depreciated over the life of the lease if this is shorter than their useful economic life. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their useful economic lives as follows:

| | |
|---|---|
| IT equipment | 3 to 5 years |
| Leasehold Improvements | 5 to 10 years |
| Office premises | 90 years |
| Office fixtures and fittings | 3 to 5 years |
| Teigncare Alarm Equipment | 3 to 10 years |
| Motor Vehicles | 4 years |
| Electrical works | 40 years |
| New technology | 15 years |
| Gas installations | 25 years |

**Investment Property**

Investment property includes commercial properties not held for the social benefit of the company. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted, if necessary, for any difference in the nature, location, or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive income.

**Short-term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

**Social Housing Grant (SHG)**

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (excluding land), under the accruals model.

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

**Revaluation Reserve**

The revaluation reserve represents the difference on transition between the fair value of transfer rented social housing properties and their historical cost carrying value, where deemed cost transitional relief was taken.

## 2 Turnover, cost of sales, operating expenditure, and operating surplus

| **Group** | **Turnover** | **Cost of sales** | **Operating expenditure** | **2023 Operating surplus** | Turnover | Cost of sales | Operating expenditure | 2022 Operating surplus |
|---|---|---|---|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** | £'000 | £'000 | £'000 | £'000 |
| **Social housing lettings (note 2a)** | **19,338** | **-** | **(15,431)** | **3,907** | 18,505 | - | (14,962) | 3,543 |
| **Other social housing activities** | | | | | | | | |
| Teigncare alarm services | **187** | **-** | **(145)** | **42** | 193 | - | (176) | 17 |
| Other services | **103** | **-** | **(122)** | **(19)** | 177 | - | (189) | (12) |
| First tranche low cost home ownership sales | **1,408** | **(1,137)** | **-** | **271** | 1,251 | (994) | - | 257 |
| **Activities other than social housing** | | | | | | | | |
| Other activities (note 2b) | **354** | **-** | **(243)** | **111** | 353 | - | (140) | 213 |
| **Total** | **21,390** | **(1,137)** | **(15,941)** | **4,311** | 20,479 | (994) | (15,467) | 4,018 |
| Gain on disposal of property, plant and equipment (note 2c) | | | | **142** | | | | 225 |
| (Decrease)/Increase in value of investment properties | | | | **-** | | | | (10) |
| **Operating surplus** | | | | **4,453** | | | | 4,233 |

## 2 Turnover, cost of sales, operating expenditure, and operating surplus cont'd.

| **Association** | **Turnover** | **Cost of sales** | **Operating expenditure** | **2023 Operating surplus** | Turnover | Cost of sales | Operating expenditure | 2022 Operating surplus |
|---|---|---|---|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** | £'000 | £'000 | £'000 | £'000 |
| **Social housing lettings (note 2a)** | **19,338** | **-** | **(15,565)** | **3,773** | 18,506 | - | (15,073) | 3,433 |
| **Other social housing activities** | | | | | | | | |
| Teigncare alarm services | **187** | **-** | **(145)** | **43** | 193 | - | (176) | 17 |
| Other services | **150** | **-** | **(121)** | **28** | 208 | - | (177) | 31 |
| First tranche low cost home ownership sales | **1,408** | **(1,137)** | **-** | **271** | 1,251 | (994) | - | 257 |
| **Activities other than social housing** | | | | | | | | |
| Other activities (note 2b) | **423** | **-** | **(243)** | **180** | 409 | - | (140) | 269 |
| **Total** | **21,505** | **(1,137)** | **(16,074)** | **4,295** | 20,567 | (994) | (15,565) | 4,007 |
| Gain on disposal of property, plant and equipment (note 2c) | | | | **142** | | | | 225 |
| (Decrease)/Increase in value of investment properties | | | | **-** | | | | (10) |
| **Operating surplus** | | | | **4,437** | | | | 4,222 |

## 2a Income and expenditure from social housing lettings

| Group | General needs | Housing for older people | Low cost home ownership | Other | Total 2023 | Total 2022 |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Income** | | | | | | |
| Rent receivable, net of identifiable service charge and voids | 13,051 | 4,431 | 454 | 9 | 17,945 | 17,090 |
| Service charge income | 430 | 597 | 20 | 58 | 1,105 | 1,087 |
| Amortised government grants | 83 | - | - | - | 83 | 70 |
| Furlough income | - | - | - | - | - | - |
| Other income from social housing lettings | 64 | 140 | - | - | 205 | 258 |
| **Turnover from social housing lettings** | 13,628 | 5,168 | 474 | 67 | 19,338 | 18,505 |
| **Operating expenditure** | | | | | | |
| Management | (3,853) | (1,773) | (14) | (22) | (5,662) | (6,252) |
| Service charge costs | (368) | (237) | (12) | (13) | (630) | (495) |
| Routine maintenance | (2,239) | (856) | (7) | (18) | (3,120) | (2,901) |
| Planned maintenance | (466) | (181) | (2) | (2) | (651) | (519) |
| Major repairs expenditure | (1,932) | (855) | (6) | (45) | (2,838) | (2,444) |
| Bad debts | (67) | (25) | - | - | (92) | (43) |
| Depreciation of housing properties | (1,503) | (583) | (60) | (118) | (2,264) | (2,148) |
| Amortisation | (115) | (45) | (5) | (9) | (174) | (160) |
| Impairment of housing properties | - | - | - | - | - | - |
| **Operating expenditure on social housing lettings** | (10,543) | (4,555) | (106) | (227) | (15,431) | (14,962) |
| **Operating surplus on social housing lettings** | 3,085 | 613 | 368 | (160) | 3,907 | 3,543 |
| **Void losses** | (75) | (29) | - | - | (104) | (86) |

## 2a Income and expenditure from social housing lettings cont'd.

| Association | General needs | Housing for older people | Low cost home ownership | Other | Total 2023 | Total 2022 |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Income** | | | | | | |
| Rent receivable, net of identifiable service charge and voids | **13,051** | **4,431** | **454** | **9** | **17,946** | 17,090 |
| Service charge income | **430** | **597** | **20** | **58** | **1,105** | 1,087 |
| Amortised government grants | **83** | **-** | **-** | **-** | **83** | 70 |
| Other income from social housing lettings | **64** | **140** | **-** | **-** | **205** | 259 |
| **Turnover from social housing lettings** | **13,628** | **5,168** | **474** | **68** | **19,338** | 18,506 |
| **Operating expenditure** | | | | | | |
| Management | **(3,853)** | **(1,773)** | **(14)** | **(22)** | **(5,662)** | (6,252) |
| Service charge costs | **(369)** | **(237)** | **(12)** | **(13)** | **(631)** | (496) |
| Routine maintenance | **(2,295)** | **(878)** | **(8)** | **(22)** | **(3,204)** | (2,970) |
| Planned maintenance | **(475)** | **(184)** | **(2)** | **(3)** | **(663)** | (530) |
| Major repairs expenditure | **(1,963)** | **(858)** | **(6)** | **(46)** | **(2,873)** | (2,474) |
| Bad debts | **(67)** | **(25)** | **-** | **-** | **(93)** | (43) |
| Depreciation of housing properties | **(1,503)** | **(583)** | **(60)** | **(118)** | **(2,264)** | (2,148) |
| Amortisation | **(115)** | **(45)** | **(5)** | **(9)** | **(174)** | (160) |
| Impairment of housing properties | **-** | **-** | **-** | **-** | **-** | - |
| **Operating expenditure on social housing lettings** | **(10,641)** | **(4,584)** | **(106)** | **(234)** | **(15,565)** | (15,073) |
| **Operating surplus on social housing lettings** | **2,987** | **584** | **367** | **(166)** | **3,773** | 3,430 |
| **Void losses** | **(75)** | **(29)** | **-** | **-** | **(105)** | (86) |

## 2b Turnover from activities other than social housing

| | **Group 2023 £'000** | Group 2022 £'000 | **Association 2023 £'000** | Association 2022 £'000 |
|---|---|---|---|---|
| Garage lettings | **314** | 311 | **314** | 311 |
| Commercial property lettings | **39** | 42 | **39** | 42 |
| Gift Aid Donation | **-** | - | **69** | 57 |
| | **354** | 353 | **423** | 410 |

## 2c Gain on disposal of assets

| **Group and Association** | **Right to Buy/Acquire Sales** £'000 | **Low Cost Home Ownership** £'000 | **Open Market Sales** £'000 | **Other Disposals** £'000 | **Total 2023 £'000** | Total 2022 £'000 |
|---|---|---|---|---|---|---|
| Proceeds of sales | 606 | 91 | - | 3 | **700** | 1,892 |
| Less: Costs of sales | (323) | (78) | - | - | **(400)** | (862) |
| Amount payable to Teignbridge District Council | (158) | - | - | - | **(158)** | (805) |
| **Gain/(Loss)** | **125** | **13** | **-** | **3** | **142** | 225 |

## 3 Directors' emoluments, key management personnel & employee information

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| The aggregate emoluments paid to or receivable by non executive Directors and former Directors | **38** | **32** |
| The aggregate emoluments paid to or receivable by executive Directors and former Directors | **156** | **141** |
| | **193** | **173** |
| The emoluments paid to the highest paid Director excluding pension contributions | **137** | **133** |
| The aggregate amount of Directors or past Directors' pensions, excluding amounts payable under a property funded pension scheme | **-** | - |

| The number of full time equivalent staff whose remuneration payable fell within bands of: | **Group** | Group | **Association** | Association |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'000 |
| £70,000 to £79,999 | **-** | 4 | **-** | 3 |
| £80,000 to £89,999 | **2** | 1 | **2** | 1 |
| £90,000 to £99,999 | **2** | - | **1** | - |
| £100,000 to £109,999 | **-** | - | **-** | - |
| £110,000 to £119,999 | **-** | - | **-** | - |
| £120,000 to £129,999 | - | - | - | - |
| £130,000 to £139,999 | - | - | - | - |
| £140,000 to £149,999 | - | 1 | - | 1 |
| £150,000 to £159,000 | **1** | - | **1** | - |

The Chief Executive is an ordinary member of the pension scheme. In April 2022, the Chief Executive moved from a final salary scheme to a defined benefit scheme funded by annual contributions by the employee, and the employer. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £18,489 (2021-22: £7,742) was paid in addition to the personal contributions of the Chief Executive. Directors (key management personnel) are defined as the members of the Board and the Chief Executive.

**Employee information**

| The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was: | **Group 2023** | Group 2022 | **Association 2023** | Association 2022 |
|---|---|---|---|---|
| Office staff | **92** | 92 | **77** | 80 |
| Wardens, caretakers and cleaners | **17** | 17 | **17** | 17 |
| Maintenance staff | **51** | 46 | **-** | - |
| | **160** | 155 | **94** | 97 |

| Staff costs (for the above employees) | **Group 2023 £'000** | Group 2022 £'000 | **Association 2023 £'000** | Association 2022 £'000 |
|---|---|---|---|---|
| Wages and salaries | **5,205** | 4,847 | **3,065** | 3,070 |
| Social Security costs | **535** | 457 | **304** | 283 |
| Other Pension costs | **423** | 298 | **362** | 249 |
| LGPS Cessation Event | **-** | 1,178 | **-** | 1,178 |
| Non Executive Director Wages and salaries | **38** | - | **38** | - |
| Holiday Pay Accrual | **55** | 33 | **18** | 33 |
| | **6,255** | 6,813 | **3,788** | 4,813 |

## 4 Finance income and other income

| | **Group 2023 £'000** | Group 2022 £'000 | **Association 2023 £'000** | Association 2022 £'000 |
|---|---|---|---|---|
| Bank finance income | **73** | 6 | **73** | 6 |
| Interest received from Group entities | **-** | - | **16** | 11 |
| | **73** | 6 | **89** | 17 |

## 5 Finance costs and similar charges

| | **Group 2023 £'000** | Group 2022 £'000 | **Association 2023 £'000** | Association 2022 £'000 |
|---|---|---|---|---|
| Lease finance costs | **-** | 5 | **-** | 5 |
| On loans wholly or partly repayable in more than five years | **2,327** | 2,397 | **2,327** | 2,397 |
| FRS 102 fair value adjustment | **-** | (584) | **-** | (584) |
| Costs associated with financing | **27** | 15 | **27** | 15 |
| Refinancing break away costs | **-** | 4,219 | **-** | 4,219 |
| Net interest on the defined liability | **14** | 37 | **14** | 37 |
| Less finance costs capitalised on housing properties under construction | **(391)** | (190) | **(391)** | (190) |
| Other interest charges | **-** | 1 | **-** | 1 |
| Charged to income and expenditure account | **1,977** | 5,900 | **1,977** | 5,900 |

## 6 Surplus on ordinary activities before taxation

| Is stated after charging/(crediting) | **Group 2023 £'000** | Group 2022 £'000 | **Association 2023 £'000** | Association 2022 £'000 |
|---|---|---|---|---|
| Depreciation of housing properties | **2,211** | 2,271 | **2,211** | 2,271 |
| Depreciation of other fixed assets | **128** | 121 | **128** | 121 |
| Amortisation of intangible fixed assets | **174** | 161 | **174** | 161 |
| Operating lease rentals (land and buildings) | **-** | - | **-** | - |
| Operating lease rentals (other) | **-** | - | **-** | - |
| Auditors remuneration (excluding VAT) | | | | |
| - Audit of the Group financial statements | **32** | 22 | **32** | 22 |
| - Audit of subsidiaries | **-** | 2 | **-** | - |
| - Other service | **1** | - | **-** | - |
| Amortisation of government grant | **(83)** | (70) | **(83)** | (70) |

## 7 Taxation on surplus on ordinary activities

Teign Housing is a registered charity. Charitable activities of the Company are exempt from United Kingdom Corporation Tax.

| Analysis of charge/(credit) for the year | Group 2023 £'000 | Group 2022 £'000 | Association 2023 £'000 | Association 2022 £'000 |
|---|---|---|---|---|
| **Current tax** | | | | |
| UK corporation tax at 19% (2021/22: 19%) | **-** | - | **-** | - |
| Adjustment in respect of prior years | **-** | - | **-** | - |
| Total current tax charge/(credit) | **-** | - | **-** | - |
| **Deferred tax** | | | | |
| Total deferred tax charge/(credit) | **-** | - | **-** | - |
| Tax on surplus on ordinary activities | **-** | - | **-** | - |
| | | | | |
| **Reconciliation of tax charge** | | | | |
| Surplus on ordinary activities before taxation | **2,549** | (1,661) | **2,549** | (1,661) |
| Tax on surplus/(deficit) at standard corporation tax rate of 19% (2021/22: 19%) | **484** | (316) | **484** | **(316)** |
| Effects of: | | | | |
| Non-taxable surplus on charitable activities | **(484)** | 316 | **(484)** | **316** |
| Expenses not deductible for tax purposes | **-** | - | **-** | - |
| Non trade charges utilised in period | **-** | - | **-** | - |
| Tax charge/(credit) for the year | **-** | - | **-** | - |

## 8 Intangible assets – IT software

| | 2023 |
|---|---|
| | **£'000** |
| **Cost** | |
| At 1st April 2022 | 1,029 |
| Additions | 38 |
| Disposals | - |
| **At 31st March 2023** | **1,067** |
| **Amortisation** | |
| At 1st April 2022 | (692) |
| Charge for year | (174) |
| Disposals | - |
| **At 31st March 2023** | **(866)** |
| **Net book value** | |
| **At 31st March 2023** | **201** |
| At 1st April 2022 | 337 |

Of the £201,000 NBV, £145,000 relates to the Housing Management Software.

## 9 Tangible fixed assets

| | Social Housing Properties for Letting Completed | Social Housing Properties for Letting Under Construction | Low Cost Home Ownership Properties Completed | Low Cost Home Ownership Properties Under Construction | **Total Housing Properties** | Land | IT Equipment | Office | Supported Housing Equipment | Fixtures & Fittings | Motor Vehicles | **Total Fixed Assets** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | **£'000** | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | **£'000** |
| **Cost** | | | | | | | | | | | | |
| At 1st April 2022 | 145,065 | 5,747 | 9,318 | 1,124 | **161,254** | 65 | 199 | 1,176 | 234 | 285 | 107 | **163,320** |
| Additions | 3,829 | 7,664 | (281) | 3,908 | **15,120** | - | 31 | - | 4 | 4 | 32 | **15,191** |
| AUC Transfers | 4,645 | (4,645) | 1,741 | (1,741) | **-** | - | - | - | - | - | - | **-** |
| Transfer to Current Assets | - | - | - | (1,336) | **(1,336)** | - | - | - | - | - | - | **(1,336)** |
| Disposals | (397) | - | - | - | **(397)** | - | (11) | - | - | - | (15) | **(423)** |
| **At 31st March 2023** | **153,142** | **8,765** | **10,778** | **1,956** | **174,641** | **65** | **219** | **1,176** | **238** | **289** | **123** | **176,752** |
| **Depreciation & Impairment** | | | | | | | | | | | | |
| At 1st April 2022 | (13,069) | (139) | (306) | - | **(13,514)** | - | (102) | (122) | (199) | (208) | (62) | **(14,207)** |
| Charge for the year | (2,184) | - | (80) | - | **(2,264)** | - | (52) | (15) | (19) | (20) | (22) | **(2,391)** |
| Disposals | 53 | - | - | - | **53** | - | 10 | - | - | - | 15 | **79** |
| **At 31st March 2023** | **(15,200)** | **(139)** | **(386)** | **-** | **(15,725)** | **-** | **(144)** | **(137)** | **(218)** | **(228)** | **(69)** | **(16,520)** |
| **Net book Value** | | | | | | | | | | | | |
| **At 31st March 2023** | **137,942** | **8,626** | **10,392** | **1,956** | **158,916** | **65** | **75** | **1,039** | **21** | **61** | **55** | **160,232** |
| At 1st April 2022 | 131,996 | 5,608 | 9,012 | 1,124 | 147,740 | 65 | 97 | 1,054 | 35 | 77 | 45 | 149,113 |

## 9 *Tangible fixed assets cont'd*

### Number of units owned and managed

**Group and Association**

| **Social Housing Accommodation** | **Opening Balance** | **Started in Year** | **Property Reclassifed** | **Completed in Year** | **Closing Balance** |
|---|---|---|---|---|---|
| **Under development** | | | | | |
| General needs housing | **90** | 42 | - | 35 | **97** |
| *Social Rent* | *28* | *17* | - | *4* | *41* |
| *Affordable Rent* | *62* | *25* | - | *31* | *56* |
| Supported housing and housing for older people | **-** | - | - | - | **-** |
| Low cost home ownership | **37** | 10 | - | 13 | **34** |
| | **127** | 52 | - | 48 | **131** |

| | **Opening Balance** | **Completed in Year** | **Property Reclassifed** | **Disposed in Year** | **Closing Balance** |
|---|---|---|---|---|---|
| **Under managemement at end of year** | | | | | |
| General needs housing | **2,627** | 35 | 2 | 6 | **2,658** |
| *Social Rent* | *2,376* | *4* | *2* | *6* | *2,376* |
| *Affordable Rent* | *251* | *31* | - | - | *282* |
| Supported housing and housing for older people | **999** | - | (2) | - | **997** |
| Low cost home ownership | **114** | 13 | - | - | **127** |
| | **3,740** | 48 | - | 6 | **3,782** |
| | **3,867** | | | | **3,913** |

| | **Opening Balance** | **Taken on in Year** | **Property Reclassifed** | **Removed in Year** | **Closing Balance** |
|---|---|---|---|---|---|
| **Social Housing Accommodation** | | | | | |
| Managed for others at end of year | **32** | 2 | - | 5 | **29** |
| | **32** | | | | **29** |

The value of property additions includes £391,000 of capitalised finance costs (2021-22: £189,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £1,643,000 (2021-22: £1,252,000). The average rate of finance costs is 4.06% (2021-22: 4.06%).

Housing properties were valued by Jones Lang LaSalle in accordance with Royal Institute of Chartered Surveyors procedures. Properties valued annually for funding commitments at 31 March 2023 equated to £71.9m (1,533 properties) and properties valued triennially for funding commitments at 31 March 2023 equated to £61.7m (1,916 properties) in total 3,449 properties.
There are 265 properties that have not been valued for funding commitments.

The total expenditure on repairs and maintenance to existing properties in the year was £9,278,000 (2021-22: £8,979,000). Of this £3,203,000 was capitalised under the SORP 2018 (2021-22 £3,025,000).

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2023 was £34,861,400 (2021-22: £34,561,400).

## 10 Investment properties held for letting

| **Group and Association** | **2023**<br>**£'000** |
|---|---|
| **Cost** | |
| At 1st April 2022 | 570 |
| Additions | - |
| Reclassification of use | - |
| Gain from adjustment in value | - |
| **At 31st March 2023** | **570** |

Investment properties were re-valued at 31 March 2023 by Jones Lang Lasalle, professionally qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Global Standards. These properties were part of the original stock transfer from Teignbridge District Council and transferred with a nil value. The shops have been valued on the basis of Market Value. The total valuation remains unchanged as £570,000 (£570,000 31 March 2022).

## 11 Stock

| **Group and Association** | **2023**<br>**£'000** | 2022<br>£'000 |
|---|---|---|
| **Properties held for sale** | | |
| **Low cost home ownership properties** | | |
| Completed | **181** | **95** |
| Under construction | **1,399** | **693** |
| | **1,580** | **788** |

There are 34 low cost home ownership properties under construction and 2 properties completed and available for sale at 31 March 2023.

## 12 Trade and other debtors

**Amounts falling due in less than one year**

| | **Group** | Group | **Association** | Association |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Arrears of rent and service charges | **593** | 579 | **593** | 579 |
| Provision for bad and doubtful debts | **(341)** | (304) | **(341)** | (304) |
| | **252** | 275 | **252** | 275 |
| Prepayments and accrued income | **374** | 239 | **491** | 354 |
| Other trade receivables | **906** | 287 | **912** | 290 |
| VAT receivables | **1** | - | **1** | - |
| Amounts owed by subsidiary undertakings | **-** | - | **400** | 400 |
| Amounts due in less than one year | **1,533** | 801 | **2,056** | 1,319 |

**Amounts falling due in greater than one year**

| | **Group** | Group | **Association** | Association |
|---|---|---|---|---|
| | **2023** | 2022 | **2,023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'000 |
| THFC loan interest paid in advance | **965** | 965 | **965** | 965 |
| Amounts due in greater than one year | **965** | 965 | **965** | 965 |

## 13 Cash and cash equivalents

| | **Group** | Group | **Association** | Association |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Short term deposits | **1,013** | 1,013 | **1,013** | 1,013 |
| Cash at bank | **4,306** | 15,360 | **3,979** | 14,998 |
| | **5,319** | 16,373 | **4,992** | 16,011 |

The Cash at bank figure includes £355k restricted funds that are held as a pension bond. These funds are held in a separate bank account and are not available as working capital for the company.

## 14 Creditors: amounts falling due within one year

| | **Group 2023 £'000** | Group 2022 £'000 | **Association 2023 £'000** | Association 2022 £'000 |
|---|---|---|---|---|
| Trade payables | **376** | 301 | **423** | 346 |
| Accruals and deferred income | **645** | 1,478 | **645** | 1,478 |
| Rent and service charges paid in advance | **848** | 842 | **848** | 842 |
| Right to Buy sharing agreement (see below) | **157** | 957 | **156** | 957 |
| Amounts owed to subsidiary | **-** | - | **237** | 184 |
| Other creditors | **449** | 190 | **427** | 170 |
| Deferred capital grant (note 15b) | **81** | 70 | **81** | 70 |
| VAT creditor | **-** | 5 | **-** | 5 |
| Income Tax (PAYE) and National Insurance | **143** | 125 | **77** | 72 |
| Lease obligations | **-** | - | **-** | - |
| | **2,699** | 3,968 | **2,895** | 4,124 |

The Right to Buy sharing agreement is part of the inventory transfer agreement and requires Teign Housing to pay a share of the proceeds from property sales to Teignbridge District Council.

## 15 Creditors: amounts falling due after more than one year

| | **Group 2023 £'000** | Group 2022 £'000 | **Association 2023 £'000** | Association 2022 £'000 |
|---|---|---|---|---|
| Bank loans (note 15a) | **57,491** | 57,471 | **57,491** | 57,471 |
| Loan Premium | **3,597** | 3,711 | **3,597** | 3,711 |
| Lease obligations | **-** | - | **-** | - |
| Deferred capital grant (note 15b) | **7,230** | 6,824 | **7,230** | 6,824 |
| Recycled Capital Grant Fund (note 15c) | **43** | 43 | **43** | 43 |
| Sinking Fund (Haldon) | **23** | 32 | **23** | 32 |
| | **68,384** | 68,081 | **68,384** | 68,081 |

## 15a Bank loans

The Group and Association loans are repayable in the following periods:

| | **Group** | Group | **Association** | Association |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'000 |
| **Fixed rate loans** | | | | |
| Within one year | **-** | - | **-** | - |
| 2 to 5 years | **-** | - | **-** | - |
| In 5 years or more | **57,491** | 57,471 | **57,491** | 57,471 |
| **Variable rate loans** | | | | |
| Within one year | **-** | - | **-** | - |
| 2 to 5 years | **-** | - | **-** | - |
| In 5 years or more | **-** | - | **-** | - |
| | **57,491** | 57,471 | **57,491** | 57,471 |

The £25m loan from GBSH and £33m loan from bLEND PLC, resulting in a total drawn debt of £58m. remain in place.

A revolving credit facility was put in place with Nationwide for £20m, for 5 years, which has since been extended to 7 years, so currently comes to an end in 2028 and this remains undrawn.

All loans are secured by specific charges on the Company's housing properties and are repayable at varying rates of finance costs, from 2.92% to 5.39%.

The average rates of finance costs on the loans outstanding at 31 March 2023 were:

Fixed rate loans 3.98% (2021-22: 3.98%)

At 31 March 2023, the Group and Association also had the following undrawn loan facilities:

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Undrawn facilities (Barclays) | - | - |
| Undrawn facilities (Nationwide) | **20,000** | 20,000 |
| | **20,000** | 20,000 |

## 15b Deferred capital grant

| | **Group 2023 £'000** | Group 2022 £'000 | **Association 2023 £'000** | Association 2022 £'000 |
|---|---|---|---|---|
| At start of the year | **6,894** | 6,909 | **6,894** | 6,909 |
| Received during the year | **499** | 92 | **499** | 92 |
| Grants recycled on disposals to RCGF | **-** | (37) | **-** | (37) |
| Released to income during the year | **(83)** | (70) | **(83)** | (70) |
| | **7,311** | 6,894 | **7,311** | 6,894 |
| Amount due to be released < 1 year | **(81)** | (70) | **(81)** | (70) |
| Amount due to be released > 1 year | **7,230** | 6,824 | **7,230** | 6,824 |

The total accumulated government grant and financial assistance received or receivable at 31 March 2023 is £8,112k (2021-22: £7,569k), of which, £7,311k (2021-22: £6,894k) is included as deferred capital grant and £802k (2021-22: £720k) has been recognised as income through the Statement of Comprehensive Income to date.

## 15c Recycled capital grant fund

| | **Group 2023 £'000** | Group 2022 £'000 | **Association 2023 £'000** | Association 2022 £'000 |
|---|---|---|---|---|
| At 1 April 2022 | **43** | 6 | **43** | 6 |
| Inputs to RCGF: | | | | |
| Grants recycled | **-** | 37 | **-** | 37 |
| **At 31 March 2023** | **43** | 43 | **43** | 43 |
| Due in more than one year | 43 | 43 | 43 | 43 |
| | **43** | 43 | **43** | 43 |

All balances relate to Homes England.

## 16 Operating leases

The Group and Association no longer have any operating leases.

## 17 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2023, the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

## 18 Capital commitments

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Capital expenditure that has been contracted for but has not been provided for in the financial statements | **15,431** | 18,405 |
| Capital expenditure that has been authorised by the Board but has not yet been contracted for | **4,270** | 2,990 |
| | **19,701** | 21,395 |

The company expects these commitments to be financed over the life of the committed development program over a period of 3 years with:

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Proceeds from sale of shared ownership properties | **1,746** | 1,947 |
| Uncommitted loan facilities | **17,955** | 19,448 |
| | **19,701** | 21,395 |

The revolving credit facility provided by Nationwide (£20,000,000) will fund £17,955,000 of committed expenditure.

## 19 Pensions Liability

| **Total Pensions Liability** | **2023** | **2022** |
|---|---|---|
| | £'000 | £'000 |
| SHPS | 574 | 572 |
| LGPS | - | - |
| **Total** | **574** | **572** |

### (a) Social Housing Pension Scheme

During the year, the company participated in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK and is accounted for as such.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

The scheme was closed to new members and on 31st March 2022 the company closed the scheme to the remaining two members.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

## Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Fair value of plan assets | **2,808** | 4,661 |
| Present value of defined benefit obligation | **(3,382)** | (5,233) |
| (Deficit) in plan | **(574)** | (572) |
| Unrecognised surplus | **-** | - |
| Defined benefit (liability) | **(574)** | (572) |

## Reconciliation of opening and closing balances of the defined benefit obligation

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Defined benefit obligation at start of period | **5,234** | 5,362 |
| Current service cost | **-** | 28 |
| Expenses | **5** | 4 |
| Interest expense | **145** | 118 |
| Member contributions | **-** | 23 |
| Actuarial (gains) losses due to scheme experience | **(207)** | 315 |
| Actuarial losses (gains) due to changes in demographic assumptions | **(7)** | (78) |
| Actuarial losses (gains) due to changes in financial assumptions | **(1,723)** | (477) |
| Benefits paid and expenses | **(65)** | (62) |
| Defined benefit obligation at end of period | **3,382** | 5,233 |

## Reconciliation of opening and closing balances of the fair value of plan assets

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Fair value of plan assets at start of period | **4,662** | 4,094 |
| Interest income | **131** | 91 |
| Experience on plan assets (excluding amounts included in interest income) - gain | **(2,070)** | 398 |
| Employer contributions | **150** | 118 |
| Member contributions | **-** | 23 |
| Benefits paid and expenses | **(65)** | (62) |
| Fair value of plan assets at end of period | **2,808** | 4,662 |

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was £1,939,000 (2022: £489,000).

## Defined benefit costs recognised in statement of comprehensive income (SOCI)

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Current service cost | **-** | 28 |
| Expenses | **5** | 4 |
| Net interest expense | **14** | 27 |
| Defined benefit costs recognised in Statement of Comprehensive Income (SoCI) | **19** | 59 |

## Defined benefit costs recognised in other comprehensive income (OCI)

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Experience on plan assets (excluding amounts included in net interest cost) - gain | **(2,070)** | 398 |
| Experience gains and losses arising on the plan liabilities - gain (loss) | **207** | (316) |
| Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss) gain | **7** | 78 |
| Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss) gain | **1,723** | 477 |
| Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss) gain | **(133)** | 637 |
| Total amount recognised in Other Comprehensive Income - (loss) gain | **(133)** | 637 |

## Assets

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Global Equity | **52** | 894 |
| Absolute Return | **30** | 187 |
| Distressed Opportunities | **85** | 167 |
| Credit Relative Value | **106** | 155 |
| Alternative Risk Premia | **5** | 154 |
| Fund of Hedge Funds | **-** | - |
| Emerging Markets Debt | **15** | 136 |
| Risk Sharing | **207** | 153 |
| Insurance-Linked Securities | **71** | 109 |
| Property | **121** | 126 |
| Infrastructure | **321** | 332 |
| Private Debt | **125** | 119 |
| Opportunistic Illiquid Credit | **120** | 157 |
| High Yield | **10** | 40 |
| Opportunistic Credit | **-** | 17 |
| Cash | **20** | 16 |
| Corporate Bond Fund | **-** | 311 |
| Liquid Credit | **-** | - |
| Long Lease Property | **85** | 120 |
| Secured Income | **129** | 174 |
| Liability Driven Investment | **1,294** | 1,300 |
| Currency Hedging | **5** | (18) |
| Net Current Assets | **7** | 13 |
| Total assets | **2,808** | 4,662 |

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

## Key assumptions

| | **2023** **£'000** | 2022 £'000 |
|---|---|---|
| Discount Rate | 4.84% | 2.78% |
| Inflation (RPI) | 3.17% | 3.47% |
| Inflation (CPI) | 2.79% | 3.14% |
| Salary Growth | 3.79% | 4.14% |
| Allowance for commutation of pension for cash at retirement | 75% of maximum allowance | 75% of maximum allowance |

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

| | **2023 Life expectancy at age 65 (Years)** | 2022 Life expectancy at age 65 (Years) |
|---|---|---|
| Male retiring in 2023 (2022) | 21.0 | 21.1 |
| Female retiring in 2023 (2022) | 23.4 | 23.7 |
| Male retiring in 2043 (2042) | 22.2 | 22.4 |
| Female retiring in 2043 (2042) | 24.9 | 25.2 |

## (b) Local Government Pension Scheme (LGPS)

The company withdrew from the LGPS on 31st March 2022, this triggered a cessation event and the liability of this, accounted for in 2021-22 was £1,178,000. This was the final settlement for all liabilities.

### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 March 2022 by a qualified independent actuary.

| | At 31 March 2022 |
|---|---|
| Rate of increase in salaries | 4.35% |
| Rate of increase for pensions in payment / inflation | 3.35% |
| Discount rate for scheme liabilities | 2.60% |
| Inflation assumption (CPI) | 3.35% |

The current mortality assumptions include sufficient allowance for future improvements in mortality

| | At 31 March 2022<br>Years |
|---|---|
| Retiring today | |
| Males | 22.7 |
| Females | 24.0 |
| Retiring in 20 years | |
| Males | 24.0 |
| Females | 25.4 |

**Analysis of the amount charged to operating expenditure in the Statement of Total**

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Employer service cost (net of employee contributions) | **-** | (142) |
| Administration expenses | **-** | (5) |
| Total operating charge | **-** | (147) |
| Analysis of pension finance costs | | |
| Net Interest on the defined liability | **-** | (9) |
| Amounts charged to financing costs | **-** | (9) |
| Amount of gains and losses recognised in the Statement of Comprehensive Income | | |
| Total loss / (profit) | **-** | 156 |

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Return on Fund Assets | **-** | 484 |
| Change in financial assumptions | **-** | 325 |
| Change in demographic assumptions | **-** | - |
| Experience gain / (loss) on defined benefit obligation | **-** | (13) |
| Changes in effect of asset ceiling | **-** | - |
| Actuarial gain / (loss) | **-** | 796 |

| **Movement in (deficit) during year** | **2023** | 2022 |
| --- | --- | --- |
| | **£'000** | £'000 |
| Deficit in scheme at 1 April | **-** | (511) |
| Movement in year: | | |
| Employer service cost (net of employee contributions) | **-** | (142) |
| Employer contributions | **-** | 35 |
| Net interest/return on assets | **-** | 475 |
| Re-measurements | **-** | 325 |
| Change in demographic assumptions | **-** | - |
| Other actuarial gains | **-** | (13) |
| Administration expenses | **-** | (5) |
| Movement on Cessation | **-** | (1,342) |
| Deficit in scheme at 31 March | **-** | (1,178) |

| **Asset and Liability Reconciliation** | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| **Reconciliation of liabilities** | | |
| Liabilities at start of period | - | 8,928 |
| Service cost | - | 68 |
| Interest cost | - | 171 |
| Employee contributions | - | 10 |
| Re-measurements | - | (325) |
| Change in demographic assumptions | - | - |
| Experience gains on defined benefit obligation | - | 13 |
| Past Service costs including curtailments | - | 74 |
| Benefits paid | - | (301) |
| Movement on Cessation | - | 1,302 |
| Liabilities at end of period | - | 9,940 |

| **Reconciliation of assets** | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Assets at start of period | - | 8,417 |
| Return on plan assets less interest | - | 484 |
| Interest on Assets | - | 162 |
| Other actuarial gains | - | - |
| Administration expenses | - | (5) |
| Employer contributions | - | 35 |
| Employee contributions | - | 10 |
| Benefits paid | - | (301) |
| Movement on cessation | - | (40) |
| Assets at end of period | - | 8,762 |

## 20 Related parties

**Transactions with regulated and non-regulated elements of the business**

The company provides management services, other services, and loans to its subsidiary.

The company also receives charges from its subsidiary for labour services provided for property maintenance and compliance.

Gift aid from the subsidiary is recognised at year end on receivable basis and is calculated based on the profit for the year end.

**Payable to the company from non-regulated subsidiaries**

| | **2023** | 2022 |
|---|---|---|
| **Transactions with Templer HomeBuild Limited** | **£'000** | £'000 |
| Gift aid distribution | **69** | 57 |
| Management & administration | **49** | 38 |
| Loan interest | **16** | 11 |
| Loan repayments received | **800** | 800 |
| | **934** | 906 |

**Payable to non-regulated subsidiaries from the company**

| | **2023** | 2022 |
|---|---|---|
| **Transactions with Templer HomeBuild Limited** | **£'000** | £'000 |
| Property services provided | **2,575** | 2,150 |
| Loans to Subsidiary | **800** | 800 |
| | **3,375** | 2,950 |

**Statement of Financial Position balances between Parent and Subsidiary**

| | **Creditors** | **Debtors** |
|---|---|---|
| | **£'000** | **£'000** |
| Teign Housing | 167 | 965 |
| Templer HomeBuild | 475 | 167 |
| | 643 | 1132 |

Balances held in respect of the Parent/Subsidiary relationship are eliminated on consolidation.

## 21 Consolidated structure and investment

On 17 October 2005 Teign Development Limited was formed as a wholly owned subsidiary of Teign Housing. Teign Development Limited changed its name to Templer HomeBuild Limited on 11 April 2017 and commenced trading on the 1 July 2017. The principal activity of Templer HomeBuild is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale. Templer HomeBuild profit for the year was £69,000 (2021-22: £57,000) and had net assets of nil (2021-22: nil).

## 22 Low cost home ownership – buyback liability

Teign Housing has two low cost home ownership properties that have mandatory buy back clauses, this means that in the event of the owner being unable to sell their property we are obliged to purchase their share. These will be noted as contingent liabilities in the accounts. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event.

<u>10 Lonsee Gardens</u>
Sale date – 23rd November 2010
Share percentage bought – 35%
Price of percentage bought - £53,235
Original 100% market value as stated in the Lease - £152,100
The property/shares were transferred to a new shared owner on 21st November 2013.
The 100% market value on 21st November 2013 was £145,000

<u>12 Lonsee Gardens</u>
Sale date – 1st October 2010
Share percentage bought – 25%
Price of percentage bought - £37,537.50
Original 100% market value as stated in the Lease – £150,150

## 23 Change in Net Debt

**Group**

| | At Beginning of the year £'000 | Cash Flows £'000 | Non-Cash Movements £'000 | At End of the year £'000 |
|---|---|---|---|---|
| Cash and Cash Equivalents | 16,373 | (11,054) | - | 5,319 |
| Housing Loans Due in One Year | - | - | - | - |
| Housing Loans Due After One Year | (57,471) | - | (20) | (57,491) |
| | **(41,098)** | **(11,054)** | **(20)** | **(52,172)** |

**Association**

| | At Beginning of the year £'000 | Cash Flows £'000 | Non-Cash Movements £'000 | At End of the year £'000 |
|---|---|---|---|---|
| Cash and Cash Equivalents | 16,011 | (11,019) | - | 4,992 |
| Housing Loans Due in One Year | - | - | - | - |
| Housing Loans Due After One Year | (57,471) | - | (20) | (57,491) |
| | **(41,460)** | **(11,019)** | **(20)** | **(52,499)** |

## 24 Discontinuation of Teigncare Service

Due to the future investment required Teign Housing will no longer be providing the Teigncare alarm service to private individuals. The service will be acquired and operated by Appello Careline Ltd from 3rd April 2023.

Detailed below are the figures included in the 2023 accounts that relate to the Teigncare service.

| | **Group 2023 £'000** |
|---|---|
| Turnover | **187** |
| Operating Expenses | **(145)** |
| **Operating Margin** | **42** |
| **Cost** | |
| At 31 March 2023 | **191** |
| **Depreciation & Impairment** | |
| At 31 March 2023 | **(174)** |
| **Net book Value** | |
| At 31 March 2023 | **17** |