

Johnnie Johnson Housing Trust Limited

Report and Financial Statements for the year ending 2023-2024

Johnnie Johnson Housing Trust Ltd
Registered Social Housing Provider – consolidated and entity
Co-operative and Community Benefit Society (FCA) number: 19198R
Homes England number: L1231





Living Longer, Living Better



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Executives and Advisors for the year ended 31 March 2024



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Registered No:
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Johnnie Johnson Housing Trust Limited Report and Financial Statements 2023 - 2024



Meet Our Board (as at May 2024)

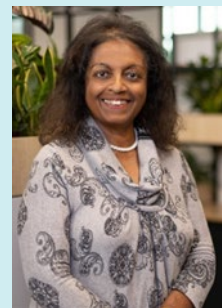
Johnnie Johnson Housing became a subsidiary of the Sanctuary Housing on the 29th February 2024. At that point all existing board members resigned. Below shows the members of our subsidiary Board effective 29th February 2024



**Sue Lock, Chair of
JHH subsidiary Board**



**Peter Nourse, member of
the JHH subsidiary Board**



**Tabitha Arulampalam,
member of the JHH
subsidiary Board**



**Nathan Warren,
member of the JHH
subsidiary Board and
Executive of Sanctuary
Group**



**Lizzie Hieron,
member of the JHH
subsidiary Board and
Executive of
Sanctuary Group**



**Hilary Gardner,
member of the JHH
subsidiary Board**



**William Hogg,
member of the JHH
subsidiary Board**



Meet the Executive Team (as at May 2024)



Yvonne Castle
Chief Executive Officer resigned on 29th February 2024



Kathryn Fox-Rogers, previously Chief Operating Officer,
took the position of Managing Director (JJH) on 29th
February 2024.

I have worked at JJH for 8 years and have taken the position of Managing Director following the resignation of our Chief Executive. My immediate aim is to support the business through integration following our exciting merger with Sanctuary Housing on the 29th February 2024. I'm looking forward to working with my Sanctuary colleagues and excited about the benefits the new partnership will bring to our existing residents.

Debbie Noble, our Group Executive Director, Finance and Corporate Services continues to work alongside me ensuring financial control remains during the integration phase.

Emma Midgley was promoted into the Executive Team to support with the integration of JJH into Sanctuary.



Deborah Noble

**Group Executive Director,
Finance and Corporate
Services**



Emma Midgley

**Director of Integration and
Transformation (appointed 1st
January 2024)**



Chair's Statement

Introduction

It gives me great pleasure to present my report as Chair of Johnnie Johnson Housing, a subsidiary of Sanctuary Housing Group.

The combination of existing and potential financial pressures in the JJH operating environment led us to review future delivery and after much deliberation the Board of Management agreed that the best way to assure the future would be to seek a merger partner. This was undertaken through a robust process overseen by the regulator and supported by independent advisors. Following an assessment process the Sanctuary Group were selected as the preferred partner and a great deal of work followed as due diligence processes were undertaken. The merger completed on 29th February 2024 and the next year will see the two organisations gradually integrate teams and services whilst maintaining 'business as usual'.

At the point of merger all Board Members stood down from their roles with JJH, JJDL and Astraline and I would like to thank them for their extensive contribution to JJH. There is a board of management to support JJH in the coming year through integration and three of the prior JJH Board members have been appointed to this to ensure continuity.

I am pleased to say that Johnnie Johnson closes the year with robust regulatory ratings and a continued rigorous approach to Internal Control and Risk Management. Our teams continue to focus on doing best what matters most for residents.

Despite the continuing challenges of the economy and changing regulation, we have maintained our Vision of **"Living Longer, Living Better"**, and our passion about enabling people to live and age well in their own homes. Our colleagues have responded to all challenges with their focus very much on providing our residents with a safe and secure environment and outstanding customer services.

I would like to say thank you to all our teams for their hard work, dedication and resilience in maintaining and improving services, ensuring the safety and wellbeing of our residents.

Key Strategic Matters

Customer First

Our Customer First programme, designed and launched in 2022, helps customers maximise both their welfare and wellbeing and ensures our teams can focus on doing best what matters most for residents. Our investment in digital provides greater security and increased efficiency in process. We have continued to work with Astraline in providing telecare and increased access for residents through our new website, portal and app.

Regulatory Ratings

In November 2023 we received confirmation from the Regulator that we have retained our Governance 1 Viability 2 grading. This means that the regulator feels that 'Johnnie' Johnson Housing Trust (JJHT) continues to comply with the financial viability elements of the Governance and Financial Viability Standard.

Voice of the Customer

Our residents are at the heart of everything we do and Listening to our residents is of utmost importance. Our ambition is for customers to feel safe and secure in a place they can call home for life. A home and service that can adapt as their needs change in the future. The basics should be done right and if things aren't quite as they should be, we want to listen and take action where we can.

During the year we have reviewed our engagement to ensure a wider representation of the customer voice is heard to adhere to the Tenant Satisfaction Measures, Better Social Housing Review and changing Consumer Standards. We continue to work with the JJH Assurance Panel, which takes a more flexible approach to involvement and reviews, this year has seen 'bitesize assessments' delivered in two service areas by the JJ Assurance Panel, resulting in recommendations and improvements in the key focus areas. I would like to thank the JJH Assurance Panel for their time commitments and efforts into resident involvement and service improvement for our residents.

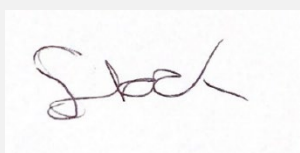
Our Achievements

Our Corporate strategy is categorised under our four main aspirations, and in 2023-24 we have continued to deliver our objectives in these areas:

- Outstanding Homes - ensuring all homes comply with legal, safety and development standards; and have a long term sustainability plan
- Outstanding Services - improving customer experience and expectations through delivering our "Customer First" approach and being a listening business
- Outstanding Value – being financially ready for any surprises; and investing in our Data and Digital projects to positively contribute to our customer, colleague and property experience
- Outstanding People – ensuring our colleagues have the right tools and skills to deliver our ambitions; and enable them to be agile and flexible, improving performance for our business and our customers
- The focus of these themes continues for 2024/25, with a key focus across the four corporate strategy areas on integration into Sanctuary Housing Group.

The Future

Our key issue remains, to use our resources effectively and to balance that of our existing homes and the building of new homes, while controlling the risks that we are taking, we are delighted to be taking our next steps into an exciting future with Sanctuary Housing Group.



Sue Lock, Chair of the Board
20th September 2024



Report of the Board

Year ended 31 March 2024

Principal Activities and Review

The Board presents its report and the audited financial statements for the year ended 31 March 2024 for Johnnie Johnson Housing Trust Limited.

Johnnie Johnson Housing Trust Limited (JJH) was created by James Edgar Johnson, nicknamed “Johnnie”, an RAF pilot back in 1969. It was originally established to assist veterans but in the last 55 years has evolved to providing quality homes for circa 6997 residents in the North West, North East and Yorkshire and Derbyshire. We have a particular expertise in providing housing and services for older persons with an aim to help our residents “Live Longer, Live Better”.

JJH is an exempt charity registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society. It is also a Registered Provider with the Regulator for Social Housing (RSH).

Board Members

Due to the merger with Sanctuary all Board members resigned on the 29th February 2024. These were: Sue Lock (Chair of JJH Group), Peter Nourse (Vice Chair), Andrew Bowden, Brian Benneyworth (Senior Independent Director), Steve Secker, Tabitha Arulampalam, Rob Seldon, Adbul Ravat and Angela Single. Sue Lock was reappointed as the Chair of the JJH Subsidiary Board along with Peter Nourse and Tabitha Arulampalam. New Board members are: (Non-Executives) Hilary Gardner and William Hogg together with Executive members from Sanctuary, Lizzie Hieron and Nathan Warren. All took up membership of the subsidiary Board on the 29th February 2024.

Vision and Values

Our vision is simple, it is focussed on ‘Living Longer, Living Better’. We want to help our residents to age well, live independently and maintain their quality of life for as long as possible. We are a strong, focused and resilient business, dedicated to delivering outstanding services. We truly value our colleagues and our strategy continues to invest in our people through training but also in modern ways of working and ensuring they have the right skills and technological kit to do best what matters most for our residents and customers.

Following the merger with the Sanctuary Group our activities, Vision and Values remain steadfast and are aligned with our new parent. We are working closely with Sanctuary to ensure over the next 12 months we integrate the businesses together.



One Team
We ‘make it happen’
by staying
connected and
working
collaboratively



Pioneering
We learn, share and
improve, we are
creative and
innovative and are
always Bold, Brave
and courageous

Outstanding
We focus on our
customers,
balancing a social
heart with a
business head and
are always
accountable



Empowering
We are decisive, we
take the lead and
inspire others





Our values help us drive ‘This Is How We Do It’ for what we want and they align with our new parent with our expectations of our customers being at the heart of a local service delivery. Our values help us decide on the right course of action, regardless of our challenges, and they establish a basis for consistent decision-making by everyone. Our values and their related behaviours are an explicit part of the way we manage our business. They are part of our decision-making process from Board level down.

In 2023-24 we focused on delivering **4 Strategic objectives:**



Outstanding Homes

Work here helped us to ensure that all homes comply with legal, safety and development standards, all homes have a long term green and digital investment plan and our older homes, and our studio homes, have clear long-term plans for their future.



Outstanding Services

Here we aimed to improve customer experience and expectations through delivering our “Customer First” approach, continued to develop being known as a listening business - taking action and communicating openly and honestly with customers; and collaboration with partners adds value to the customer offer



Outstanding Value

Given the continuing challenging economic environment work continued in providing Value for Money. We recognised our financial limitations but continued to maximise partnerships to drive proactive Procurement and increase financial and social value for our customers; and ensuring our colleagues can operate in a safe and secure environment.



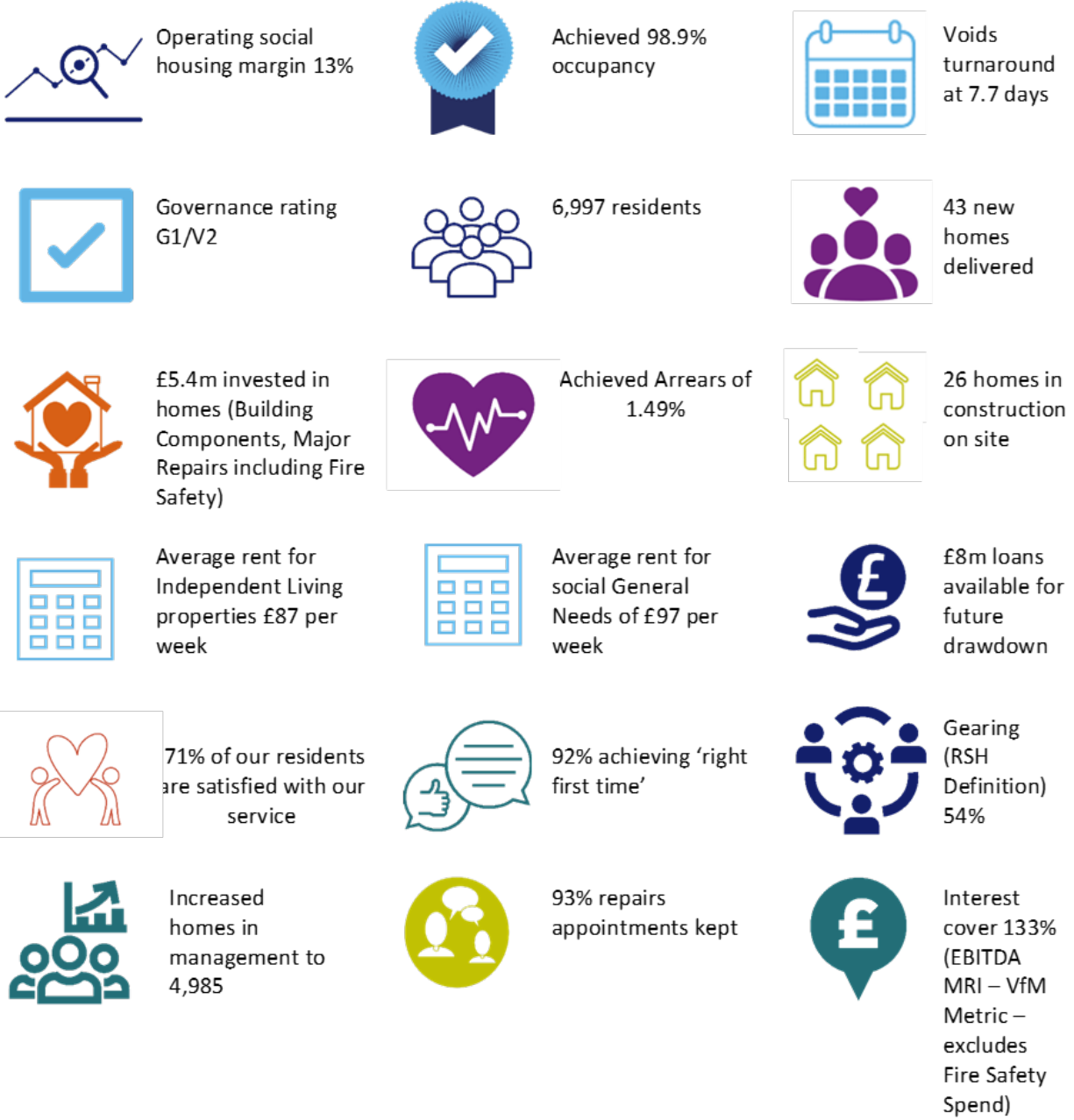
Outstanding People

Our focus here has been to ensure that our colleagues have the right tools and skills to deliver our ambitions; and that they are agile, flexible and diverse, improving performance for our business and our customers.

Doing Best What Matters Most

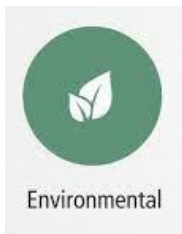


Our Performance



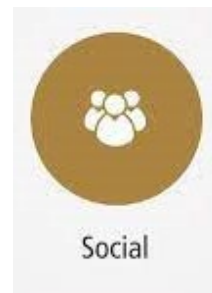
Environment and Future Outlook

Johnnie Johnson Housing is committed to building environmental sustainability, social responsibility and effective corporate governance into all aspects of our business. This Environmental, Social and Governance (ESG) policy statement reflects our commitment to improving how our business decisions and policies address opportunities for sustainability. We expect this policy statement to be upheld by all colleagues, Executives and Directors of the Company. As we look ahead to the future, we will continue to be transparent and remain focused on expanding our sustainability efforts working closely with our Parent company.



ENVIRONMENTAL SUSTAINABILITY – We are committed to operating in an environmentally responsible manner to reduce our impact on climate change, conserve natural resources and operate in compliance with environmental regulations

SOCIAL RESPONSIBILITY – We are committed to being a socially responsible employer by fostering an environment of diversity and inclusion across our business, operating ethically and supporting our local communities



CORPORATE GOVERNANCE – We are committed to building a culture of ethical business behaviour and responsible corporate activity. We believe strong corporate governance is the foundation to delivering on our commitments

Supporting our Residents



Our Wellbeing Team have continued to work closely with Equal Arts to facilitate Friends of Groups which provide activities for residents including music, tai chi, and creative writing as well as JJH residents helping to create a dementia friendly picture book. Our Money Advice team have supported residents to receive over £180,000 of extra income and continue to run 'Money Saving' posts on social media which have included cost of living payments and reduced broadband tariffs. Engagement workshops have been held throughout the regions focusing on service improvement and specific service areas such as repairs and ground maintenance.

Supporting Colleagues



In 2023-2024 our focus for colleagues has been on their development and commitment to the competence and conduct requirements for the sector, to ensure those working with our residents have the right training and skills. During 2023-2024, 10 colleagues from our customer and neighbourhoods' teams have commenced their CIH qualifications, at levels 3-5. To ensure our colleagues who are responsible for our properties and safety have correct levels of competence, 6 colleagues have commenced training to support compliance and building safety standards requirements. 4 colleagues in other corporate services team have been supported with professional or specific qualifications, relevant to their roles.



Our approach to colleague welfare and retention has been focused, with our commitment to March 2025, to continuing to offer a 4.5 day condensed working week. We have continued a programme of wellbeing activities and support with change management, with specific sessions delivered on the theory and practical aspects of change models for leaders.

Internal Control Assurance

The UK Corporate Governance Code (and the derivative NHF Code of Governance 2020) requires that the Board undertakes an annual review of internal control systems. In particular: "The board should, at least annually, conduct a review of the effectiveness of the company's risk management and internal control systems and should report to shareholders that they have done so. The review should cover all material controls, including financial, operational and compliance controls".

The Board is answerable for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it is being used economically, efficiently and effectively. It is responsible for ensuring the effectiveness of internal and external control and the management of risk. The Board must ensure that appropriate arrangements are in place to ensure that significant risks are identified and assessed, appropriate action to deal with risks is planned and implemented, and risk is kept under review.

The Board is responsible for JJH's compliance with its statutory, legal and regulatory requirements. The Managing Director is responsible for providing an annual statement of assurance on compliance to the Board.

A wide range of internal control mechanisms are in place and being operated to help the organisation meet its strategic targets, to operate within the law, to make effective use of public money and to report activities accurately. These bring together information from all significant parts of the organisation's business and provide assurance to Board that an effective system of internal controls is in place. The most significant sources are through:

- Our approach to combined assurance.
- An independent internal audit function.
- The Audit & Risk Committee, with appropriate terms of reference.
- The independent external audit function.
- Financial and non-financial performance monitoring and management.
- Appropriate communications structures.
- Effective strategies, policies and procedures.
- External stakeholders, including the Regulator of Social Housing (RSH) and accreditation bodies, and
- Internal Task and Finish Groups convened to assess arising issues.

The Key specific forms of internal control assurance are:

Risk Management

Risk Management is an integral part of business planning and service delivery at JJH. Risk was considered in every report to Executive/Committee and Board, and in all Project Planning. JJH operates a Risk Management and Internal Control Framework that identifies principle risks and uncertainties and provides an approach to manage, monitor and mitigate risks at all levels of the business.

Risk is regularly discussed at Executive and Board Meetings. A Risk Review Group consisting of Executive and Heads of Service review the full risk Matrix at least every 2 months to ensure it remains appropriate.

The full Risk Matrix is reported to each meeting of the Executive Team and the Audit and Risk Committee; and the Top Ten Risks to each Board Meeting. Risks specific to Committees were reported to each meeting. The Risk Matrix is clearly linked to the JJH Performance Dashboard and the Corporate Strategy to ensure that assurance was triangulated. In line with the Board Assurance Map which utilises the three lines of defence model linked to corporate objectives and key risks.



Principal Risks and Uncertainties

JJH approach to Risk Management enabled the organisation to understand and mitigate/manage known risks (principal risks) and areas where impacts are not yet known (uncertainties).

JJH principal risks related to ‘Financial Planning and Controls (Viability)’ which were primarily grouped under our corporate Objective ‘Outstanding Value’. This is aligned to the current key issues in the UK including the cost of living and the economy. The ongoing impacts from these areas may be seen in the housing sector in terms of increased demand as homeowners struggle to pay rising mortgages, and adverse impacts on wellbeing as people cut down to bare essentials in shopping and maintaining their homes. Operational risks in this area related to:

- Increased Arrears due to Universal Credit/Impacts of the Economy on residents’ ability to pay their rent and/or service charges; or maintain their tenancy leading to increased vacant homes
- Adverse Economic Effects of Global issues
- Failure to Manage Repairs Costs as a Critical Sensitivity in the Business Plan
- Failure to deliver effective financial management leading to a breach of loan covenants, insufficient liquidity
- Voids Loss Increases

Coupled with known risks, JJH also views the uncertainties in the current environment which can be seen through increasing demands on Social Housing Landlord in relation to property condition (Operational Risk: ‘Failure to ensure homes are maintained at a decent standard’ and ‘Insufficient financial capacity/resource available to deliver critical work’). Changing regulation and the associated pressures this will apply to capacity and viability (Operational Risks: ‘Failure to comply with regulatory standards/legislation and therefore maintain compliant gradings’ and ‘Risk of New Government Policies/Changes in Legislation Adversely Affecting JJH ’). All of which is underpinned by the changing and challenging political landscape. However, JJH’s approach to monitoring the external environment ensures that we maintained awareness of all these issues which enabled us to ensure robust business management and to support residents.

Internal Controls (continued)

Performance Management,-Data & Analytics

JJH operated a Performance Management Framework comprised of clearly defined Performance Indicators (PIs). We have forward looking measures of success and our Dashboard focused on key aspects of a balanced scorecard approach to include, our customers, our finances, our colleagues and our processes.

PIs have a role in generating continuous improvement; and are used to show broad trends and indicative performance. They highlight areas that need further investigation and can be used to target areas for improvement.

Assurance is gained from detailed analysis of survey results where we address any areas of concern or change. The surveys include areas such as customer satisfaction, employee satisfaction and stock condition.

Organisational/Management Structures and Colleagues

We have in place organisational and management structures, reflecting key business and strategic priorities, which operate within a framework that effectively identifies and manages the risk to achieving those priorities.

JJH has innovated the recruitment and selection process to appoint experienced and suitably qualified colleagues, that also fit culturally with JJH, to take responsibility for important business functions.

The JJH Code of Conduct 'This is how we do it' is embedded across the organisation. Our regular check-in meetings between Leaders and colleagues are designed to maintain high standards of performance and ensure that colleagues "do best what matters most".

The Nominations and Remuneration Committee determined policy on colleagues, Executive and Board remuneration. JJH complies with the government's policy relating to the National Living Wage.

Document Review

The JJH Document Management Framework sets out a timetable for the review, update and approval of all key documentation used to frame JJH delivery. Strategies and policies are approved by the Board and the Executive Team/OLT as appropriate and procedures by the relevant member of the Operational Leaders Team which ensures that appropriate levels of approval have been established.

This procedure ensures that all strategies and policies have an appropriate level of oversight and that they are issued appropriately so that all colleagues are aware of them. JJH Strategies are reviewed and reported to Board in an annual cycle.

Financial Management and Value for Money

Financial forecasts and budgets are prepared which allow the Board and the management team to monitor key financial risks and spend in terms of achieving budgets in the short, medium and long term. Monthly management accounts are prepared, and are considered by the Executive Team, including investigation into any significant variances and necessary management action to ensure services and programmes are delivered to budget.

Formal policies and procedures are in place for both financial and operational activities. These include Financial Regulations, Treasury Management Strategy & Policy, Data Protection and Information Security Policy, and Procurement Procedures. The Scheme of Delegation sets out the levels of financial approvals across the organisation. This protects against unauthorised use of company assets, as well as aiding effective service delivery.

A full range of insurances are in place to safeguard assets and these are reviewed annually to ensure they are fit for purpose.

JJH defines Value for Money (VFM) as delivering the best homes and services possible within the resources available, achieving the best combination of cost and quality to fulfil the requirements of residents and deliver on its corporate vision. The Board considers the VFM implications of all decisions made by them and has a section within each Board report that includes the costs and benefits of every issue that is discussed, with the aim of optimising the financial return on JJH's assets (in line with the Regulator for Social Housing (RSH)'s Standard and Code of Practice for Value for Money (VFM)).

Internal Controls (continued)

Treasury Management

The Treasury Management Policy follows best practice for the housing sector and complies with the principle documents released in respect of Treasury Management for Registered Providers. The Policy has been prepared, having had regard to the following:

- CIPFA - Treasury Management in the Public Services, Code of Practice and Cross-Sectoral Guidance Notes
- Regulator of Social Housing: Governance and Financial Viability Standard
- Regulator of Social Housing. NROSH+ Quarterly Survey (QS) Guide to QS Completion on NROSH+

The policy is structured in a series of Treasury Management Practices intended to cover all aspects of JJH's treasury function, together these form the basis for the development of the annual treasury plan along with all aspects of managing and reporting the loans and investments of JJH.

To ensure that JJH has adequate liquidity, the Executive Director of Finance & Corporate Services reviews an 12 month rolling cashflow that is updated regularly. Compliance with loan covenants is reviewed and formally reported to the Board at each meeting.

Third Party Assurance

The Board review the internal and external audit services annually. BDO are our external auditors and Beever & Struthers our internal auditors. The Audit and Risk Committee review independent reports and meet with both audit functions without officers' present to allow them to raise any concerns. The internal audit function reported regularly to members on control issues.

In line with the Co-Regulatory principles around accountability and residents being able to hold the organisation to account, we provide opportunities for customers to challenge how things are done, with a focus on key priorities e.g. our resident assurance panel.

Other external accreditations are also utilised e.g. Investors in People. We use specialist consultants where appropriate to give both the Executive and Board additional assurance.

Internal Audit Work in 2023/24

Due to the merger a reduced number of deep dives were undertaken by Beevers and Struthers (B&S). Board Assurance has been obtained through this but also through the intensive due diligence performed during the initial merger activity.

The Deep dives undertaken were assurance audits on Anti-Social Behaviour and Damp and Mould. Going into the merger it has been agreed that Sanctuary's internal audit team will perform deep dives on Repairs and Planned maintenance in the new financial year.

During 2023-24, all internal audit and assurance work was undertaken by Beever and Struthers (B&S), utilising Business Critical Controls auditing to provide a quarterly assessment of key control areas. This approach has worked well to provide continuous auditing/assessment of internal control and covers:

- Property Services
- Landlord & Employer Health and Safety.
- Human Resources
- I.T.
- Finance
- Housing Management
- Responsive Repairs
- Planned Maintenance
- Business Assurance
- Fraud

B&S have stated in relation to the above *"The remainder of the plan was delivered through Business Critical Controls testing on a quarterly basis. These reviews has confirmed a good level of compliance in the operation of the specific controls tested"*

Internal Controls (continued)

Board Assurance Map

The Board Assurance Map was designed to enable Board Members to gain assurance that the controls in place in the organisation ensure clarity of oversight, deliver risk management through the 3 Lines of Defence approach and therefore mitigate risks.

The map is an extension of the existing risk management arrangements which is used as a management tool.

Project Management

All significant new initiatives, major commitments and investment projects were subject to formal authorisation procedures through the Project Management Office/Executive Team/Board or Committees of the Board according to the level of investment/risk.

The Voice of the Customer/Customer Insight

Resident Involvement is at the heart of all work at Johnnie Johnson Housing – teams engage with residents to create, drive and deliver services, with the aim for Johnnie Johnson Housing to be described by all residents as ‘Outstanding’; and by engaging and involving residents to ensure that satisfaction is high for the services delivered. This is generally achieved by a variety of means including:

- Executive Visits
- Regional Forum Meetings which include Executive and Non-Executive presence and demonstrates our approach to accountability
- Assurance Panel
- Customer Surveys
- Complaints Management
- Voices Magazine
- Editorial Panel
- Digital Conferences
- Service specific ‘drop ins’
- Scheme Meetings

Our face to face engagement through our range of options ensure a golden thread of engagement is achieved.

On a monthly basis the Executive Team receive a summary of Resident Interaction in the period to ensure the Voice of the Customer is heard. The report covers the ways in which JJH colleagues engage with residents to gain feedback and insight into service delivery to enable continuous improvement in standards and ensure improvement in satisfaction levels. This is reported to JJH Board and the JJH Performance dashboard contains customer measures that are scrutinised quarterly.

The Assurance Panel has a key role in the governance of JJH, helping to achieve continuous service improvement and effective engagement through the scrutiny of service delivery and performance. They have held JJH to account by challenging areas of underperformance across a range of operational measures which support the delivery of outstanding services.

Value for Money

To enable us to fulfil our strategy in today’s economic environment we need to ensure that Value for Money is integral in everything we do. We want our residents to age well and live longer in their own homes. This involves delivering a great service, ensuring their homes are safe and secure.

Value for Money (VFM) looks at the ‘efficiency, economy and effectiveness’ of how we deliver our services. Put simply, it’s a way to challenge ourselves to do things differently so we achieve more or better for the same money or effort, or even achieve the same benefit for less money, less effort.

At Johnnie Johnson we have delivered Value for Money by:

- Having a well run business with our homes safe, fully occupied, collecting all income due and managing our business to plan within budget.
- Deliver the best homes and services possible within the resources available.
- Achieving the best combination of cost and quality to fulfil the requirements of residents and deliver on our corporate vision.
- Delivering and maintaining sustainable tenancies.
- Generating a surplus to enable us to invest in both existing and new homes.

Value for Money (Continued)

Our VFM as set out within our 4 strategic Objectives

VFM within our Outstanding Homes objective

The Board's aim of optimising the return from its properties is informed by the Asset Management Strategy. Options Appraisal work continued during the year. Montrose Court in Liverpool was fully decanted and now lies empty. A plan on the future of this scheme is under review.

We made the decision in the previous year to halt our development programme. There is one remaining development to deliver, which is due for completion in early 2025/26. During 2023/24 we delivered 43 homes with a further 26 remaining. We will work with Sanctuary to assess our development ambitions.

We have a robust plan for investment in our Homes, to include fire strategy, EPCC, improvement to our warden call (Well connected) installations, bringing our homes to Energy Performance Certificate C and investment in components. Sanctuary have our investment requirements within their future business plan.

VFM within our Outstanding Services objective

The financial environment for JJH and the wider sector is one of limited income and increasing costs considering the prior year rent cap and the current increases on materials and cost of living. Margins are being squeezed and efficiencies are required to include improved procurement and increased digitisation. Our partnership will bring procurement benefits as we move through integration.

Utilising the Rant and Rave transactional satisfaction results alongside the Tenant Satisfaction Measures (TSMs) will help to understand areas for improvement and in turn provide the scope for 'bitesize assessments' of a range of service areas by the new JJ Assurance Panel over the next 12 months.

VFM within our Outstanding Value objective

We continue to review VFM commitments with our leaders' team working together to track and support savings where possible. It is important to the Board to ensure we continue with this throughout the integration phase ensuring cost are controlled.

Our Money Advice team has supported residents to receive over £180,000 of benefits, which in turn helps tenancy sustainment and continue to run 'Money Saving' posts on social media which have included cost of living payments and reduced broadband tariffs. Engagement workshops have been held throughout the regions focusing on service improvement and specific service areas such as repairs and grounds maintenance.

Working in partnership with our Repairs provider Fortem, we have addressed our Void Property process to streamline activity where possible and thereby reduce the time that homes are vacant.

The last year has seen an impact upon our costs as can be seen from our reduced surplus this year, this has been driven by increased interest rates on our variable loans and increased costs from materials particularly increases seen within our development programme and our repairs service. We made a decision to cease new development with an aim to control these future costs but that has allowed us to invest more within our existing properties.

Value for Money (Continued)

VFM within our Outstanding People objective

The Board believes that a strong culture of VFM is crucial to deliver efficiencies, and VFM is a clear aspect of our culture. We have continued to apply our 'OneTeam' approach which ensures clear understanding of service requirements and working together enables improvement of effectiveness and efficiency of delivery.

In 2023/24 we have continued to improve our ability to deliver Value for Money by equipping our colleagues with the necessary skills in their roles, supported by robust recruitment processes to attract and retain the right people to continue to do what matters most for our residents.

We continually review and enhance our communication methods with colleagues and strengthen our internal Joint Engagement Team particularly in view of the partnership with Sanctuary Housing. Communication is, and will continue to be vital to support our colleagues over the next 12 months.

We utilise the feedback from our regular colleague Pulse surveys to inform improvement activity.

Regular Self-Assessment

Our approach to VfM ensures that we meet our business needs and the regulatory value for money standard. The delivery of effective scrutiny through our governance arrangements, through bi-monthly meetings and reports to Executive and Board, are vital elements in supporting our approach to VFM.

Value For Money Metrics

The Regulator's specified metrics shown below.

	Johnnie Johnson				Target	Global	
	2021	2022	2023	2024		2023	Peers 2023
Reinvestment %	6%	5%	6%	5%	8%	7%	8%
New Supply %	0%	0.7%	0.3%	0.9%	0.9%	1.3%	0.7%
Gearing (RSH Definition)	45%	48%	51%	54%	56%	46%	52%
EBITDA MRI*	133%	140%	103%	133%*	132%	124%	133%
Headline cost per unit	£4,004	£4,048	£4,560	£5,255	£4,870	£4,568	£4,744
Headline cost per unit (excl service costs)	£2,982	£2,947	£3,188	£3,754	£3,476	N/A	N/A
Operating Margin Social Housing Lettings %	19%	18%	15%	13%	19%	20%	23%
Operating Margin Overall %	17%	17%	13%	16%	19%	19%	20%
ROCE	3.1%	2.5%	2.5%	3.4%	3.1%	2.8%	3.3%

* excludes fire safety spend

At JJH we pride ourselves on constantly evolving and being proactive. We are unique in our offering and our benchmarking group remains the same as prior year. We have made comparisons where this has been possible, it is difficult for us to measure ourselves against some providers due to size and very different operating models.

The figures shown as 'Peers' in the above table relate to the average for the chosen comparators and are from the Regulator's Value for Money metrics derived from the 2023 Global Accounts. Within the Global accounts there are very few providers with a similar stock profile to us but the Peer group consists of Providers of a similar, medium size and with a significant proportion of their activity made up of care and support and Sheltered/Housing for Older Persons (HfOP). The Peer group consists of: Connect HA, Futures Housing Group and Red Kite Community Housing.

Value For Money Metrics (continued)

Metric 1 – Reinvestment

Reinvestment has decreased from 6% in 2022/23 to 5%, this is slightly lower than our 8% target and slightly behind our Peer Group also of 8%. Our remaining development has seen some delays which has impacted this figure.

Metric 2 – New Supply

The percentage of new supply is at 0.9% for 2024 which is on par with the 2024 target. This has increased by 0.6% on the previous year. We are slightly higher than the peer group in this metric at an average of 0.7%, however, one member of the group recorded a metric of 1.3% indicating their delivery is higher. We delivered 43 units in 2023/24 with a further 26 units contracted to deliver over the next 15 months.

Metric 3 – Gearing (RSH definition)

Gearing was at 54% in 2024 showing a slight increase to the previous year and against an expectation of 56%. Our Peer group has a slightly lower gearing of 52%.

Metric 4 – EBITDA MRI Interest Cover

EBITDA MRI interest cover, which includes major repairs, is 133%. This includes the removal of agreed fire safety spend which enables us to invest more in our properties. Our Peer group is also at 133% and reflects 1 member at 166% and another at 129%.

Following the repayment of our Danske loan during 2023/24 we only have one lender with an EBITDA MRI covenant. We must note that we manage our EBITDA MRI covenant based upon this lenders' requirements. Whilst we continue to invest heavily in fire safety and energy efficiency we have agreed that we will exclude this spend from the calculation going forward, this enables us to deliver our programme without being restricted by our covenant and still allowing spend on our existing properties. This year saw firesafety investment at £2.7m.

Metric 5 – Headline cost per unit

The headline cost per unit is higher than our Peers average (as shown in the above table) and has increased on the prior year. The increase in 2023/24 can be attributed to increased costs within capitalised major repairs (including fire safety), services (including increases in utility costs) and management costs. When comparing against the Global median the Board is aware, that our costs are also at that level as a result of the additional front-line presence that we continue to provide for our residents.

Although data is unavailable for our peer group on Headline Cost per unit excluding service costs, our figure of £3,754 is higher than last year's figure of £3,188 mainly driven by an increase in major repairs costs (fire safety) and routine maintenance.

Metric 6/7 - Operating Margin Social Housing Lettings (SHL) / Operating Margin

Our operating margins show a slight improvement on prior year at 16% for Overall Operating Margin and 13% Operating Margin Social Housing lettings. The impact of increasing interest rates and increasing costs has been the contributing factor to the decision for JJH to merge with Sanctuary Housing.

Our Peers average a 20% Operating Margin which is significantly higher than our achievement.

Metric 8 – Return on Capital Employed (ROCE)

Our ROCE (3.4%) is slightly higher than our Peer Group average of 3.3% and higher than prior year of 2.5%. It is a slight improvement on our target of 3.1%. Our Peer group varies from 2.8% to 4.1% ROCE.

Due to the transfer of engagement expected towards the end of the financial year 2024/25 JJH has not completed a future long term business plan as this will now be included within Sanctuary Housing Association.

Gender Pay Gap Reporting

JJH are below the headcount threshold (250) for compulsory reporting of the gender pay gap. We have however, produced a report of our gender pay gap which compares average salaries for men and women. Based on data at the snapshot date, 5 April 2023, the following table shows our data:

Mean	Pay rate difference	Median	Pay rate difference	Comparison to 2022-23
-1.5%	£0.27	18.2%	£3.04	The mean average has reduced, which was 2.3%, but the median has increased from 13.5%.

Our current gap is based on higher number of females in our Executive and Leadership roles, and this year, on a mean basis (total average overall) we have moved to a position where females, are earning more than males, by £0.27, which is -1.5% pay gap.

There continues to be a greater number of females in the lower and lower middle quartile of our workforce, compared to males in the higher quartiles, i.e. in middle management level/professional roles (ICT/Assets/Compliance). These roles continue to demand higher salaries, an ongoing trend and historically traditional in the housing sector. This leads to a median average (centre point of all roles), which shows a difference of 18.2% meaning when calculated in this way, males are earning £3.04 more than females. The current workforce is a female 69%, male 31% split.

Ethnicity Data

There is no compulsory reporting for any organisation, of ethnicity pay gaps. Despite this we calculate our ethnicity pay gap which compares average salaries for white and ethnic minoritized colleagues. Our current workforce is made up of 14.6% colleagues from ethnic minoritized groups. Based on the data at the snapshot date, 5 April 2023, the following tables shows our data:

Mean	Pay rate difference	Median	Pay rate difference	Comparison to 2022-23
27.9%	£5.19	5.3%	£0.74	<ul style="list-style-type: none"> The mean average has remained the same at 27.9%, but the median has reduced from 8.7%. The total number of ethnic minoritized colleagues has increased from 18 to 22, since it was reporting last year.

The ethnicity pay gap continues due to a smaller number of colleagues from ethnic minoritized groups being in the upper middle quartile, compared to white colleagues, and no ethnic minoritized colleagues in the upper quartile.

There is room to continue to improve with encouraging colleagues to report their ethnicity. We utilise the NHF data to draw comparison between colleague, leadership and board groups and have continued to focus on taking positive action to encourage applications from different minoritized ethnic groups, for example by advertising in specific media job boards.

The size of JJH means, in percentage terms, the change of only a small number of people in a particular group can cause a significant effect on our overall gap data.

To continue to make improvements with our pay gaps, we are committed to continuing to focus on building an inclusive workforce and to invest in the development and wellbeing of all our colleagues to drive a real difference to the lives of our customers.

Qualifying third party indemnity provisions

The company maintains third party Directors and Officers insurance for Directors and Non Executive Directors at JJH, for those directors who have recently resigned this remains in place for a period of 6 years.



Love Where you Live



Governance and Compliance

NHF Code of Governance

The National Housing Federation (“NHF”) 2020 Code of Governance has been adopted by the Board as a formal framework to underpin its governance arrangements. This particular code of governance was selected as it is bespoke to the housing sector and it is a widely recognised example of best practice.

Compliance with this code ensures JJH will:

- Adhere to all relevant laws.
- Ensure that its constitutional documents are, and remain, fit for purpose.
- Be accountable to residents and relevant stakeholders.
- Safeguard taxpayers’ interests and the reputation of the housing sector.
- Have an effective risk management and internal controls assurance framework.

NHF Model Rules

The adoption of the model rules had allowed JJH to demonstrate good practice and also manage a reduction in JJH shareholding over time. The merger saw a complete reduction in shareholding leaving 1 share, now that of Sanctuary into JJH.

Delegation

The Board delegates its responsibility for the day-to-day management and leadership to the Managing Director, supported by the Executive Directors. The Board had also established committees to oversee specific areas of work throughout the year and sets the scope and responsibilities for each in approved terms of reference. Delegation from the Board may allow for decisions to be made or request that a committee consider and provide assurance to support the Board on decision making.

Board and Committee Effectiveness

An annual assessment of the Board would usually have been carried out, however, this was not undertaken in 2023-24 given the merger activity. Board have regularly challenged themselves to ensure they are performing appropriately.

Compliance with Governance and Financial Viability Standard/All RSH Standards

At the Stability Check in December 2023 JJH judged to retain the G1:V2 grading. G1 - The provider meets our governance requirements; and V2 - The provider meets our viability requirements and has the financial capacity to deal with a wide range of adverse scenarios.

Holding the Board to Account

In line with revised regulation and to support the outcomes of the Tenant Satisfaction Measures, we reviewed our resident engagement structures and evolved the Assurance Panel with a broader focus to continue supporting JJH aim to deliver outstanding services. This also supported JJH to engage with a wider segment of residents across our regions. Colleagues and residents continue to hold JJH to account through its Talk to Us (Complaints) and Speak Up (Whistleblowing) policies.

Health & Safety

JJH’s approach to Health and Safety incorporates our aims, and how these will be achieved:

- Maintain the health, safety and welfare of our colleagues and other people on our premises or who may be affected by our activities.
- Reduce the risk of harm or ill health to our colleagues, residents, visitors and contractors, and reduce the risk of damage to assets or belongings.
- Ensure that the organisation is legally compliant with all property related risks.
- Ensure that we are prepared for and resilient to emergencies by having appropriate contingency arrangements in place.
- Fully embed health and safety into JJH’s front line and support operations.
- To promote wellbeing across the organisation .
- Be recognised as an organisation that manages health, safety and fire safety well.
- Deliver a service that the whole organisation can be proud of.
- Reporting provides a current position on the progress that has been made to ensure that JJH meets its legal responsibilities and obligations across all the compliance disciplines.



Shared responsibility sits across Asset Management and People and OD with a strong focus on a culture of Health and Safety.



Integrated approach with Health and safety policy strategy with joint Health & Safety Action Group overview.



Blended strategy of compliance requirements, best practice and cultural aspirations



Key roles are made up of a technically qualified and experienced team to ensure that the delivery of the strategy meets the business plan.

Equality, Diversity and Inclusion

Our approach and journey, Valuing We Are All Different, continued with our commitment to promoting diversity and inclusion. Our culture actively values difference and recognises everyone comes from different backgrounds and their life experiences can bring valuable insights to the workplace and enhance the way we work together.

With our Inclusion Partners, Inclusive Employers, we continued to work towards embedding diversity and inclusion in our culture and making inclusion an everyday reality, ensuring compliance with the Equality Act 2010.

We continue to provide a programme of activities to support inclusion and to respect one another and develop services for our residents. Our colleague and resident diversity and inclusion data has improved overall, with significant progress with colleague data. The resident data has started to shape the services we deliver.





Financial Performance

Pensions

The pension actuarial loss for the multi-employer defined benefit scheme is £0.59m.

This defined benefit liability and movement held within the Statement of Financial Position can be seen in the table below:

	2024 £'000	2023 £'000
As at 1 April 2023	3,349	2,711
Sub total	<hr/> 3,349	<hr/> 2,711
Defined benefit costs recognised in SoCI	145	66
Total amount recognised in other comprehensive income	590	1,299
Deficit contributions paid	<hr/> (766)	<hr/> (727)
As at 31 March 2024	<hr/> 3,319	<hr/> 3,349

	2024 £'000	2023 £'000
Fair value of plan assets	14,797	15,231
Present value of plan liabilities	<hr/> (18,116)	<hr/> (18,580)
Net pension scheme liability	<hr/> (3,319)	<hr/> (3,349)

In addition, JJH invested £12m (2023: £8m) in the development of new and existing properties during the year, £0.95m of grant was received (2023: £0.4m).

JJH reviewed its bad debt provisions in the year and wrote off a total of £94k in debts relating to rental income (2023: £84k). The provision calculation is in line with FRS 102 requirements.



Financial Performance Continued

Highlights for the year ended 31 March	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Group Income and Expenditure account					
Total turnover	29,858	27,586	26,061	24,665	24,844
Income due from lettings (excluding voids)	28,183	26,266	23,874	23,382	23,133
Operating surplus	5,041	3,584	3,461	4,312	4,863
<u>Surplus/(Deficit) for the year</u>					
Surplus for the year before tax/pension adj transferred to reserves	401	175	382	1,322	1,728
	(189)	(1,124)	434	(591)	3,671
Group Balance Sheet					
Housing properties	149,298	140,766	136,073	132,684	127,612
Other fixed assets	3,019	3,500	4,197	3,865	3,874
Intangible Assets	1,148	1,105	791	862	280
Fixed assets	153,465	145,371	141,061	137,411	131,766
Net current (liabilities)/assets	(3,156)	(3,654)	(3,841)	(1,852)	(327)
Total assets less current liabilities	150,434	141,717	137,220	135,559	131,439
Creditors (due over one year)	87,451	78,842	73,858	71,940	68,495
Provisions for liabilities	3,319	3,349	2,711	3,401	2,136
Reserves : Non equity share capital					
: revenue	33,113	33,207	34,012	33,258	33,529
: revaluation	26,551	26,319	26,639	26,959	27,279
: total	59,664	59,526	60,651	60,217	60,808
	150,434	141,717	137,220	135,558	131,439
Accommodation figures					
Total housing stock owned & managed at year end	4,985	5,008	5,040	5,007	4,956
Statistics (Group)					
Surplus for the year as % of turnover	1.3%	0.6%	1.5%	5.4%	7.0%
Surplus for the year as % of income from lettings	1.4%	0.7%	1.6%	5.7%	7.5%
Rent losses as % of rent and service charge receivable	2.3%	2.2%	2.3%	2.0%	2.2%
<u>Interest cover</u>					
(Defined as - per lenders covenants)	1.75	1.88	1.99	2.33	2.44
<u>Liquidity</u>					
(Defined as - current assets divided by current liabilities)	0.72	0.67	0.61	0.86	0.97
<u>Gearing</u>					
(Defined as - per lenders covenants)	51%	45%	42%	41%	39%

Signed

Sue Lock
Chair of the Board

Date: 20th September 2024

Signed

Nathan Warren
Board member

Date: 20th September 2024

Signed

Nicole Seymour
Company Secretary

Date: 20th September 2024

Business Plan

The Business Plan was approved by Board for the financial year and was used as the decision making tool, informing the budgets. The decision to merge with Sanctuary was supported by the robust plan and future business plans will be incorporated into the Sanctuary group.

Impairment

JJH continues to perform an impairment review annually in line with best practice. In accordance with paragraphs 14.24 to 14.30 of the Housing SORP 2018, JJH is required to make the following disclosure:

- a) The Cost Generating Unit is defined as an individual property or scheme
- b) The Value In Use-Service Potential (VIU-SP) method has been used to estimate the recoverable amount for each property and the Depreciated Replacement Cost (DRC) has been used as an estimate for VIU-SP (in accordance with the SORP).

Based on this principle, JJH calculated the Depreciated Replacement Cost (DRC) of each social housing property scheme using appropriate construction costs and land prices. The replacement costs of properties have been assessed on the latest estimated construction costs of £166k per unit. The cost of land is estimated at £29.2k per unit and the properties are depreciated over 100 years. Comparing this to the carrying amount of each scheme in the JJH's Asset register, there was no impairment of social housing properties in the year 2023/24.

Accounting Policies

JJH's principal accounting policies are set out on pages 37 to 43 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include: capitalisation of interest and development administration costs; deduction of capital grant from the cost of assets; housing property depreciation; and treatment of shared ownership properties. JJH has maintained its accounting policies and will move to align with Sanctuary during the integration phase.

Housing Properties

At 31 March 2024 JJH owned and/or managed 4,985 housing properties (2023: 5,008), the movement of 23 units consists of the reduction of 64 units for a scheme currently held for sale, 43 new units and 2 unit reduction in managed units.

Our investment in housing properties this year was funded through internally generated cash and a £10m drawdown from our secured loan facilities.

Pension Costs

Although JJH does not participate in the Defined Benefit Social Housing Pension Scheme it still holds liabilities.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The latest accounting valuation was carried out with an effective date of 30 September 2022.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus. Details can be found within Note 23.

Reserves

The Revenue Reserves of JJH have decreased by £0.421m to £33.1m within the period. The Reserve reconciliation can be seen on page 34.

Payment of Creditors

Our policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with suppliers.

Liquidity

JJH is reporting net current liabilities of £3,156k (2023: net current liabilities £3,875k) in its balance sheet. JJH had deposits of £3.9m, of which £1.58m cash and £0.148m in fixed investments together with £2.2m ring fenced monies in relation to our residents Long Terms maintenance fund. At the year end there was £8m undrawn loan facilities available to JJH.

Treasury Policy and Capital Structure

The Board retained Treasury Advisors, Savills, for the financial year 2023-24 who developed the Treasury Management Policy and strategy for the group.

JJH repaid loans of £12.45m (2023 £2.42m) during the year. One loan was fully repaid but replaced by an intra group loan of the same value, £10m. By the year end borrowings amounted to £84m (2023: £76.4m) of which £2.4m falls due to be paid within the next year as shown below.

	Bank loans	Local Authority Loans	Intragroup Loan	Total	Total
	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000
In one year or less, or on demand	2,414	-	-	2,414	2,392
In more than one year but not more than two years	2,471	-	-	2,471	2,429
In more than two years but not more than five years	6,667	-	10,000	16,667	16,867
In more than 5 years	40,465	22,000		62,465	54,711
Total	52,016	22,000	10,000	84,016	76,399

JJH borrows, principally from banks and building societies, at both fixed and floating rates of interest. JJH's policy is to keep a minimum of 70 per cent of its borrowings at fixed rates of interest. At the year-end, 74% per cent of the Group's borrowings were at fixed rates.

The fixed rates interest average cost of borrowing was 4.81% with the variable average at the year end being 5.69%. The variable rates have seen a constant increase with levels still expected to rise. 2,576 of JJH's properties are currently charged as security for the loans. We repaid the Danske loan (£10m) on the 29th February and replaced with an intra group loan from Sanctuary, this has left £8m available to draw from Warrington Borough Council (Local authority), a £30m facility.

JJH borrows and lends only in sterling and so is not exposed to currency risk.

Treasury Management

The Treasury Management Policy (TMP) was updated during the year and presented to Board. The policy follows best practice for the housing sector and complies with the principle documents released in respect of Treasury Management for Registered Providers; The current Policy was prepared, having had regard to the following:

- CIPFA - Treasury Management in the Public Services, Code of Practice and Cross-Sectoral Guidance Notes. 2021 Edition
- Altair - Cosmopolitan Housing Group Lessons Learned June 2014
- Regulator of Social Housing: Governance and Financial Viability Standard. April 2015
- Regulator of Social Housing. NROSH+ Quarterly Survey (QS) Guide to QS Completion on NROSH+. Version 1.0 June 2020.

Treasury Management continued..

The policy is structured in a series of Treasury Management Practices intended to cover all aspects of JJH's treasury function, together these form the basis for the development of the annual treasury plan along with all aspects of managing and reporting the loans and investments of JJH. As we go through the period of integration we will fall in line with Sanctuary's group treasury policies ensuring future liquidity.

We continue to assess the covenant requirements of our lenders and no breach is anticipated.

Grants

Pre FRS102 grants are used as part of covenant calculations. Below shows the pre FRS102 position for grant as at 31st March 2024. In addition to the below we have a balance of £6.5m of grants within the statement of financial position which is in relation to grants received and amortised since FRS102.

Grant Pre FRS102	2024
	£'000
Total Grant at 1st April	108,449
RCGF Staircasing (note 20)	(7)
RCGF Other Inputs	
RCGF Recycled (note 20)	
Total Grant at 31st March (pre FRS102)	108,441

Cash flows

JJH has taken advantage of disclosure exemptions and not prepared a cashflow statement in preparing these financial statements as commented on page 43.

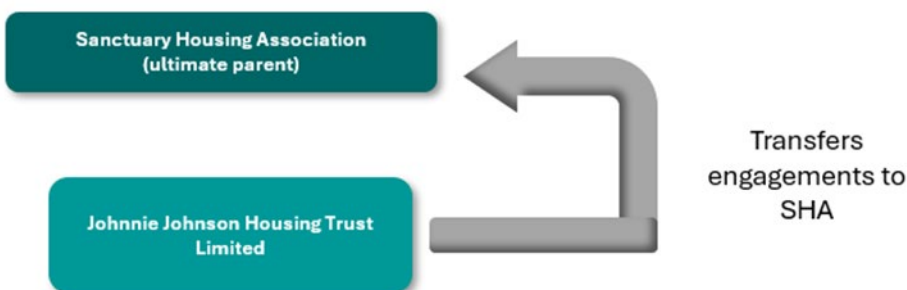
However, interest payments totalled £4.3m (2023: £3.4m). JJH invested £12.2m (2023: £8m) in new and existing housing properties during the year, £952k of grant was received during this period. £8m of secured funding remains having drawn £20m (including the new intra group loan) during the year and repaid £12.4m loans.

Going Concern

Following the merger of JJH with Sanctuary Housing Group on 29th February 2024, a decision has been made that, subsequent to the year end, the trade and assets of JJH will be integrated into Sanctuary Housing Association, the intention being that a full transfer of engagement will take place before the end of the financial year ended 31 March 2025. This will ensure that, for all current residents of JJH the excellent standard of services will continue to be delivered in the same way with no disruption and the investment into our properties will continue.

As a result, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. It has been considered whether any adjustments are required to the financial statements and it has been concluded that no adjustments are required as a result of being prepared on a basis other than going concern.

The company structure is shown below:



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

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the association and group for that period.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP). Accounting by Registered Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

As explained in Note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate, and in consequence these financial statements have not been prepared using that assumption.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website.

Statement of Compliance

A key element of the Regulator for Social Housing's (RSH's) Governance and Financial Viability Standard is the requirement to comply with all relevant laws. Consequently, the Board has taken reasonable steps to seek necessary assurance and confirms that the JJH has complied with all relevant laws.

The Board confirms that JJH complies with the requirements of the RSH Governance and Financial Viability Standard.

Statement of Disclosure to Auditors

So far as each member of the Board is aware, there is no relevant audit information of which JJH's auditors are unaware and each member has taken all the steps that he/she ought to have taken as a member in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditor's report to the members of Johnnie Johnson Housing Trust Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 and of the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Johnnie Johnson Housing Trust Limited ("the Association") for the year ended 31 March 2024 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in reserve and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We remain independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw your attention to Note 2 to the financial statements which explains that the activities and assets of the Association are expected to be integrated into another entity within the group with a full transfer of engagements planned to take place before the end of the financial year ended 31 March 2025.

Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 2. Our opinion is not modified in respect of this matter.

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

Other information

The board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

Independent auditor's report to the members of Johnnie Johnson Housing Trust Limited continued

Matters on which we are required to report by exception (continued)

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

Responsibilities of the board

As explained more fully in the responsibilities statement of the board, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Association and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Association's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be FRS 102 and the Accounting Direction for Private Registered Providers of Social Housing.

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

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Independent auditor's report to the members of Johnnie Johnson Housing Trust Limited continued

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Association's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the posting of inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias.

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

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

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

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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BDO LLP

Statutory Auditor

Manchester

20 September 2024

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



Statement of comprehensive Income for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	3	29,858	25,929
Cost of Sales	3	(1,163)	-
Operating Costs	3	(23,817)	(22,151)
Suplus on disposal of assets	7	163	4
Operating surplus		5,041	3,782
Impairment of Equity Investment	14	(375)	-
Interest receivable and other income	8	56	19
Interest payable and similar charges	9	(4,321)	(3,428)
Surplus before tax		401	373
Tax on surplus on ordinary activities	11	-	-
Surplus for the year after tax		401	373
Actuarial loss in respect of pension	22	(590)	(1,299)
Total comprehensive loss for the year		(189)	(926)



Statement for Changes in Reserves

	Income and expenditure reserve £000	Revaluation reserve - Housing Properties £000	Revaluation reserve - Other fixed assets £000	Total £000
Balance as at 31 March 2022	34,140	26,034	605	60,779
Surplus for the year	373	-	-	373
Transfer to revenue reserve	320	(320)	-	-
Actuarial loss in respect of pension schemes	(1,299)	-	-	(1,299)
Balance as at 31 March 2023	33,534	25,714	605	59,853
Surplus for the year	401	-	-	401
Transfer to revenue reserve	(232)	232	-	-
Actuarial loss in respect of pension schemes	(590)	-	-	(590)
Balance as at 31 March 2024	33,113	25,946	605	59,664

The notes on pages 36 to 58 form part of these financial statements
All amounts relate to continuing operations



Statement of Financial Position as at 31 March 2024



		2024	2023
	Note	£'000	£'000
Fixed Assets			
Housing Properties	12	149,298	141,002
Other fixed Assets	13	3,019	3,340
Investment in Subsidiary	14	125	500
Intangible Assets	13a	1,148	1,077
		<u>153,590</u>	<u>145,919</u>
Current Assets			
Debtors receivable within one year	15	2,194	1,442
Properties held for sale	16	1,847	1,204
Investments	28	148	148
Cash and cash equivalents		<u>3,781</u>	<u>3,987</u>
		7,970	6,781
Creditors: amounts falling due within one year	17	<u>(11,126)</u>	<u>(10,656)</u>
Net current liabilities		(3,156)	(3,875)
Total assets less current liabilities		<u>150,434</u>	<u>142,044</u>
Creditors: amounts falling due after one year	18	87,451	78,842
Provisions for liabilities			
Pension – defined benefit liability	22	(3,319)	(3,349)
Total net assets		<u>59,664</u>	<u>59,853</u>
Reserves			
Income and expenditure reserve		33,113	33,534
Revaluation reserve for Housing Properties		25,946	25,714
Revaluation reserve for other fixed assets		605	605
Total reserves		<u>59,664</u>	<u>59,853</u>

The financial statements were approved by the Board of Directors at the Board meeting held on the 16th September 2024.

Sue Lock
Chair
20th September 2024

Nathan Warren
Executive Director, Sanctuary
20th September 2024

Nicole Seymour
Company Secretary
20th September 2024



**Notes forming part of the financial
statements for the year ended 31 March
2024**

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Notes forming part of the financial statements for the year ended 31 March 2024 - continued

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

JJH is a Public Benefit Entity and has applied the provisions for FRS 102 specifically applicable to Public Benefit Entities.

1 Legal Status

The company is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator for Social Housing as a social housing provider. Johnnie Johnson Housing is a public benefit entity.

2 Accounting Policies

The following principal accounting policies have been applied:

Basis of consolidation

JJH is a parent company that is also a subsidiary undertaking included in the financial statements of a larger group. As such JJH is exempt from the requirement to prepare consolidated financial statements.

Going Concern

Following the merger of JJH with Sanctuary Housing Group on 29th February 2024, a decision has been made that, subsequent to the year end, the trade and assets of JJH will be integrated into Sanctuary Housing Association, the intention being that a full transfer of engagement will take place before the end of the financial year ended 31 March 2025. This will ensure that, for all current residents of JJH the excellent standard of services will continue to be delivered in the same way with no disruption and the investment into our properties will continue.

As a result, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. It has been considered whether any adjustments are required to the financial statements and it has been concluded that no adjustments are required as a result of being prepared on a basis other than going concern.

Income

Income is measured at the fair value of the consideration received or receivable. The following material income streams are included:

- rental income receivable (after deducting lost rent from void properties available for letting),
- Income from property sales,
- Service charges receivable,
- Revenue grants and proceeds from the sale of land and property, and
- Sundry income from housing and non-housing services

Supported housing schemes

The grants received in the period as well as costs incurred in the provision of support services have been included in the Income and Expenditure Account. Any excess of cost over the grant received is borne by JJH where it is not recoverable from residents.



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

2 Accounting Policies (continued)

Service charges

JJH adopts the fixed method for calculating and charging service charges to its residents and variable charges for leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the fixed and estimated amounts chargeable.

Management of units owned by others

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

Schemes managed by agents

Income is shown as rent receivable and management fees payable to agents are included in operating costs.

Value Added Tax

JJH charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT, where this is recoverable. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension costs

The company participated in the Social Housing Pension Scheme (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.

Holiday pay accrual

A liability can be recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date. The amount of holiday carry over for colleagues has been capped at 5 days, the figure accrued is £46.5k (2023: £43k).

Tangible fixed assets - Housing Properties

Housing properties are properties available for rent and properties subject to shared ownership leases.

Housing Properties under construction costs includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

JJH capitalises improvements, where improvements result in an incremental future benefit to the property. Where a housing property comprises two or more major components with substantially different useful economic lives (UEL), each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.



**Notes forming part of the financial
statements for the year ended 31 March
2024 - continued**

2 Accounting Policies (continued)

Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time. Land is not depreciated on account of its indefinite useful economic life. Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components are depreciated over the useful economic lives of the assets on the following basis:

Freehold land is not depreciated.

The Board takes the view that, whilst our properties may well have a physical life of 125 years or more, given regular repair and maintenance, it is unlikely that their useful life will exceed 100 years for properties built since 1980 and a further 80 years for our early sheltered schemes built before 1980.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Description	Useful Economic life (years)
New build homes and bungalows	100 years
Flats built after 1980	100 years
Flats built prior to 1980	80 years
Refurbished properties	100 years
Listed properties	150 years
Components	
Heating systems	15 years
Electrical	40 years
Kitchens and Bathrooms	20 years
Dispersed Warden Call units	10 years
Windows and Doors	30 years
Compartmentation (Fire Safety)	30 years
Boundary fencing	10 years
Roof coverings	45 – 60 years

Shared ownership properties and staircasing

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

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

Low cost home ownership properties are not depreciated on the expectation that the net realisable value at the time of disposal will be in excess of the historical cost.

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



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

2 Accounting Policies (continued)

Allocation of costs for mixed tenure and shared ownership developments

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

Tangible fixed assets – Other

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

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

Depreciation of other tangible fixed assets

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

Description	Economic useful life (%)
Office Furniture and equipment	15% per annum
Computer Equipment (tangible software)	20% per annum
Computer Equipment (desktop)	33.33% per annum
Maintenance Equipment	33.33% per annum
Freehold office property	5.26% pa ex land
Scheme equipment	10% pa (lifts 4% pa)

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within ‘other operating income’ in the statement of comprehensive income.

Intangible fixed assets

Intangible assets include assets that do not have physical substance and are stated at cost less accumulated amortisation. JJH’s policy is to amortise over 5 years. Other intangible assets such as website design are amortised over the same period. In consideration of the merger and the value of intangible assets the depreciation has been accelerated to 2 years.



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

2 Accounting Policies (continued)

Government grants

Grants received in relation to assets that are presented at deemed cost at the date of transition have been accounted for using the performance model. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within brought forward reserves.

Grant received since the transition date (1st April 2014) in relation to newly acquired or existing housing properties is accounted for using the accrual model. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received.

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

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, the RSH can direct JJH to recycle capital grants or to make repayments of the recoverable amount. JJH adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to the RSH with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

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.

Recoverable amount of rental and other trade receivables

JJH estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Rent and service charge agreements

The Group has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and short term deposits

All loans, investments and short term deposits held by JJH are classified as basic financial instruments. These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however JJH has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.



**Notes forming part of the financial
statements for the year ended 31 March
2024 - continued**

2 Accounting Policies (continued)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents

Cash and cash equivalents, cash at bank, in hand, deposits and short-term investments with a maturity of three months or less.

Leasehold Sinking Funds

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards to the ownership of the leased asset to the Group. All other leases are classified as operating leases.

Provision for liabilities

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

Contingent liabilities

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

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

Reserves

The revaluation reserve was created at the point of transition to FRS 102 from surpluses on historical asset revaluation. The revaluation reserve is released to the income statement in line with the JJH's depreciation policy applicable to these assets.



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

2 Accounting Policies (continued)

Exemptions Policy

JJH has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- The requirements of Section 7 Statement of Cash Flows
- The requirements of Section 33 Related Party Disclosures paragraph 33.7
- The requirements of Section 3 Financial Statement presentation paragraph 3.17(d)

This information is included in the consolidated financial statements of the Sanctuary Group and their financial statements may be obtained from their website: www.Sanctuary.co.uk.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on the depreciated replacement cost or the fair value less costs to sell.
- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as voids and the repairing obligation are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the property. Individual useful economic lives are assigned to these components.

- Due to the transfer of engagement due to take place at the end of the financial year 2024/25 a decision has been made to accelerate the depreciation in relation to Intangible assets. The assumption is that the useful life be shortened to 2 years instead of 5.
- The estimation for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.
- The assumptions used to calculate the pension provision have been reviewed and amended, where appropriate, by independent third party actuaries to ensure they are reasonable and appropriate for JJH.



**Notes forming part of the financial
statements for the year ended 31 March
2024 - continued**

3 Turnover, cost of sales, operating costs and operating surplus

JJH - continuing activities			2024	2023		
	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Surplus on disposal of assets £'000	Operating surplus / (deficit) £'000	Operating surplus / (deficit) £'000
Social housing lettings (note 4)	27,528	-	(23,828)	-	3,700	3,658
<u>Other social housing activities</u>						
Development services	50	-	(4)	-	46	(34)
First Tranche shared ownership sales	1,645	(1,163)	-	-	482	-
Surplus on disposal of assets (Note 7)	-	-	-	163	163	4
Other	775	-	15	-	790	154
	2,470	(1,163)	11	163	1,481	124
<u>Non social housing activities</u>						
Support services	(140)	-	-	-	(140)	-
Total	29,858	(1,163)	(23,817)	163	5,041	3,782

4 Income and expenditure from social housing lettings

JJH - continuing activities	General needs housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	2024 Total	2023 Total
Rent receivable net of identifiable service charges	8,483	11,116	1,040	20,639	19,060
Service income	429	5,780	627	6,836	6,572
Net rental income	8,912	16,896	1,667	27,475	25,632
Amortisation of SHG	26	3.00	24	53	45
Turnover from social housing lettings	8,938	16,899	1,691	27,528	25,677
Management Services	1,960	5,218	519	7,697	7,503
Routine maintenance	814	5,984	686	7,484	6,888
Planned maintenance	1,258	2,348	203	3,809	2,867
Bad debts	578	1,217	(29)	1,766	1,824
Depreciation of housing properties	71	186	18	275	113
Operating costs on social housing lettings	1,497	1,113	187	2,797	2,824
Operating surplus/(deficit) on social housing lettings	6,178	16,066	1,584	23,828	22,019
Void losses	2,760	833	107	3,700	3,658
	(190)	(461)	(4)	(655)	(589)



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

5 Units of Housing Stock

	Owned not managed	Managed not owned	Owned and Managed	2024	2023
				Total Owned and Managed	Total Owned and Managed
General Needs - social rent	-	-	1,553	1,553	1,553
General Needs - affordable rent	-	-	130	130	107
Low Cost Homes Ownership	-	-	680	680	663
Supported Housing	-	-	-	-	-
Supported - Housing for older people	28	21	2,438	2,487	2,550
Supported - Housing for older people - affordable rent	-	-	14	14	14
Intermediate Rent	-	-	42	42	42
Non Social Rented	-	-	-	-	-
Social Leasehold	-	-	79	79	79
Non Social Leased	-	-	-	-	-
Total	28	21	4,936	4,985	5,008

Accommodation in development at year end 26

	General Needs - social rent	General Needs - affordable rent	Low Cost Home Ownership	Supported housing	housing - affordable rent	Intermediate rent	Social leasehold units owned	Total
Reconciliation of unit numbers:								
Opening unit numbers	1,553	107	663	2,550	14	42	79	5,008
New stock acquired	-	23	19	1	-	-	-	43
New stock into management	-	-	-	-	-	-	-	0
Other gains	-	-	-	-	-	-	-	0
Sales to Local Authorities	-	-	-	-	-	-	-	0
Sales to another RP	-	-	-	-	-	-	-	0
Sales to open market	-	-	-	-	-	-	-	0
Sales to tenants leasehold	-	-	(2)	-	-	-	-	(2)
Other losses	-	-	-	(64)	-	-	-	(64)
Movement within categories	-	-	-	-	-	-	-	0
Net change in stock	-	23	17	(63)	-	-	-	(23)
Closing unit numbers	1,553	130	680	2,487	14	42	79	4,985



Notes forming part of the financial
statements for the year ended 31 March
2024 - continued

6 Operating Surplus

This is arrived at after charging:	JJH	
	2024	2023
	£'000	£'000
Depreciation of housing properties		
- annual charge	2,794	2,824
Depreciation of other tangible fixed assets	794	843
Amortisation of intangible fixed assets	336	157
Impairment of Investments	375	-
Rent and service charge losses from bad debts	160	118
Operating lease rentals		
- office equipment and computers	23	23
Auditors' remuneration		
- for audit services	56	38
- for non-audit services:	16	24
- tax compliance	-	-

7 Surplus/(deficit) on sale of fixed assets – housing properties

	JJH	
	2024	2023
	£'000	£'000
Proceeds of sales	422	21
Less: Costs of sales	(259)	(17)
	<u>163</u>	<u>4</u>

8 Interest receivable and other income

	JJH	
	2024	2023
	£'000	£'000
Interest receivable and similar income	56	19
	<u>56</u>	<u>19</u>

9 Interest Payable and similar charges

	JJH	
	2024	2023
	£'000	£'000
Bank loans and overdrafts	4,469	3,506
Net interest on net defined benefit liability (Interest expense)	145	66
	<u>4,614</u>	<u>3,572</u>
Interest capitalised on construction of housing properties at 4%	(293)	(144)
	<u>4,321</u>	<u>3,428</u>



Notes forming part of the financial
statements for the year ended 31 March
2024 - continued

10 Employees, Directors remuneration and Board Costs

	JJH	
	2024	2023
	£'000	£'000
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	4,088	4,135
Social security costs	389	395
Cost of defined contribution scheme	197	179
	<u>4,477</u>	<u>4,709</u>

The average number of employees (including Executive Management Team) expressed as full time equivalents (35 hours per week)

	2024	2023
Administration	39	43
Development	-	5
Assets	17	13
Housing, Support and Care	68	63
	<u>124</u>	<u>124</u>

Directors and senior Executive remuneration

The directors are defined as the members of the Board of management, the Chief Executive and the Executive management team.

	JJH	
	2024	2023
	£'000	£'000
Executive Directors Emoluments	<u>597</u>	<u>620</u>

The total amount payable to the Chief Executive, who was also the highest paid director, was £154,529 (2023: £148,893). As a member of the SHPS pension scheme, the pension entitlement of the Chief Executive is identical to those of other members of staff and equated to £8,425.



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

10 Employees, Director's remuneration and Board Costs (continued)

Range	JJH	
	2024 £'000	2023 £'000
£60,000 - £69,999	4	5
£70,000 - £79,999	2	-
£90,000 - £99,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	-	2
£140,000 - £149,999	2	-
£170,000 - £179,999	1	1

Board Member	Remuneration
Brian Benneyworth	6,545
Andrew Bowden	6,545
Steve Secker	6,545
Sue Lock	11,358
Tabitha Arulampalam	6,885
Abdul Ravat	4,647
Peter Nourse	7,140
Robert Seldon	6,545
Angela Single	4,647
	<u>60,856</u>

In addition, the Board members received £2,128 in expenses (2022/23: £2,754)

11 Tax on surplus on ordinary activities

	2024 £'000	2023 £'000
Current tax reconciliation		
Surplus on ordinary activities before tax	401	373
Theoretical tax at UK corporation tax rate 25% (2023: 19%)	100	71
- surplus attributable to charitable activities	(100)	(71)
Current tax charge	<u>-</u>	<u>-</u>



**Notes forming part of the financial
statements for the year ended 31 March
2024 -continued**

12 Tangible Fixed Assets – housing properties

	Social Housing properties held for letting £'000	Social Housing properties under construction £'000	Completed shared ownership housing properties £'000	Shared ownership properties under construction £'000	Total £'000
Cost					
At 1 April 2023	134,742	4,467	23,999	1,031	164,239
Transfer To Completed Construction - Additions	2,861	(2,861)	798	(798)	-
Works To Existing Properties	-	1,661	-	503	2,163
Property Acquisitions in the year	1,526	-	-	-	1,526
Property Disposals In The Year	1,189	228	3,106	-	4,523
Transferred To Held For Development	(88)	-	(1,229)	-	(1,317)
Component Additions	314	-	-	-	314
Component Disposals	3,910	-	-	-	3,910
At 31 March 2024	(43)	-	-	-	(43)
	144,412	3,495	26,673	736	175,315

Depreciation and impairment

At 1 April 2023	(21,670)	-	(1,567)	-	(23,237)
Depreciation Charged In The Year	(805)	-	(188)	-	(993)
Housing Props Depreciation eliminated in the year (Disposals)	5	-	-	-	5
Component Depreciation Charged	(1,802)	-	-	-	(1,802)
Component Depreciation Eliminated In The Year (Disposals)	9	-	-	-	9
At 31 March 2024	(24,262)	-	(1,755)	-	(26,017)

Net Book Value

At 31 March 2024	120,149	3,495	24,918	736	149,298
At 31 March 2023	113,072	4,467	22,432	1,031	141,002

The net book value of properties may be further analysed as follows:

	2024 £'000	2023 £'000
Freehold	130,439	122,887
Long leasehold	18,859	18,115
	<u>149,298</u>	<u>141,002</u>



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

12 Tangible Fixed Assets – housing properties (*continued*)

Expenditure on works to existing properties

	2024	2023
Works to properties		
Amounts capitalised	5,436	3,739
Amounts charged to income and expenditure account		
- Routine Maintenance	3,809	2,867
- Planned Maintenance	1,766	1,824
Total	<u>11,011</u>	<u>8,430</u>

Interest Capitalisation

	2024 £'000	2023 £'000
Interest capitalised in the year	293	144
Cumulative interest capitalised	3,055	2,762
Rate used for capitalisation	4%	5%

13 Tangible Fixed Assets – other

	Office buildings £'000	Furniture Fixings and Fittings £'000	Computers and Office Equipment £'000	Total £'000
Cost				
Balance as at 1 April 2023	177	12,150	3,816	16,143
Additions	-	577	-	577
Disposals	-	(1)	(103)	(104)
Balance as at 31 March 2024	<u>177</u>	<u>12,726</u>	<u>3,713</u>	<u>16,616</u>
Depreciation				
Balance as at 1 April 2023	(56)	(10,163)	(2,584)	(12,803)
Charge for year	(28)	(339)	(427)	(794)
Balance as at 31 March 2024	<u>(84)</u>	<u>(10,502)</u>	<u>(3,011)</u>	<u>(13,597)</u>
Net book value				
Balance as at 31 March 2024	<u>93</u>	<u>2,224</u>	<u>702</u>	<u>3,019</u>
Balance as at 1 April 2023	<u>121</u>	<u>1,987</u>	<u>1,232</u>	<u>3,340</u>



Notes forming part of the financial
statements for the year ended 31 March
2024 - continued

13a Intangible Fixed Assets

Cost	Software £'000	Total £'000
Balance as at 1 April 2023	1,382	1,382
Additions	408	408
Balance as at 31 March 2024	1,790	1,790
Amortisation		
Balance as at 1 April 2023	(305)	(305)
Charge for year	(336)	(336)
Balance as at 31 March 2024	(641)	(641)
Net book value		
Balance as at 31 March 2024	1,148	1,148
Balance as at 1 April 2023	1,077	1,077

14 Investment in subsidiaries

Investments represent a 100% shareholding in Astraline TEC Limited and Astraline JJ Limited. There have been no changes to investments held in the year. Both companies provide telecare services to JJH residents and residents of other housing providers and have the same registered office as Johnnie Johnson Housing. During the year, the directors considered the net realisable value of the investments and posted an impairment charge to reduce the value to £125k from its previous carrying value of £500k.

15 Debtors

	2024 £'000	2023 £'000
Due within one year		
Rent and service charge arrears	583	596
Less: Provision for doubtful debts	(367)	(185)
	216	411
Other debtors	1,098	726
Intercompany Debtors	524	0
Prepayments and accrued income	356	305
	2,194	1,442



Notes forming part of the financial
statements for the year ended 31 March
2023 - continued

16 Properties for Sale

	2024 £'000	2023 £'000
Shared ownership under construction	1,330	742
Properties held for sale	517	462
Total	1,847	1,204

17 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Loans and borrowings (note 21)	2,414	2,392
Trade creditors	595	887
Social housing grant in advance	-	-
Rent and service charges received in advance	949	747
Amounts owed to subsidiaries	380	205
Taxation and social security	159	110
Other creditors	179	249
Deferred capital grant (Note 19)	56	52
Recycled capital grant fund (Note 20)	66	56
Accruals and deferred income	3,313	3,155
Accrued interest	544	264
Funds Held on Behalf of Residents	2,471	2,539
	11,126	10,656

18 Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Loans and borrowings (Note 21)	81,602	74,007
Less Loan issue costs	(586)	(705)
Deferred capital grant (Note 19)	6,435	5,540
	87,451	78,842



19 Deferred Capital Grant

	2024 £'000	2023 £'000
As at 1 April 2023	5,593	5,180
Grants received during the year	952	459
Grants recycled from the recycled capital grant fund	-	-
Released to income during the year	(53)	(46)
As at 31 March 2024	<u>6,492</u>	<u>5,593</u>

20 Recycled Capital Grant Fund

	2024 £'000	2023 £'000
As at 1 April 2023	56	28
Inputs to fund:		
grants recycled	7	27
grants recycled from SOCI	-	-
interest accrued	3	1
Recycling of grant:		
- new build	-	-
As at 31 March 2024	<u>66</u>	<u>56</u>

21 Loans and Borrowings

	Bank loans	Local Authority Loans	Intragroup Loan	Total	Total
	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000
In one year or less, or on demand	2,414	-	-	2,414	2,392
In more than one year but not more than two years	2,471	-	-	2,471	2,429
In more than two years but not more than five years	6,667	-	10,000	16,667	16,867
In more than 5 years	40,465	22,000	-	62,465	54,711
Total	<u>52,016</u>	<u>22,000</u>	<u>10,000</u>	<u>84,016</u>	<u>76,399</u>

Loans are shown net of financing costs of £568k (2023: £705k) which will be amortised over the period of the loans.



Notes forming part of the financial statements for the year ended 31 March 2023 - continued

21 Loans and Borrowings continued

The RBS loan is repayable annually over the terms of 30 years at fixed and variable rates of interest ranging from 4.05% to 5.19%. The Co-op loans are repayable quarterly over the terms of 25 years at fixed rates of interest ranging 2.63% to 5.33%. The Nationwide loan is repayable in monthly instalments over the terms of 25 years at variable (SONIA) rates of interest, an average of 4.97%. The loans from The Housing Finance Corporation (THFC) are secured by fixed charges on individual properties and are repayable on an interest-only basis during the terms of the loans at fixed rates of interest of 4.53% and 4.6%. The remaining principal sum falls to be repaid in 2035 and 2043. The loans from Warrington Borough Council are secured by fixed and variable charges on individual properties and are repayable on an interest-only basis during the terms of the loans. Interest has ranged from 3.01% to 6.33%. The remaining principal sum falls to be repaid in 2042. The Danske loan was fully repaid and replaced by a Sanctuary variable loan on 29th February 2024. The interest rates quoted are exclusive of margin.

2,576 of JJH's properties are currently charged as security for the loans.

22 Pensions

JJH is a member of the SHPS Pension Scheme.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. The latest accounting valuation was carried out with an effective date of 30 September 2022.

Due to JJH's closure of the scheme in 2019 it has protected itself from future accrual but continues to hold provision for past deficit liabilities. JJH continues to contribute to the defined contribution scheme.

The valuation has produced an increase in liability during this financial year and is recognised in other comprehensive income. The breakdown can be seen below:

	2024 £'000	2023 £'000
As at 1 April 2023	3,349	2,711
Sub total	3,349	2,711
Defined benefit costs recognised in SoCI	145	66
Total amount recognised in other comprehensive income	590	1,299
Deficit contributions paid	(766)	(727)
As at 31 March 2024	3,319	3,349
	2024 £'000	2023 £'000
Fair value of plan assets	14,797	15,231
Present value of plan liabilities	(18,116)	(18,580)
Net pension scheme liability	(3,319)	(3,349)

In the prior year we were 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 remains unresolved at year end. 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.



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

22 Pensions (continued)

The following FRS 102, section 28, accounting disclosures are specific to Johnnie Johnson Housing for the period ending 31 March 2024

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2024 (£000s)	31 March 2023 (£000s)
Fair value of plan assets	14,797	15,231
Present value of defined benefit obligation	18,116	18,580
Deficit in plan	(3,319)	(3,349)
Defined liability to be recognised	(3,319)	(3,349)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period from 31 March 2023 to 31 March 2024 (£000s)
Defined benefit obligation at start of period	18,580
Current service cost	-
Expenses	22
Interest expense	887
Member contributions	-
Actuarial gains due to scheme experience	(209)
Actuarial gains due to changes in demographic assumptions	(238)
Actuarial gains due to changes in financial assumptions	(13)
Benefits paid and expenses	(913)
Defined benefit obligation at end of period	18,116

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period from 31 March 2023 to 31 March 2024 (£000s)
Fair value of plan assets at start of period	15,231
Interest income	742
Experience on plan assets (excluding amounts included in interest income) -	(1,050)
Employer contributions	787
Benefits paid and expenses	(913)
Fair value of plan assets at end of period	14,797

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£308,000).



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

22 Pensions (continued)

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME

	Period from 31 March 2023 to 31 March 2024 (£000s)
Current service cost	-
Expenses	22
Net interest expense	145
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	167

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (SOCl)

	Period from 31 March 2023 to 31 March 2024 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(1,050)
Experience gains and losses arising on the plan liabilities - gain (loss)	209
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	238
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	13
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(590)
Total amount recognised in Other Comprehensive Income - gain (loss)	(590)

	31 March 2024 (£000s)	31 March 2023 (£000s)
Global Equity	1,475	284
Absolute Return	578	165
Distressed Opportunities	522	461
Credit Relative Value	485	575
Alternative Risk Premia	470	28
Risk Sharing	866	1,121
Insurance-Linked Securities	76	384
Property	594	656
Infrastructure	1,495	1,740
Private Equity	12	-
Private Debt	582	678
Opportunistic Illiquid Credit	578	652
High Yield	2	53
Opportunistic Credit	-	1
Cash	292	110
Corporate Bond Fund	-	-
Long Lease Property	96	460
Secure Income	442	699
Liability Driven Investment	6,022	7,014
Currency Hedging	(6)	29
Net Current Assets	25	39
Total assets	14,797	15,231

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.



Notes forming part of the financial statements for the year ended 31 March 2024 - continued

22 Pensions (continued)

KEY ASSUMPTIONS

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount Rate	4.90%	4.88%
Inflation (RPI)	3.17%	3.20%
Inflation (CPI)	2.77%	2.74%
Salary Growth	3.77%	3.50%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	2024	2023
	Life expectancy at age 65	Life expectancy at age 65
	(Years)	(Years)
Male retiring in 2024	20.5	21.0
Female retiring in 2024	23.0	23.4
Male retiring in 2044	21.8	22.2
Female retiring in 2044	24.4	24.9

23 Non-equity share capital

	2024	2023
	£	£
As at 01 April	18	19
Shares issued in the year	1	2
Shares cancelled in the year	(18)	(3)
As at 31 March	1	18

The share capital consist of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled and the amount paid thereon becomes the property of the Group. Therefore, all shareholdings relate to non-equity interests.

24 Contingent Liabilities

The group had no contingent liabilities as at 31 March 2024 (2023: nil)

The group received grant from Homes England, which is used to fund the acquisition and development of housing properties and their components. In certain circumstances upon disposal of grant funded properties the group is required to recycle this grant by crediting the Recycled Capital Grant Fund.

At 31 March 2024, the value of grant received in respect of these properties that had not been disposed of was £108,441k, this is in relation to grant received pre FRS102. Grant received post FRS102 is detailed in note 19.

As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.



**Notes forming part of the financial
statements for the year ended 31 March
2024 - continued**

25 Financial Instruments

These may be analysed as follows:

	2024	2023
	£'000	£'000
Financial assets		
Financial assets measured at historical cost		
- Trade and other receivables	1,314	1,137
- Intercompany debtors	524	-
- Cash and cash equivalents	3,781	3,987
Total financial assets	5,619	5,124
Financial liabilities		
Financial liabilities measured at amortised cost		
- Loans payable	84,016	76,399
Financial liabilities measured at historical cost		
- Trade creditors	595	887
- Other creditors	7,522	7,010
- Deferred capital grant	6,491	5,592
- Amounts owing to subsidiaries	380	205
Total financial liabilities	99,004	90,093

26 Operating Leases

	2024	2023
	£'000	£'000
Not later than one year	143	133
one to five years	79	206
Total	222	339

27 Capital Commitments

The group had no capital commitments at the 31 March 2024 except for £1,322k (2023: £8,620k) contracted but not provided for. This is the remaining spend on the current developments and will be funded from cash reserves and secured funding. Non contracted commitments are £Nil as at 31 March 2024 (2022: nil).

28 Current Asset Investments

	2024	2023
	£'000	£'000
COIF Investment Funds	148	148
	148	148