Financial Statements

2023/2024

CHP

Contents

Our highlights

We are focused on providing homes for people that need them and offer a range of support and services. We want our current and future customers to live in places where they feel comfortable, safe, and can make the most of their lives.

Strong growing business

£76.6m
turnover

£25.9m
operating surplus

33.8%
operating margin (all activities and/or core business)

111.4%
EBITDA MRI interest rate cover (VfM Regulatory Standard definition)

G1/V2
rating from the Regulator of Social Housing

11,780
properties owned or managed[1]

£766.7m
housing assets

A- (stable)
credit rating from S&P

[1] Figure includes homes, shops, or other commercial units and garages.

Safe and well-maintained homes

7,063
homes with an EPC rating of C or above

£17.3m
invested in repairing and maintaining existing homes

£5.7m
invested in improving and modernising existing homes

More great new homes

252
new homes provided

£57.1m
invested in new homes development

Delighting customers

90%
customer satisfaction

Great place to work

+26.35
Net Promoter Score

We're passionate about doing and being the best we can for the customers and neighbourhoods we serve.

Celebrating the Hub garden launch with the local community

Five-year financial summary

Group statement of comprehensive income	2020	2021	2022	2023	**2024**
	£m	**£m**	**£m**	**£m**	**£m**
Turnover	66.1	67.6	73.8	77.6	76.6
Operating surplus	16.2	21.4	23.8	20.0	25.9
Operating surplus as percentage of turnover	24.5%	31.7%	32.2%	25.8%	33.8%
Movement in fair value of investment properties and FI	(2.5)	1.3	(0.0)	2.2	1.6
Net financing	(17.4)	(17.3)	(19.2)	(19.7)	(20.1)
Surplus before tax	**(3.7)**	**5.4**	**4.6**	**2.5**	**7.4**
Repairs and maintenance spend	13.7	12.3	14.0	17.7	17.3
Capitalised spending on improvements to housing properties	3.1	2.3	4.1	7.4	6.5
EBITDA MRI as a percentage of interest payable	158.5%	138.8%	119.6%	104.2%	111.4%

Group statement of financial position	2020	2021	2022	2023	**2024**
	£m	**£m**	**£m**	**£m**	**£m**
Housing fixed assets	663.7	686.7	692.6	727.8	766.7
Other assets less current liabilities	39.1	56.5	52.9	42.5	43.9
Total assets less current liabilities	**702.8**	**743.2**	**745.5**	**770.3**	**810.6**
Debt (due over one year)	455.0	489.5	483.1	496.7	536.5
Other long term liabilities	106.5	98.6	71.5	21.2	19.7
Total long term liabilities	561.5	588.1	554.6	518.0	556.2
Reserves total	141.3	155.1	190.9	252.3	254.4
Total long term funding and reserves	**702.8**	**743.2**	**745.5**	**770.3**	**810.6**

Group cash flow	2020	2021	2022	2023	**2024**
	£m	**£m**	**£m**	**£m**	**£m**
Net cash from operating activities	25.3	31.5	37.4	31.9	33.7
Financing cash flow	(19.5)	(19.3)	(20.5)	(21.6)	(23.8)
Operating cash flow net of financing	**5.8**	**12.2**	**16.9**	**10.3**	**9.9**
Purchase of Property, Plant, and Equipment (PPE)	(56.7)	(39.6)	(32.3)	(49.6)	(70.9)
Operating cash flow net of financing and capex	(50.9)	(27.4)	(15.4)	(39.3)	(61.0)
Proceeds from sales	3.6	8.7	17.4	4.4	22.1
Grants and interest received	5.4	0.3	1.2	1.0	4.1
Operating and sales cash flow	**(41.9)**	**(18.4)**	**3.2**	**(33.9)**	**(34.9)**
Net movement in borrowings	28.9	35.2	(5.6)	13.9	40.5
Net change in cash and cash equivalents	**(13.0)**	**16.8**	**(2.4)**	**(20.0)**	**5.6**

Chair of the Board welcome

Welcome to our Financial Statements for 2023/2024. This was the second year of our current three-year Corporate Strategy which was developed to help us achieve our mission of transforming lives by creating and providing safe and well-maintained homes for everyone who needs them. We have continued to strive to delight our customers, invest in and improve our existing homes, and build more new homes to meet housing need.

The social housing sector is experiencing a period of transformation. In July 2023, the Social Housing (Regulation) Act became law, which brings more reform to the sector and lots of changes that will impact how all social landlords operate. The quality and condition of social housing, and their impact on residents' lives, have come under scrutiny due to many instances of social landlords not delivering the service customers expect. We have seen examples across the sector of unsafe homes, and damp and mould being called out by the Housing Ombudsman as well as other campaigners who are helping to give social housing customers a voice.

At CHP, we spent £23m on repairing, maintaining, and modernising homes, and continued our work to make some older homes more energy efficient, to improve our environmental impact, and help lower energy bills for customers. With a 'Standard Assessment Procedure' (SAP) score of 75, the average Energy Performance Certificate (EPC) rating of the homes we provide is C. This is above the social housing average SAP of 70 (C rating) and UK housing average of 67 (D rating), but there is a lot more work we still need to do in the coming years to invest in the environmental performance of the homes we provide and bring energy bills down.

The marked increase in the cost of living has continued to dominate the economic landscape this year. We know people are finding it harder to manage the costs associated with everyday living, which in turn has had a significant impact on their wellbeing. We have worked hard to support our customers through this difficult time. Our team have continued to embody our values, by being bold and open-minded in finding solutions to problems and being determined to make a difference to customers and communities.

We issued over £234,000 in grants to customers experiencing hardship. We provided over 1,000 food bank, supermarket, and fuel vouchers to customers who told us they were struggling. We also provided welfare benefit advice to help make sure customers get what they are entitled to, and we referred customers to support agencies so they could get the specialist help they need.

We measure the quality of our service delivery by the feedback we get from customers. Our overall customer satisfaction score for the year was 90 percent. We are really pleased with this result, but we know there is more that needs to be done to improve our services and to delight customers consistently. Tenant perception surveys were carried out for the first time this year, with the Regulator of Social Housing's Tenant Satisfaction Measures (TSMs). They aim to give social housing tenants more visibility into landlord performance and a greater ability to hold us to account. We will be publishing our 2023-2024 results by September 2024 and will continue monitoring performance against the TSMs over the coming year to make sure we keep improving services for customers.

We launched our Connecting Communities, Homes, and People (Connecting CHP) initiative this year, a new opportunity aimed at getting to know customers better. We have hosted coffee mornings and festive lunches at our sheltered schemes, as well as neighbourhood clean-ups, and action days. There are lots more community events taking place in the coming year, and we will be focusing on our customer visits programme.

We continued to deliver a good financial performance with turnover at £76.6m and an operating surplus of £25.9m, alongside strong operational measures. These include a low level of rent arrears (collecting over 99 percent of rent due), reduced re-let times, and lower rent loss from voids.

We continued our strategy of working with for-profit registered providers by entering a new relationship with investment company M&G. They bought 168 of our shared ownership homes, which we continue to manage on their behalf. Transferring the ownership of these homes has provided us with more funds to build more great new homes as the demand for social housing continues to rise.

The Regulator of Social Housing reconfirmed our G1 rating for governance and V2 rating for financial stability. We also received an upgrade in our credit ratings from S&P Global to 'A-' with a stable outlook. These results support our current strategy, including our commitment to building new homes, and recognise the progress made in the past year despite the economic challenges.

Looking ahead to the final year of our current Corporate Strategy, we recognise that there is still much to achieve and that we will inevitably face additional challenges. We'll be focusing on service improvement plans to address customer complaints, improving the quality of our data to provide better insights, delivering more new homes through partnerships, as well as our financial and environmental sustainability. We are well-positioned and with the hard work and tenacity of our team, I know we can accomplish our goals and deliver for customers.

Nicola Sawford
Chair

Parkside Court

Chief Executive welcome

The cost-of-living crisis means that this year has been another difficult one for many of our customers. I believe a person's home is essential to their wellbeing, so I know how important it is that the homes we provide are warm, safe, and comfortable to live in. I also know that the support and services we offer can really make a difference and help transform lives, so it is vital that we get them right.

We have been carefully managing our commitments to customers whilst adapting to the substantial changes the social housing sector is experiencing and the tough economic environment we are operating in. We are making good progress with our plans and will continue to do our best for customers each day.

This starts with getting to know them better and that is an area that we have prioritised this year. We held 42 events in total as part of our new Connecting CHP initiative with lots of our team getting involved. We have also been improving the collection and analysis of customers' equity, diversity, and inclusion data to help us better understand their needs and adjust our services accordingly. This work will continue throughout 2024 and beyond.

On the back of the sheltered housing review carried out last year by our customer scrutiny group, the Customer Review Panel, we started a 'Later Living' programme. This focuses on customers' needs as they get older. We completed thorough assessments of four sheltered schemes initially, and we are working with customers to look at how best to make our schemes fit for now and the future.

We completed the remediation project at our high-rise building, Parkside Court, making sure it remains safe to live in and fully compliant with building regulations.

We launched a regeneration programme at Andrews Place and Rainsford Lane in Chelmsford to invest in the area and improve our service offering for older people. I'm delighted that our customers living in the area are helping us shape our plans for the neighbourhood, and are playing a big part in the design with the architects they helped select. We aim to make better use of the space and increase the number of much-needed affordable homes in the area.

We continued our investment in existing homes by modernising over 2,300 of them this year. We also continued to retrofit poor performing homes to reduce their impact on the environment and lower customers' energy costs. We are pleased to say that 74 percent of the homes we provide now have an EPC rating of C or above.

We were successful in our bid for the government's Social Housing Decarbonisation Fund Wave 2.2 this year, which granted us £604,000 to invest in the energy efficiency of some of our older, non-traditionally built homes.

We sustained our efforts to raise awareness of damp, mould and condensation and had almost 2,000 reports of incidents in customers' homes this year. We improved our employees' understanding with company-wide training so that we can better support customers. We set up specialist damp and mould technicians for assessing and helping resolve these cases of damp and mould in customers' homes.

Over 39,400 planned, responsive, and emergency repairs were carried out by our in-house repairs team and our contractors, and we got 88 percent of repairs right first time.

We continued the Voids Improvement Project which we started last year, to deliver an effective way of managing empty homes. So far, we have improved our re-let time from an average of 111 days to 74 days and reduced rent loss by almost £88,000 on the previous year. A second phase of the project is underway and is focusing on improving our data to identify where processes can be more efficient.

Despite the challenging economic and build environment, we remained committed to delivering new homes to help address the housing crisis. We provided over 250 new homes in the last year. This means we have delivered nearly 4,400 new, affordable homes since our development programme began in 2006.

Throughout the year, we looked for opportunities to provide customers with more support. We gave a local foodbank extra supplies to help families struggling to feed children over the six weeks of school holidays. We provided vouchers to families to help with the cost of back-to-school essentials and we also gave warm packs to some vulnerable customers to help keep them comfortable at home during winter.

We continued to support the local community in various ways, providing access to learning opportunities, social events and activities, as well as careers and welfare support at the Hub.

Our community investment work generated a social value of £5.6m, according to the social value bank tool from the Housing Association Charitable Trust. This is an increase from £1.7m on the previous year.

We have focused more on learning from customer feedback, experiences, and the complaints we receive so that we can improve our services and help meet customers' needs. We have continued to consult customers on policies to make sure they reflect what matters most to them. This includes our updated Anti-social Behaviour (ASB) and Hate Crime Policy, which is an important step towards improving how we deal with ASB.

The high cost of living continues to put a strain on many of our employees too. Despite this, the team have shown huge kindness and generosity in giving back to many charities and local communities. We have continued to support employees' health and wellbeing with resources and initiatives throughout the year. We had our commitment recognised with a level three Working Well Accreditation from Essex Working Well (part of Essex County Council's Essex Wellbeing Service) - the highest level achievable.

By this time next year, we hope to have achieved what we set out to in our Corporate Strategy and set our ambitions for our new strategy for 2025-2030. We recognise the importance of listening to customers and understanding the needs of those living in the homes we provide. We will navigate the economic challenges and changes to the sector while working to provide customers with warm, safe, and well-maintained homes, along with excellent services.

Paul Edwards
Chief Executive

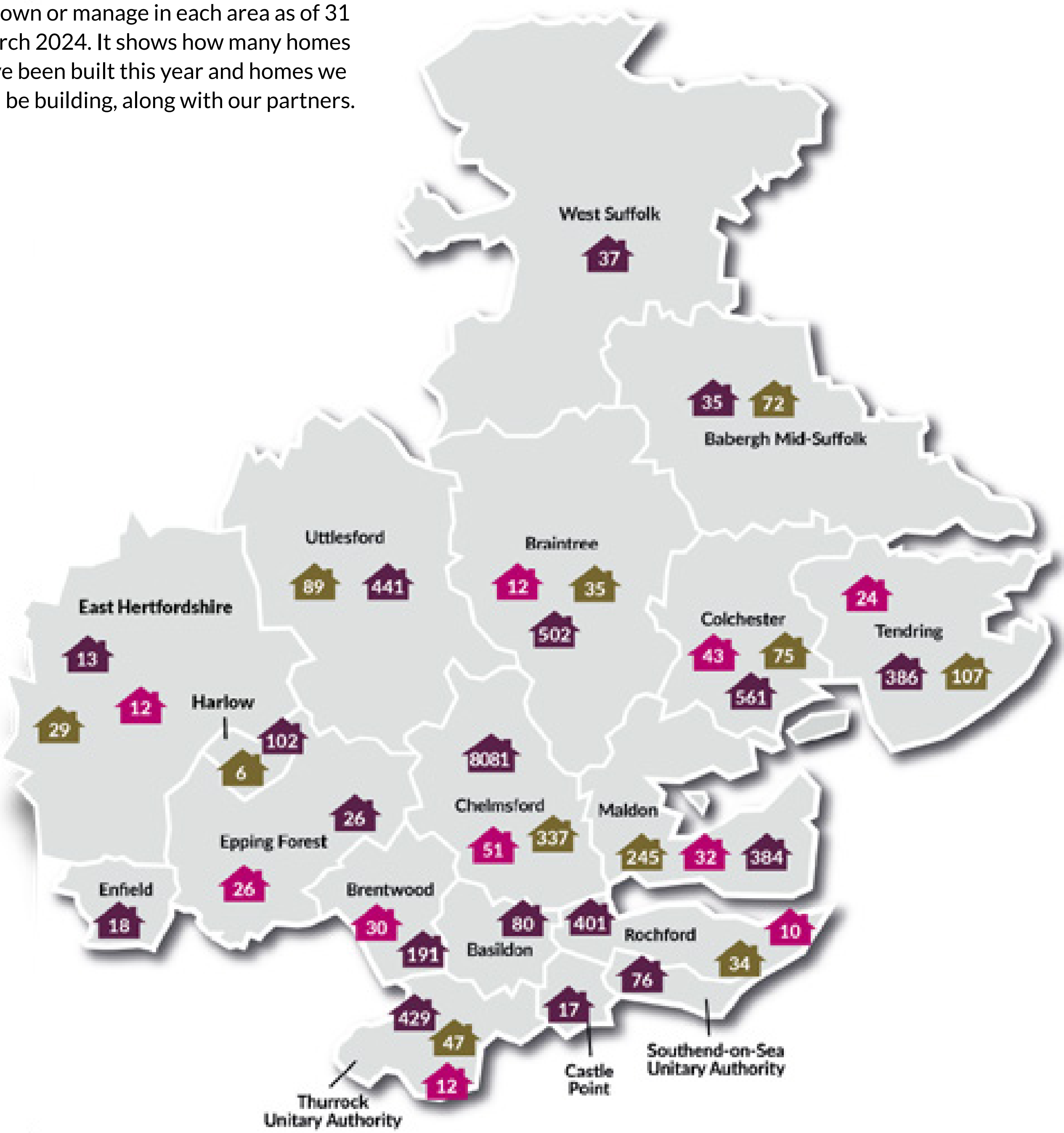
Rayne Road, Chelmsford

Parkside Community Hub garden

Strategic report

Our operational area

This map shows how many properties we own or manage in each area as of 31 March 2024. It shows how many homes have been built this year and homes we will be building, along with our partners.



Total number of properties owned or managed

Homes built this year

Homes we'll be building

Our vision, mission, and purpose

We are a local, community-based housing association that is here for the long-term. We own and manage over 11,700 homes and have over 27,000 customers. We are passionate about doing and being the best that we can for our customers and the neighbourhoods we serve. We provide affordable homes to help tackle the housing shortage in the east of England and provide places where people want to live. Whether it's for customers or employees, our goal is thriving communities.

We know how important it is that the homes we provide are warm, safe, and comfortable to live in. In addition to providing housing, we want to help transform customers' lives and their communities. We invest time, people, and money in listening to what customers want and helping them improve their quality of life. We have a support fund, to help our most vulnerable customers experiencing financial hardship. We offer customers a range of support and services such as personal welfare benefits advice and help with getting into employment. We also provide support if they are experiencing problems such as anti-social behaviour or domestic abuse. Because we are a not-for-profit organisation, we reinvest our surpluses to build more homes and support local communities, for example, by improving their skills and wellbeing.

To help us achieve our purpose, we have over 360 employees, including teams of specialists and skilled tradespeople. All our employees are committed to providing customers with a great service and a safe and well-maintained home.

Our vision and mission

Our vision is to transform lives and our mission is to create great homes for everyone who needs them.

Customer event at Andrews Place

We believe everyone deserves the opportunity to make the most of their lives. To achieve this, everything we do is guided by our strong values.

Our values

To be an organisation that cares about our customers and communities and is determined to make a difference. We will be bold and open-minded in our pursuit of solutions to help people transform their lives.

Bold

We are focused on the issues that matter most to the community we serve, and we take a bold approach to solving hard-to-fix issues.

Open-minded

We are open to difference, to challenge, and to new ideas. We encourage diversity, curiosity, and inclusive communication.

Caring

We are passionate about what we do and continually strive to listen, learn, and improve together.

Determined

We are aware of the impact we have on our environment, our customers, and wider community, and we are determined to do the right thing. We will balance the sustainability of the organisation with the needs of the community and broader society.

Customer Resolution Centre advisor, Claire

Our Corporate Strategy

These Financial Statements cover our performance during the second year of our current Corporate Strategy which sets out our ambitions and shapes all our activities for 2022-2025.

We have six strategic objectives that will help us to achieve our mission of transforming lives.

Delighting customers

We want all customers to feel listened to, that their views are heard and acted upon, and that they are treated as individuals. By listening and learning, we are able to anticipate needs, improve our service delivery, and shape great neighbourhoods.

Safe and well-maintained homes

We are investing in our existing homes to make sure they are well-maintained and meet high standards of landlord safety. We are dedicated to reducing their environmental impact and lowering energy costs for customers, through our improvements.

More great new homes

We are focused on meeting housing need by collaborating with partners to deliver affordable, new homes and to provide more homes for social rent. New homes are environmentally sustainable and as many as possible will be 'zero-carbon ready'.

Great place to work

We create a trusting and inclusive environment that values employee feedback. We want to attract and retain talented individuals who share our values. We give everyone opportunities to develop and grow and motivate our people to bring their best selves to work every day.

Smart ways of working

We use data and technology intelligently and effectively. It will inform, innovate, and improve the services we provide so we can achieve our goals. We prioritise what helps us to perform better and makes the most difference.

Strong growing business

We need strong finances to deliver our strategy and we make the most of every pound we spend for customers and communities. We collaborate with partners in both the public and private sector to make a positive social impact, steering our business through the challenging financial environment of this strategy.

Our customers

Customer satisfaction

Our customers are the reason we exist, and they are at the centre of everything we do.

We want to hear what all our customers think, whether it is good or bad, so we know when we get things right and where we need to do better.

We monitor customer satisfaction as a measure for delivering a great customer experience. One of the ways we do this is through satisfaction surveys when a customer has experienced one of our services including call handling, repairs, grounds maintenance, estate cleaning, planned maintenance, and moving in. Overall customer satisfaction for the year remains high at 90 percent.

Head of Neighbourhoods, Lee at an ASB feedback session

Customer service

Our Customer Resolution Centre (CRC) will often be a customer's first point of contact for an enquiry. The CRC work with experts from various departments within the organisation so that when a customer contacts us, we can give them the right answer first time around. First time resolutions increased again this year, from 72 to 79 percent.

Complaints

We want to do the right thing for customers and provide services in a way that enables people to have the right foundations in place to live happily, safely, and healthily. But sometimes things go wrong, and we need to put them right.

We simplified our complaints process by removing an informal step and raised awareness with customers about their right to complain, to make sure we are compliant with the Housing Ombudsman's Complaint Handling Code. We treat every expression of dissatisfaction raised by a customer as a complaint. As a result, and like others in the sector, we saw an increase in complaints this year, with 466 formal complaints received.

We have a Learning from Customers Panel made up of senior employees from across the organisation who work together to review feedback from complaints, surveys, and other sources to improve how we work and embed lessons learnt into our daily service delivery.

Customer engagement

Customers worked with us throughout the year to improve our services and influence our decision-making. This included a dedicated group of customers designing new ways for customers to get involved and in January 2024 our shareholders voted to move away from our previous shareholding model and adopt a new customer engagement structure. Our customers known as 'CHP Community Voices' focused on creating three groups: Community and Communication, Customer Review Panel, and Equity, Diversity, and Inclusion. These groups will report formally to our Customer Experience Committee, with customers becoming members of the committee to evaluate feedback and implement strategies to improve customer satisfaction.

Customer engagement activities during the year involved feedback groups, consultations, and surveys. This included consultation on five customer policies including our Anti-social Behaviour and Hate Crime Policy, Adaptations Policy, and Compensation and Goodwill Gesture Policy. By using customer feedback, we make sure the policies reflect what matters most to customers.

The Customer Review Panel started their next scrutiny review during the year, looking at where things go wrong when customers contact us and issues aren't resolved. They have been reviewing feedback and reports, and shadowing the Customer Resolution Centre to understand more about the calls that come in. They have also been speaking to teams around the organisation in preparation for making recommendations to the Customer Experience Committee to help drive improvements.

Supporting customers

The high cost of living has continued to put a huge strain on day-to-day life for many people. We have a team of friendly advisors that provide help and information with all types of benefits, from filling out an application to support with appeals and tribunals. We helped customers claim £1.3 million worth of additional benefits this year. We issued 516 fuel vouchers, 415 supermarket vouchers, and 85 food bank vouchers.

We can help customers get access to independent specialist support and advice. We do this by making referrals to a range of support agencies such as Peabody Floating Support, The Trussell Trust, Citizens Advice, StepChange, and the Essential Living Fund.

We have our own support fund and provided £234,000 in grants this year to help customers experiencing hardship.

We also supported customers experiencing challenges in their homes and communities, such as anti-social behaviour, domestic abuse, and hoarding which can really affect quality of life.

Investing in communities

We spent £83,538 this year on neighbourhood improvement works to enhance our communities.

We also continued to provide a range of events, clubs, and courses at our Parkside Community Hub and had 5,360 visits to the Hub this year.

We offered advice and support to anyone wanting to improve skills or gain qualifications. Over 700 learning opportunities were accessed in total. We worked closely with partner organisations to offer courses including maths and English for speakers of other languages (ESOL). We also launched a career hub offering people the opportunity to drop-in for help with their CV, job applications, or general career advice.

We hosted a variety of weekly clubs for everyone to get involved in. These included crafts, social Spanish, and gardening, and were led by CHP customers from the local community. We organised workshops such as children's cooking classes and themed events including a tea party for the King's Coronation and Halloween crafts. We held an open day in October to help customers and the local community get ready for winter. In December, we held a festive lunch for elderly and more isolated customers.

In total, 1,395 people got involved in social events and opportunities at the Hub.

We hosted weekly drop-in sessions with organisations including Citizens Advice and Peabody, and also our own Welfare Benefits Advisors. This gave people in the community with concerns about housing, mental health, debt, isolation, or substance misuse the opportunity to access a variety of support and resources.

In total, 1,076 people visited the Hub to access the drop-in sessions and other support including general form filling, digital skills, and access to Hearing Help Essex for people with hearing loss

Connecting Communities, Homes, and People initiative

This year, we launched our Connecting Communities, Homes, and People (Connecting CHP) initiative to get to know customers better. To help us achieve this, we held a range of events and activities that employees and customers could get involved in.

This included 22 coffee mornings and 13 festive lunches at sheltered schemes. We also held action days and neighbourhood clean ups, and two open days at our Parkside Community Hub.

Regina Road Connecting CHP event

Our people

As well as inviting customer feedback, we also ask for employee feedback. We carried out an employee Net Promoter Score survey this year as a way of measuring how likely our employees are to recommend CHP as a good place to work.

In March 2024, we scored +26.35. Any eNPS score of +10 shows a strong level of employee engagement. The score was a small reduction of 4.17 on the previous eNPS survey in June 2023 but an increase of 20.95 on the survey before that.

We are pleased that the score reflects the work we have been doing over the last few years to make improvements, including working more closely with employees to understand the challenges they face. We recognise there is more work to do and there are still areas for improvement.

Employee health and wellbeing

Throughout the year, our Wellbeing Group has supported employees' wellbeing in physical, financial, emotional, and social areas, promoting initiatives from walking campaigns to mental health support.

Some of our team shared videos about their personal experiences with health issues such as anxiety and cancer to help others going through similar struggles feel less alone.

We received a level three Working Well Accreditation from Essex Working Well (part of Essex County Council's Essex Wellbeing Service). This is the highest level achievable, and it was awarded to us for having a well-rounded wellbeing strategy and programme for our team.

Employees on one of our 'Walk This May' walks

Gender pay report

We published our annual Gender Pay Gap Report which covers the financial year 2022/2023. Our report shows that we have a 0 percent median gender pay gap. This is because more men are in the lower earning quartiles than previous years and more women are in the upper earning quartiles. We are really pleased with this result. You can find out how we compare with the national average and what we are doing about the gender pay gap in our report by visiting our website at **chp.org.uk**.

Ethnicity pay report

We voluntarily produced our second Ethnicity Pay Gap Report this year which covers the financial year 2022/2023. Our ethnically diverse employees' median hourly rate is 9.7 percent higher than our white employees' hourly rate, so our median EPG is not typical and is the other way around. This is due to having more white employees in both lower earning quartiles than our ethnically diverse employees. Our mean EPG suggests that our ethnically diverse employees' hourly rate is 3 percent lower than our white employees. This is mainly due to our lower ethnicity representation in all four pay quartiles. Find out what we are doing about the ethnicity pay gap by visiting our website **chp.org.uk.**

Equity, diversity, and inclusion

We continued to promote equity, diversity, and inclusion (EDI). Our EDI Working Group, representing all areas of the organisation and all employees, continued to promote EDI throughout the year. Initiatives included creating a Neurodivergent Employee Network to share experiences, an opportunity to learn some basic British Sign Language, and diversity catch ups on topics like hidden disabilities. In support of LGBT+ history month, a curated collection of LGBTQ+ books were available for employees to borrow.

We joined the HouseProud Pledge Scheme which demonstrates our commitment to LGBTQ+ resident equality, wellbeing, and support. We are looking at what we are doing well and where we can improve so that we are meeting the needs of customers and employees.

We produced our first EDI report this year, which covers the progress we have made on an action plan we created in 2022 in partnership with Housing Diversity Network. The report highlights work we have been doing and our priorities for the future. You can find out more by visiting our website **chp.org.uk.**

Supporting learning and development

We launched a new recognition, engagement, and performance management system this year to streamline some of our processes and support employees.

Alongside our regular e-learning courses available to all employees, we carried out tailored team building events for some groups around the organisation to help communication and collaboration.

We started a second round of our reverse mentoring scheme, where employees pair up with a senior manager to share their experiences and knowledge. The scheme helps facilitate collaboration and removes barriers across the organisation.

We also launched a new mentoring scheme with Charity Mentoring Network, which connects employees to mentors (or mentees) from other housing associations and charities. This gives employees access to variety of experience, and they can learn best practice from people outside of CHP on topics such as career progression, problem solving, leadership, management, self-confidence, and building relationships.

We have also been working to create more awareness of job opportunities for newcomers to join the housing industry by visiting careers fairs and we have continued to take on and nurture apprentices and graduates.

Giving back

We give our employees time off work so that they can volunteer to give back to charities and local communities. This year employees volunteered 30 days of time through our CHParticipate programme. They also raised money and donated hundreds of food items and goods.

Operating and financial review

The 2023/2024 financial year was another challenging one due to the uncertain economic landscape. As in other sectors of the economy, the social housing industry faced significant pressures caused by the ongoing cost of living crisis with high inflation and interest rates. Alongside this, the Social Housing (Regulation) Act has brought more reform to the sector and lots of changes that will impact how all social landlords operate.

Our Executive Management Team and the Board meet regularly to review the organisation's performance and to monitor the delivery of our corporate objectives and achievements in key areas such as rent collection, maintenance, repairs, and development.

Rent

Turnover for the group for the financial year end 2023/2024 was £76.6m. This was £1m less than the previous year, with social housing lettings increasing by almost 9 percent but a decline of 51 percent on turnover from other social housing activities, most of it due to a significant drop in first tranche shared ownership sales as fewer homes were built. Operating surplus was £25.9m, a £5.9m increase from the previous year predominantly driven from the sale of 168 shared ownership homes to our partner M&G.

We collected 99.15 percent of all possible rent, which included rent arrears from the previous year. This meant that we collected £61.84m in total.

Total rent arrears at the end of the financial year were £1.13m, which represented 1.81 percent of all rent charged. This low level of arrears means we can reinvest in providing safe, well-maintained, and energy-efficient homes.

Modernisation

This year we spent £5.7m on improving and modernising homes, that is £2.5m less than the previous year as we focused more of our spend on building safety works. We survey homes to assess if work is needed and this year we completed 1,815 home surveys.

Alongside day-to-day repairs and maintenance, we delivered:

	2023/2024	2022/2023
Planned repairs	14,766	12,601
Number of homes modernised	2,389	3,584
New kitchens	295	116
New bathrooms	96	131
Heating improvements	441	797
Electrical supply upgrades	131	266
Wet rooms	27	33

Energy-efficient homes

This year, 93 percent of the homes we provide have an Energy Performance Certificate (EPC). The average Standard Assessment Procedure (SAP) score of the homes we provide is 75, which is a C rating. This is above the social housing average of 70 (also C rating) and UK housing average of 67 (D rating).

In total, 7,063 homes we provide (74 percent) have an EPC rating of C or above. We have 663 homes with no EPC rating at all. We aim to address these remaining homes this year.

Repairs

This year we also spent £17.3m on repairing and maintaining homes. This is marginally less than the previous year. We got 88 percent of repairs right first time.

We repaired 609 homes that became empty during the year to get them ready for new lettings. This was 21 fewer than the previous year.

We spent an average of £4,827 repairing the empty homes, this is more than the previous year where we spent £2,888. This is because we needed to do more work on bringing the homes up to lettable standard and did more decorating on empty homes than the previous year.

We continued to raise awareness of damp, mould, and condensation and received 1,982 reports of incidences in customers' homes this year. We improved our employees' understanding of damp, mould, and condensation with company-wide training so that we can better support customers. We also established specialist damp and mould technicians for assessing and helping resolve cases of damp and mould in customers' homes.

The percentage of homes we provide that comply with the Decent Homes Standard is 99.47 percent. We have 35 homes that didn't meet the standard.

Development and sales

Our ambition is to provide 500 new homes a year as part of our three-year Corporate Strategy. The aim is for 250 of these homes to be delivered alongside our for-profit providers. Challenging financial markets led to some development programmes being paused in 2022. As a result, many developers slowed down their building schedules, delaying the completion and handover of affordable homes in 2023.

We provided 252 new homes in total this year by working with our partners. Of the 252 new homes provided, 201 were built by CHP and 51 by our partner LGAH. New homes were built in Braintree, Chelmsford, Colchester, East Herts, Epping, Maldon, Rochford, Tendring, Thurrock, and Uttlesford.

We built 14 homes for social rent this year, which along with two homes the previous year, means we will likely fall short of our three-year target of 150 social rent homes. We hope to provide more homes for social rent, and we will review our Growth Strategy next year to help us do this. We will need to manage high build costs and the volume of homes will be dependent on Homes England funding. We will also explore more land-led opportunities, giving us more control over the design, standard, and delivery of new homes. In the meantime, we have been adding to our team to support our goal of delivering more social rent homes.

The carrying value, which is the original cost of an asset minus depreciating factors, of our properties (including assets under construction) was £766.7m. This compares with £727.7m last year. The upturn is due to the increased number of homes we own.

We sold 28 homes for shared ownership this year. This enables customers who cannot afford to buy on the open market to part-buy and part rent their home. This generated £3.4m in income, £5.4m less than the previous year when we sold 64 homes.

We helped 11 shared ownership households own more of their home by buying a bigger share through 'staircasing'. This raised an additional £1.1m income. We helped two households buy their current home at a discount through the Right to Acquire scheme, achieving £0.5m.

We also sold 168 shared ownership homes to our partner M&G which generated £25.2m income. We continue to manage these properties under a management agreement with M&G.

We reinvest proceeds from sales in maintaining our existing homes and delivering more new homes. Investment in homes and the development of new ones was funded through a mixture of loan finance and working capital.

Celebrating our first homes on Mersea Island with City & Country

Operating and financial review

Regulator of Social Housing

Along with answering to our customers, we are also accountable to the Regulator of Social Housing (RSH). The regulator's role is to make sure that housing providers are properly governed, well managed, and financially secure.

The regulator reconfirmed our G1 rating for governance and V2 rating for financial viability. This means the RSH has judged that we are well governed and in a strong position to continue delivering on our corporate strategic objectives. Our V2 grading recognises that we are meeting the regulator's viability requirements, but we need to make sure we manage risk carefully.

Tenant Satisfaction Measures

Tenant perception surveys were carried out for the first time this year, with the Regulator of Social Housing's Tenant Satisfaction Measures (TSMs). They aim to give social housing tenants more visibility into landlord performance and a greater ability to hold us to account. As well as reporting our results so far, we will regularly monitor our performance against the TSMs to make sure we keep improving our services for customers. You can read more about these in our Annual Report for 2023/2024 and on our website.

chp.org.uk/tenant-satisfaction-measures

Credit rating

In October 2023, in their annual review S&P Global upgraded our outlook to stable from negative and at the same time affirmed the 'A-' long term issuer (Myriad Capital) credit rating. This rating expects our financial performance to remain fairly strong and is based on several factors. These include our commitment to building new homes, our strong liquidity position, and our timely response to the challenges presented by the volatile economic environment we are operating in.

A- (stable)
credit rating

Corporate finance and treasury

Monitoring of the treasury function is based upon stipulations in our Treasury Management Policy. As of 31 March 2024, all covenants and golden rules were met. Our interest cover was 154 percent at the end of 2023/2024. This is higher than the golden rule of 121 percent. The Regulator's interest cover (EBITDA MRI) from the VfM metrics, which is calculated differently stands at 111 percent.

We had committed debt funding of £616.3m and drawn funding totalling £516.1m, (2023: £474.5m). We seek to maintain diversification in our funding sources, with 51.56 percent coming from three banks and 48.44 percent from the issued bond.

We hedge our bank borrowing with International Swap and Derivative Association (ISDA) standalone swap agreements totalling £177m. The Group's refinancing risk within the next five years is £193.8m with 68.6 percent of the Group's debt maturing after five years.

Liquidity

We have £100.1m of committed undrawn facilities available for immediate drawing and £25.4m cash in hand, representing total available liquidity of £125.5m. These resources are considered sufficient to fund 33 months' worth of commitments.

Committed funding

All committed funds are fully secured by property. At the year end, the Group had 1,500 properties unencumbered for use for new loans. These properties are estimated to provide potential security of £229m for future new loans. The ability to raise new loans may enable us to develop more new homes in the future.

Interest rate management

The Board regularly monitors interest rate risk to ensure fixed debt remains within the range of 80 – 100 percent. At the year end, our portfolio was 82.7 percent fixed.

Our average interest rate cost for the year was 4.67 percent (2023: 4.41 percent) reflecting the fixed rate hedging noted above. We do not have any non-sterling or exchange rate exposure.

Investments

Excess cash is invested in accordance with our financial regulations. As of 31 March 2024, £9.1m was invested with Goldman Sachs on an overnight deposit and £14.7m in a Federated Investors AAA money market fund. Rates of return are between 3.91 percent and 5.37 percent.

Neil Perrins, Chief Financial Officer

Value for money

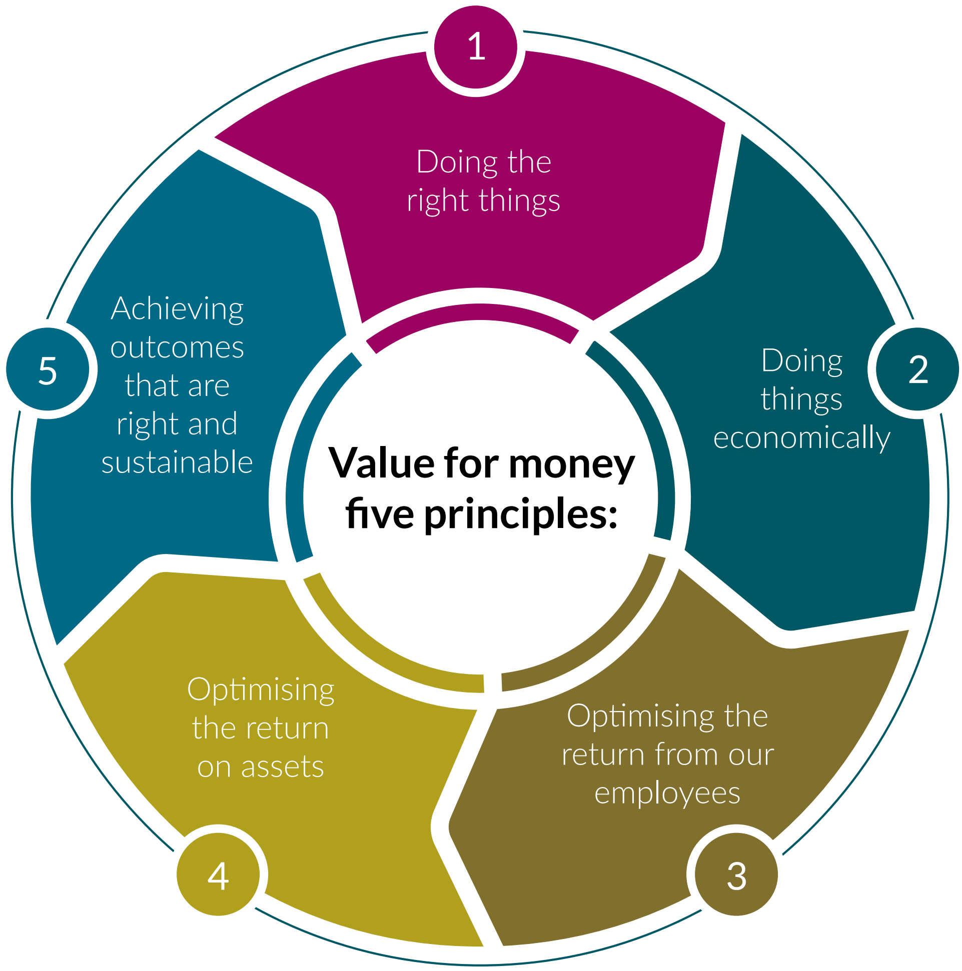
Our vision in delivering value for money

Value for money is at the heart of everything we do. Our mission is to transform lives by creating great homes for everyone. We are one of the largest housing associations in our region and one of the biggest developers of new homes. To achieve our mission, we must be a modern, innovative business that invests in places and people and delivers high-quality services to all our customers. The shortage of affordable homes, welfare, and sustainability challenges, the high cost of living and the volatile macroeconomic climate, means we must make sure every pound we receive is used in the best way possible. The more efficient and effective we are with how we spend our money, the more we can invest in new and existing homes and make sure we provide high-quality services. We are committed to making our money work harder for our customers and our business.

Over the last year, the Board have formed a working group to examine our performance in this area in greater detail, explore ways to improve performance, and together develop a new Value for Money Strategy. The work so far has refreshed the peer group we use to compare ourselves to others and utilised that to better understand how CHP delivers value for our customers. This broader peer group has been included in this section to help show how we performed. We anticipate publishing the new Value for Money Strategy in early 2025.

Our definition and application of value for money

Value for money is the achievement of efficiency (spending well), effectiveness (spending wisely) and economy (spending less). To make sure that we achieve this across all our activities, the Board has agreed the following five principles:



Principle 1: Doing the right things

We ensure we have clear business plans and strategies to enable our teams to focus on 'what matters most'.

During 2023/2024 the Board and Executive Management Team continued to monitor the robustness of the 30-year business plan through different stress testing scenarios, as well as the agreed 'Golden Rules' and its Risk Appetite.

Principle 2: Doing things economically

We aim to deliver our services in effective and efficient ways, using innovation, technology and research to design better ways to work. We investigate whether we are best placed to deliver services or if they could be undertaken more efficiently, effectively, or economically by someone else.

The Board, the Executive, and Senior Management Team have rigorously monitored financial performance to ensure the business was adhering as much as possible with the approved annual budget. This was during unprecedented cost increases, supply chain issues, and a turbulent political climate.

We have also continued to invest in identifying and implementing connected IT systems that help achieve lean and efficient processes.

Principle 3: Optimising the return from our employees

We aim to invest in our colleagues, promoting high performance, and a culture of innovation. This principle focuses on how we recruit, train, support, and retain our talent.

Principle 4: Optimising the return on assets

We create and maintain high-quality homes and other assets and use these as a platform to grow and develop. This principle focuses on the lifecycle of a home: development, maintenance, and stock rationalisation. Linking to the Asset Strategy, we ensure we invest in the right homes, to the right standard, at the right cost to deliver the right return.

Principle 5: Achieving outcomes that are right and sustainable

We assess our effectiveness and measure how successful we have been in achieving our Corporate Strategy through the lens of 'value for money'. We focus on what value has been delivered in terms of financial, social, economic, and environmental return.

Regulator of Social Housing metrics

Value for money metrics by the Regulator of Social Housing

The value for money (VFM) metrics require registered providers to annually report on their performance against a suite of measures defined by the regulator along with their own value for money measures and targets. This is to measure economy, efficiency, and effectiveness.

The Board agrees the metrics targets every year based on the approved budget and business plan. We have incorporated the Regulator of Social Housing's value for money metrics into our routine reporting, financial planning, decision-making, Board discussion, and have monitored our performance against the agreed targets throughout 2023/2024. This enables us to analyse our performance and understand the areas where we are doing well, as well as the areas that need improvement.

We also benchmark ourselves against other housing associations. The Board has agreed a peer group based on geographical location, size, and development programme. This peer group has been revised to include more local and regional similar organisations to help better compare how we perform on Value for Money. The Board-agreed group is as below. We have compared our performance for this year to the latest available information for the sector and our peer group being year ending March 2023.

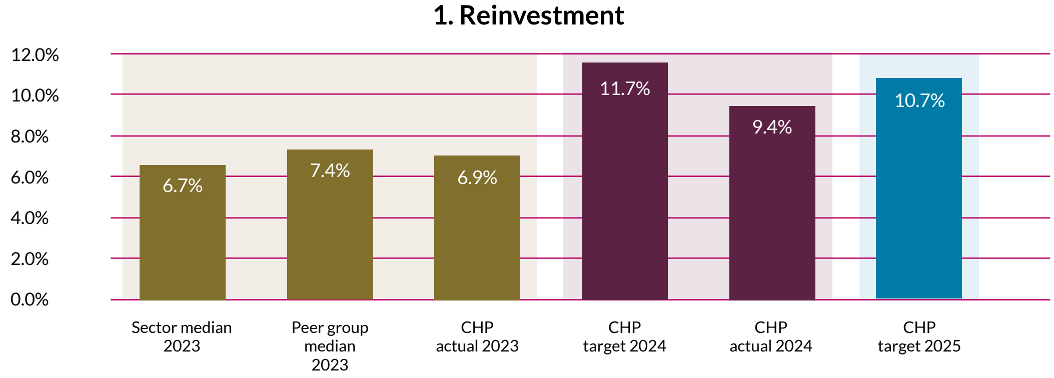
- bpha
- Cross Keys Homes
- Eastlight Community Homes
- Fairhive Homes
- Futures Housing Group
- Golding Homes
- Grand Union Housing Group
- Raven Housing Trust
- Saffron Housing Trust
- Saxon Weald
- Settle Group
- The Havebury Housing Partnership

These measures of the metrics have been mandated by the Regulator of Social Housing. This includes the definition of the measure, which sometimes differs to measures elsewhere in the Financial Statements and to our financial covenants.

CEO Paul, with a customer at Landers Court

Metric 1 – Reinvestment %

Reinvestment metric measures our investment in the acquisition and development of new properties plus our investment in maintaining existing properties as a proportion of the total value of our housing properties.

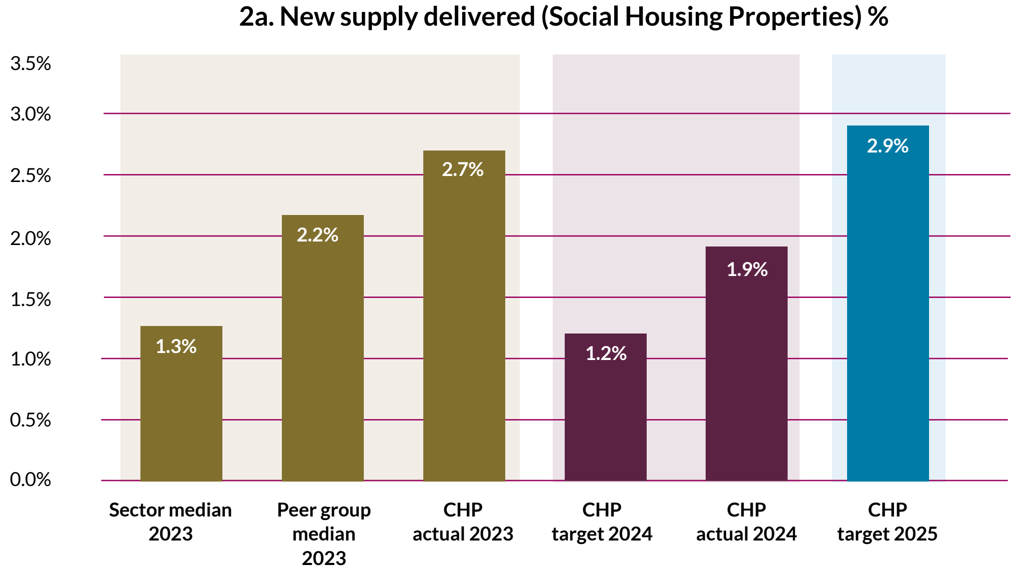


Our actual performance for the year ending March 2024 is lower than the set target mainly as a result of delays faced with the development schemes programme at the start of the year. Nonetheless, our performance in 2024 is an improvement compared to our performance in 2023 and that of our peer group.

Our focus will remain on meeting housing need and maintaining our existing homes as per our Asset Management Strategy to ensure our homes are warm, safe, and sustainable.

Metric 2 – New supply delivered %

The new supply metric sets out the number of new social housing units that have been developed or acquired in the year as a proportion of total social housing and leasehold units owned at period end.

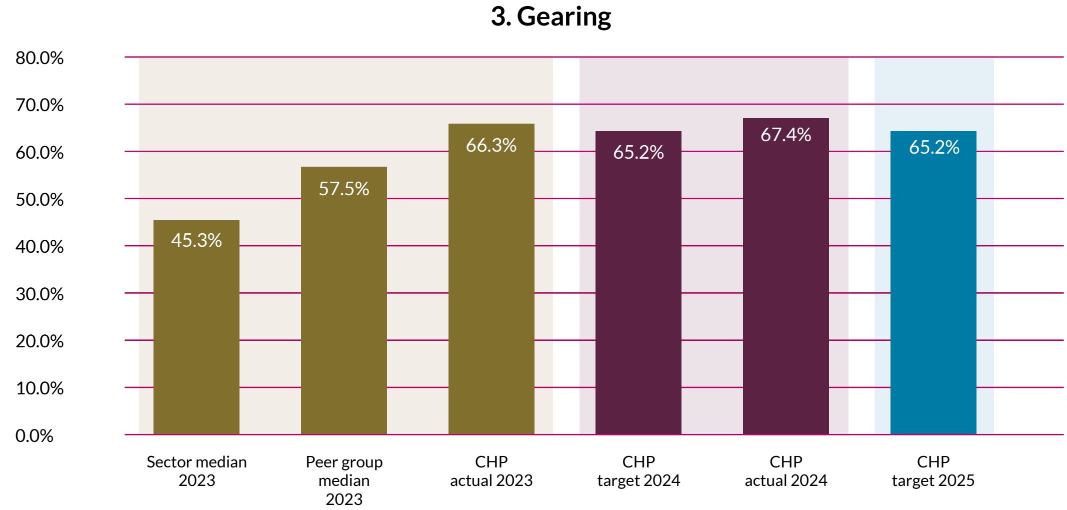


Our actual performance for the year ending March 2024 is higher than the target set for the year. More social housing units developed were handed over than assumed in the business plan at the start of the financial year. However, compared to our peer group and our performance in 2023, the new supply delivered is lower.

We are focused on meeting housing need by collaborating with partners to deliver affordable, new homes and to provide more homes for social rent. New homes will be environmentally sustainable and as many as possible will be 'zero-carbon ready'. The delivery of new affordable homes is dependent on the timing of development schemes and may not reflect the level of investment during the period.

Metric 3 – Gearing %

The gearing metric assesses how much of our assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.



Our level of gearing shows that we are making use of our assets to raise funds for investment while maintaining a sustainable level of debt.

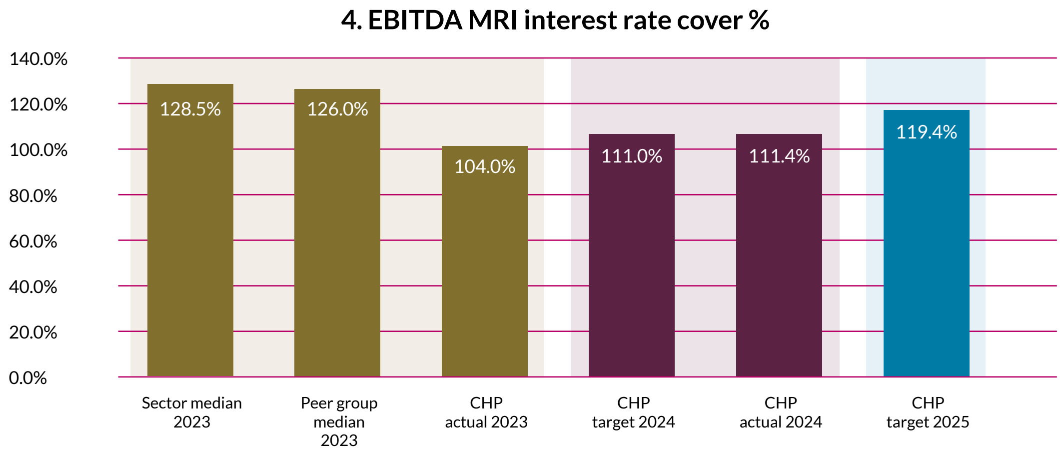
Actual gearing for the year ending March 2024 is slightly higher than the target as result of our housing asset values rising one percent slower than predicted and the borrowing increasing by two percent.

Our gearing is higher than the sector and peer group, predominantly driven by our ambitious and long-standing focus on building more new homes.

We expect the gearing levels to drop next year as our asset values rise.

Metric 4 – EBITDA MRI interest rate cover %

The Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) metric is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that we generate (after adjusting for depreciation and major repairs) compared to the interest payable on our bank loans and bond.



Our actual performance for the year ending March 2024 is in line with the set target. The six percent lower earnings (before interest, tax, depreciation, amortisation, and including major repairs) were counterbalanced by the interest costs of borrowing also being six percent lower. This is an improvement from the 2023 performance.

Compared with the overall peer group in 2023, our EBITDA is lower, driven by a higher reinvestment in existing properties with our reinvestment percentage being well above the 2023 peer group and sector median as well as comparatively higher borrowing costs to fund our delivery of new homes where we rank high amongst our peer group for number of new homes delivered.

Metric 5 – Headline social housing cost per unit

This metric assesses the headline social housing cost per unit as defined by the regulator. Our actual social housing cost per unit for the year ending March 2024 is reasonably in line with the set target. The slight increase of four percent in total costs was well absorbed by the increase of 3.4 percent in the number of social housing units owned and/or managed by CHP.

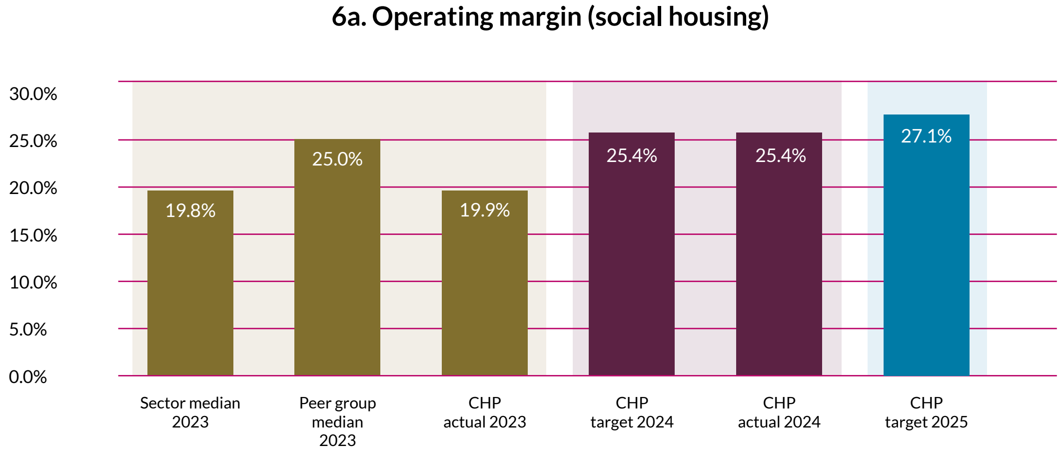
5. Headline social housing cost per home

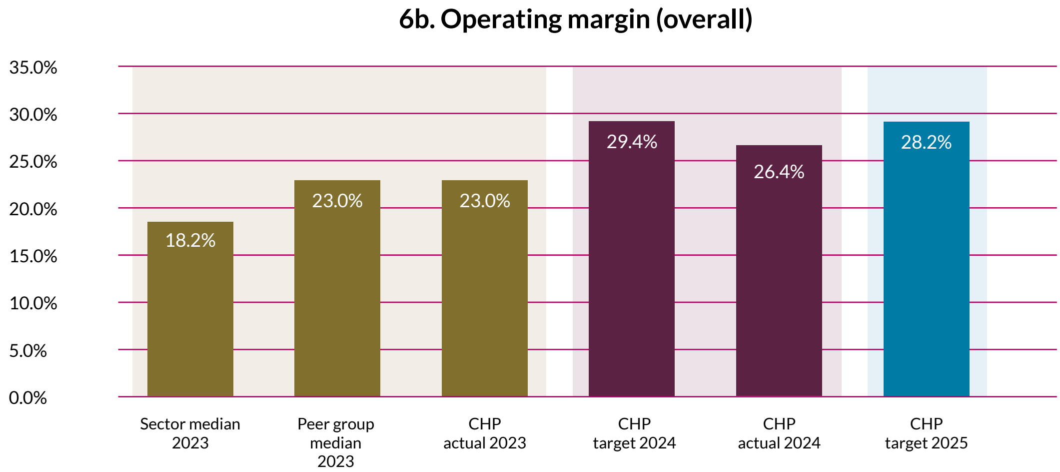
Compared to our peer group performance in the year ending 2023, our social housing cost per unit this year was four percent higher though it is an improvement from our performance in 2023.

We will continue our work on controlling our costs while delivering the services our customers need. Due to recent high levels of inflation, the target for 2025 is 7.9 percent higher than the actual in 2024.

Metric 6 – Operating margin

The operating margin demonstrates the profitability of operating assets before exceptional expenses are considered. Increasing margins are one way to improve the financial efficiency of a business.





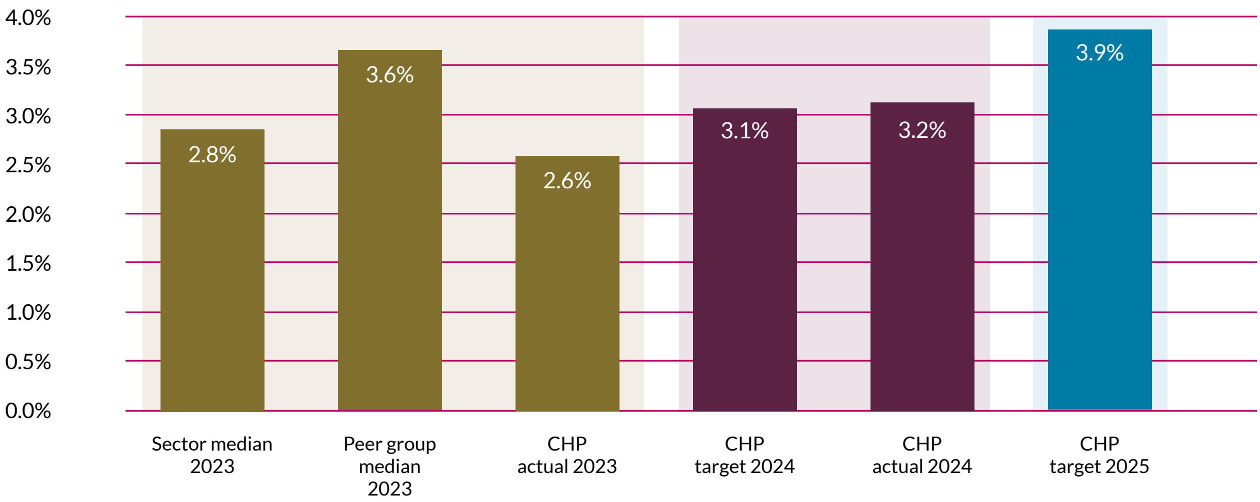
Our actual 2024 operating margin related to social housing alone is reasonably in line with the target. However, the overall operating margin is lower by 3.2 percent as result of our operating surplus excluding gains from disposal of fixed assets being 10 percent lower. The Regulator requires the operating surplus to be net of gains from the disposal of fixed assets. Actual gains are higher than estimated in the budget leading to a lower adjusted net operating surplus.

This is still an improvement from last year and our overall operating margin is higher than our peer group and the sector. We are expecting even better margins for next year by ensuring tight monitoring and control of our operating activities and expenditure, by always looking for efficiencies in everything we do and for opportunities to increase our turnover.

Metric 7 – Return on capital employed (ROCE)

The ROCE compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.

7. Return on capital employed



The actual performance to March 2024 is in line with the set target for the year. This is an improvement from 2023 following a higher operating surplus (including gains from asset disposal) by 29 percent, it is however lower than our peer group.

We expect the return on capital employed to trend upwards over the coming years as we continue to deliver against our Corporate Strategy objectives.

Consumer standards reporting

Directors' remuneration and management costs

Directors' remuneration is the way that directors of a company are compensated, either through fees, salary, or through other benefits with approval from the company's shareholders, the board of directors, and in some circumstances, designated committees.

As well as the Directors' remuneration, we're sharing how we calculated value for money, in line with the Regulator of Social Housing's Transparency, Influence and Accountability Standard. This standard requires us to share specific information with our customers and these pages show the measures, calculations, and results for 2023/2024.

Measure

The remuneration payable to the highest paid Director[2], relative to the size of the landlord

Calculation

Remuneration payable to the highest paid Director (excluding pension and National Insurance Contributions) in relation to the period of account.

Total social housing[3] units owned and/ or managed at period end.

$$\frac{£186{,}692.04}{10{,}829} = £17.24$$ per CHP home

Measure

The aggregate amount of remuneration paid to Directors[4], relative to the size of the landlord

Calculation

Total aggregate Directors' remuneration including pension and National Insurance contributions, payable to Directors or former Directors in relation to the period of account.

Total social housing[3] units owned and/ or managed at period end.

$$\frac{£1{,}187{,}409.12}{10{,}829} = £109.65$$ per CHP home

Measure

Management costs[5], [6]relative to the size of the landlord

Calculation

Total management costs (social housing lettings) in relation to the period of account.

Total social housing[3] units owned and/ or managed at period end.

$$\frac{£16{,}231{,}000}{10{,}829} = £1{,}498.85$$ per CHP home

[2] For the purposes of this calculation 'Director' means the members of the governing body and the Chief Executive (or equivalent) of the registered provider.

Value for money - Headline social housing cost per unit calculation (as reported in Registered Provider's statutory accounts).

Note: Grants related to capitalised major repairs expenditure must be excluded.

Measurement of VFM cost chain – economy

Management costs

+ Service charge costs
+ Routine maintenance costs
+ Planned maintenance costs
+ Major repairs expenditure
+ Lease costs
+ Capitalised major repairs expenditure for period
+ Other (social housing letting) costs
+ Charges for support services (Operating expenditure)
+ Development services (Operating expenditure)
+ Community / neighbourhood services (Operating expenditure)
+ Other social housing activities: Other (Operating expenditure)

Total social housing units owned and/ or managed at period end.

(Social rent general needs housing (excluding Affordable Rent), Affordable Rent general needs housing, social rent supported housing and housing for older people (excluding Affordable Rent), Affordable Rent supported housing and housing for older people, Low-Cost Home Ownership, care homes, other social housing units).

(Leasehold units, which for example include Right to Buy and fully stair-cased shared ownership units where the provider retains the freehold, are excluded from the denominator of this metric.)

$$\frac{£49,175,030}{10,829} = £4,541.05$$

per CHP home

[3] Leasehold units, which for example include Right to Buy and fully stair-cased shared ownership units where the Registered Provider retains the freehold, are excluded from the denominator of this metric.

[4] For the purpose of this calculation 'Directors' means the members of the governing body, the Chief Executive (or equivalent), and any other person who is a member of the Executive Management Team, or its equivalent of the registered provider.

[5] Management costs relating to social housing lettings.

[6] Management costs reported as a component of the value for money metric. Headline social housing cost as set out in Measurement of VFM cost chain.

An ASHP on a new home

Sustainability summary report - Environmental, Social, & Governance (ESG)

We continue to acknowledge that our financial performance is underpinned by our environmental and social impact and our strong governance practices. We are adopters of the Sustainability Reporting Standard (SRS) for Housing. This was created in 2020 through consultation with a number of key stakeholders in the housing sector to create a standardised means of reporting our ESG performance.

In our soon to be published fourth ESG report against the SRS, we have disclosed our performance on a number of measures including our EPC ratings, new homes, social value generation, our building safety performance, and a range of other measures outlined in the reporting standard.

During the year 2023/2024, we recorded total carbon emissions from our operations and managed properties of approximately 26,000 tonnes. Our new build programme continues to follow an environmentally conscious design brief, with PV panels and air source heat pumps as standard, and electric vehicle charging infrastructures where possible on our schemes. We also completed the install of 500 Switchee smart home thermostats during 2023/2024, expanding the opportunity for customers to save on usage by programming their heating. In order to combat heat loss in our properties, we completed an insulation project improving the efficiency of over 257 homes. At the end of the financial year 2023/2024, we held lodged EPC ratings for 8,942 properties, with 7,063 of these homes with an EPC of C or above.

At our office in Chelmsford, our waste management contract stipulates zero waste to landfill. The waste we collect is either recycled or reused as refuse-derived fuel. We have remained on a 'Green' energy tariff for our office and sheltered schemes, meaning that all electricity is derived from sustainable sources. As of 31 March 2024, our fleet comprised of 86 vehicles, of which six were electric.

We provide support to customers in a variety of ways. This includes offering welfare benefits advice to help customers maximise their income. We have a dedicated support fund that provides grants to customers experiencing hardship. We can help customers get access to specialist support and advice by making referrals to dedicated support agencies. We also provide training and skills opportunities and social events and activities to customers and the wider community through our Parkside Community Hub. You can read more about how we support customers and invest in communities on page 17.

Our community investment work this year generated a social value of £5.6m, according to the social value bank tool from the Housing Association Charitable Trust (HACT).

PV panels on a new home

Statement of Compliance

In preparing this strategic report, the Board has followed the principles set out in the Housing SORP 2018 and Accounting Direction 2022.

Approved and signed on behalf of the Board on 24 July 2024.

Nicola Sawford, Chair

New garden at our Parkside Community Hub

Head of Customer Resolution and Insight, Gill, and Knowledge and Quality Specialist, Sharon receiving the CCA Global Standard Award from Sharon Johnston, Head of Membership Services at the CCA.

Governance

Board Report

The CHP Board

The Board presents its report and the audited consolidated Financial Statements of Chelmer Housing Partnership Limited (CHP) and its subsidiary entities for the year ended 31 March 2024.

We have adopted the National Housing Federation's Code of Governance (revised 2020) and annually review our compliance with the code and with the Regulator's Governance and Financial Viability Standards.

The Board has received assurance that we are fully compliant with the Code and the Standards.

CHP's Governance Framework, approved by the Board and its Scheme of Delegations, Code of Conduct and Financial Regulations specify how the Group operates including those matters reserved to the Board.

The Board meets regularly and has established several standing committees, including: the Audit and Risk Committee; Customer Experience Committee; Treasury and Investment Committee and Governance, Remuneration, and Nominations Committee, which meet quarterly. Delegated responsibilities and authority are agreed by the Board under formal terms of reference. As necessary, the Board will also set up task and finish working groups to focus on specific topics, such as the Value for Money Working Group.

We have been working to increase the diversity of our Board and welcomed three new members last year. They bring a diversity ultimately helping us to make better decisions for customers as a Board.

The number of Board and Committee meetings held during 2023/2024 and the attendance of Board Directors at those meetings is detailed in the Group Board Structure section. The numbers compare the actual attendance of Board Directors to the total number of possible meetings held. Board and Committee Directors have online access to meeting papers and have flexibility to attend meetings in person, virtually via Teams/Zoom, or by phone. The Chairs and membership of Committees is reviewed annually by the Board.

The Annual General Meeting was held on 27 September 2023.

Group Board structure

Non-Executive Directors

Nicola Sawford
Group Board Chair

Stephen Bennett
Chair of Governance, Remuneration, and Nominations Committee

Karen Bird
(Appointed 27 September 2023)

Peter Cogan
Chair of Customer Experience Committee
(Stepped down 27 September 2023 having reached end of his tenure)

Toby D'Olier

Fred Goymour
Chair of Treasury and Investment Committee

Sarah Jones
Chair of Audit and Risk Committee

Karen Mayhew
Chair of Customer Experience Committee

Marc Noaro
Senior Independent Director

Katie Rogers

Hetal Trivedi

Executive Directors

Paul Edwards (Executive Board member)
Chief Executive

Rachel Hadley
People and Culture Director and Deputy Chief Executive

Michael Barber
Digital and Transformation Director

Fiona Hollingsworth
Growth and Partnerships Director

Thomas Kearney
Homes and Places Director

Neil Perrins
Chief Financial Officer (Executive Board member appointed 27 September 2023)

Tracey Spencer
Customer Services Director

Board Committees

Audit and Risk Committee
Customer Experience Committee
Treasury and Investment Committee
Governance, Remuneration, and Nominations Committee

Board Director meeting and committee attendance

Reporting Period: 01 April 2023 to 31 March 2024

No. Meetings held in period	12*		5		4		5		5		2		3		2	
	Group Board meetings		Audit & Risk Committee		Customer Experience Committee		Governance Rem & Noms Committee		Treasury & Investment Committee		Myriad Capital Plc		Myriad Homes Ltd		Myriad Housing Ltd	
Non-Executive Directors	P	A	P	A	P	A	P	A	P	A	P	A	P	A	P	A
Stephen Bennett	12	12					5	5					3	3		
Karen Bird	12	9			4	3			4	3						
Peter Cogan	6	4			2	2							1	0		
Toby D'Olier	12	10			4	4							3	1		
Fred (AC) Goymour	12	12	5	5					5	5	2	2	3	3		
Sarah Jones	12	10	5	5			5	4					3	2		
Karen Mayhew	12	10			4	4			1	1			3	3		
Marc Noaro	12	10			4	3	5	5					3	3		
Katie Rogers	12	11							5	5			3	3		
Nicola Sawford	12	12	5	5**	4	4**	5	5	5	5	2	2	3	3		
Hetal Trivedi	12	12	5	5									3	3		
Independent Members																
Amanda Wade			5	5												
Executive Directors																
Paul Edwards	10	10	5	5	4	4	5	5	5	5	2	2	3	3	2	2
Neil Perrins	6	6	5	5					5	5	2	2	2	2	2	2
Rachel Hadley															2	2
Fiona Hollingsworth															2	2
Thomas Kearney															2	2

Key:

P = Possible (no. of meetings that were scheduled)
A = Actual (no. meetings attended in person, video conference, or audio)
*Figure represents L&D/Strategy sessions as well as the formal Board meetings
**Attended as an observer

Disclosure of information to auditors

Our current Board Directors have individually confirmed the following:

- so far as they are aware there is no relevant information needed by the Association's auditors in connection with preparing their report of which the Association's auditors are unaware;
- they have taken all the steps necessary as Board Directors to make themselves aware of any relevant information needed by the Association's auditors in connection with preparing their report and to establish that the Association's auditors are aware of that information.

New homes in West Mersea

Statement of directors' responsibilities in respect of the Financial Statements

The directors are responsible for preparing the Board's Annual Report and the Group and the Association Financial Statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Association law requires the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Financial Statements are required by law to give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for that period.

In preparing each of the Group and the Association Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements, and
- assess the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Association and to prevent and detect fraud and other irregularities.

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

Paul Edwards, Chief Executive Officer

Strategic risks

Key risks and how we manage them

We have a strong focus on understanding key risks to the organisation and the wider sector. We do all we can to ensure that robust mitigations are in place. We deliver regular assurance to the Board so the best-informed decisions can be made and we can carry out our mission of transforming lives by creating great homes for everyone.

Our Board has overall accountability for risk management setting the risk appetite, engaging with the strategic risk register quarterly, and requiring risk assessments and evaluations on key business decisions. To support the Board, further responsibility is delegated to the Audit and Risk Committee, whose expertise is used to provide additional assurance, through activities such as key risk deep dives, in-depth reviews of the strategic risk register and active engagement with our internal controls and Assurance Framework.

Our Risk Management Framework sets out how we take a holistic approach to both strategic and operational risks. This includes how risks are identified, assessed, and acted upon; and details the ways in which we ensure strong ownership of risk at all levels of the organisation. From the deepening cost of living crisis, and response to damp and mould across the sector, to the volatile external economic and political environments. Our swift response to these emergent risks has underscored the value of having an agile, balanced, and informed approach to risk management. It also highlights the value of further strengthening our adaptability, horizon scanning, and sector collaboration to understand and manage risks as we continue to deliver on our Corporate Strategy.

Risk appetite and strategic priorities

The Board sets our risk appetite annually in its Risk Appetite Statement. This outlines the level of risk we are willing to accept across 26 key business areas. The Risk Appetite Statement reconciles the ambitions and vision for the future as mentioned in the Corporate Strategy section with the potential risks needed to take on to achieve this.

In July 2023, the Risk Appetite Statement allowed the Board to agree on key strategic priorities for investment. The three high priority areas that were agreed are:

- providing additional support for our customers;
- more affordable homes;
- bringing our existing housing stock up to EPC level C or above, and every other spend on the quality of CHP homes (e.g. damp issues).

The Board has considered all our key risks and utilised this in reviewing and approving our financial plans, including various stress testing scenarios. These show we are comfortably within our available borrowing facilities and covenants. We have a limited private market sales exposure, and we can switch new shared ownership homes to different tenures should there be a long-term impact on the housing market.

Business Assurance Framework

We use a comprehensive Assurance Framework, which brings together a wide range of reporting tools we have in place. It provides integrated assurance mapping that identifies and assesses the type, performance, and relationship of the sources of assurance across all lines of defence.

In 2023/2024 this included in-depth reviews with external specialists in areas such as Landlord compliance, Risk management, IT disaster recovery, and Board effectiveness.

Our top strategic risks in 2023/2024

Our top strategic risks have been grouped into key risk areas that feature the same corporate objective, for example: being a strong growing business. If the risk area was not mitigated against, then this could lead to a failure of achieving our corporate objective.

Risk area
Failure to ensure we provide high quality homes for our customers, leading to a failure of achieving our corporate objective of providing safe and well-maintained homes.

Corporate risk
Repairs and maintenance

Mitigation
We have an in-house maintenance delivery team which is well established and accountable for the majority of all responsive repairs and maintenance. We closely monitor performance in this area to ensure strong customer satisfaction.

Corporate risk
Strategic asset management

Mitigation
Our Asset Management Strategy provides a toolkit to empower teams to understand the condition and quality of homes, setting the standards, and ensuring our homes are fit for the future.

Corporate risk
Decarbonisation (Net Zero)

Mitigation
The Board have approved a 'Net Zero carbon' fund to invest in meeting future decarbonisation requirements. Delivery against our current Environmental Sustainability Strategy is strong, and we were recognised for the Climate Action award at the Essex Housing Awards in 2023. This will be further developed in a 'Pathway to Net Zero' strategy in 2024.

Risk area
Failure to achieve strong finances to deliver our strategy, leading to a failure of achieving our corporate objective of being a strong growing business.

Corporate risk
Shared ownership, staircasing, and asset disposals.

Mitigation
We are monitoring the impact on current mortgage fixed rates, with a focus on underperforming stock disposals. Our Asset Management Strategy provides a toolkit to empower teams to have a strategic focus on asset disposals.

Risk area
Failure to sell shared ownership and market homes, leading to a failure of achieving our corporate objectives of delivering more great new homes.

Corporate risk
Shared ownership and market sales

Mitigation
Each shared ownership or market opportunity is being stress tested against a fall in market values and extension of forecast sales period at approval stage, to mitigate against any market downturns. Our development assumptions are based on existing performance and expert advice from external assurance from valuers, such as Savills.

Corporate risk
Contractor failiure (new homes)

Mitigation
We monitor the position through our due diligence checks to ensure we are mitigating the risk of contractor failure, throughout the life cycle of the project and ensure we have assurance from internal auditors that our processes are effective.

Risk area
Failure to manage our IT data governance, pervasive cyber risks, and integration of systems and processes to achieve our corporate objective of achieving smart ways of working.

Corporate risk
IT (data) security and malware

Mitigation
Strong processes are in place, with all remote access being subject to controls and regular external testing and validation. All systems are firewalled, all application access is secured by industry leading security products (web-based products used where applicable). IT security policy is in place and is enforced through regular testing exercises such as ongoing phishing training, which is conducted across the organisation. A process of annual auditing and controlled penetration testing supports these mitigations.

Corporate risk
Organisational data quality

Mitigation
We have established data owners across the organisation, with a drive to further improve responsibility for high standards of data governance. Further investment is being made, including the generation of a suite of data integrity reports which aim to swiftly highlight any potential data quality issues. This work is validated through specialist data quality reviews and internal audit reviews for data integrity and are monitored through regular reporting to ensure management oversight.

Statement of internal controls

Purpose

This statement provides an opinion to stakeholders on how effectively the Group governs and manages the key risks related to its business and financial plan.

Sources of assurance

The Board acknowledges and accepts that it has overall responsibility for establishing and maintaining the internal control system and for reviewing its effectiveness. The Board has delegated authority for reviewing the effectiveness of the system to the Audit and Risk Committee.

The Audit and Risk Committee considers risk reports, internal audit reports, management assurances, a fraud register, and the external audit management letter. The process for identifying, evaluating, and managing significant risks is on-going and has been in place throughout the period commencing 1 April 2023 up to the date of approval of the Financial Statements.

Key elements of the internal control framework during 2023/2024 were as follows.

- Board approved terms of reference and delegated authorities for the committees and working groups.
- Delegation schedules dictating roles and responsibilities for the Chief Executive and Executive Management Team.
- A refreshed Risk Management Framework and Assurance Framework, leading to clearly defined responsibility for the identification, evaluation, and control of significant risks.
- Quarterly reviews of the risk register by the Audit and Risk Committee and Board.
- Interrogation of high-risk areas by the Audit and Risk Committee.
- Robust strategic and business planning processes, including regular stress testing, against detailed financial budgets and long-term forecasts.
- Monthly reporting to the Executive Management Team and Board on key performance indicators to assess progress towards achievement of key business objectives, targets, and outcomes.
- Receipt by the Board of a 'CEO Report' at each meeting which details CHP's performance against its corporate objectives along with information from the wider sector.
- Appraisal and authorisation process for new initiatives and commitments.
- Formally reviewed recruitment policy, to ensure retention of skilled employees.
- An experienced and well-trained approach to treasury management with regular reviews by Board and Committees.
- An internal and external review of treasury management strategies, policies, and procedures.
- An Asset Management Strategy.
- Regular review and monitoring of liquidity and cash forecasting.
- Approval of a suite of key policies such as the Data Protection Policy, Protecting People from Harm (Safeguarding) Policy, Business Continuity Policy and Anti-Fraud Policy, Bribery, Corruption, and Money Laundering Policy, have been reviewed and are up to date.
- Self-assessment against the Governance and Financial Viability Standard and the NHF Code of Governance assurance to the Board to confirm compliance.
- Board approved Health and Safety Framework, along with the six key compliance policies for Gas, Electrical, Asbestos, Fire, Water hygiene, and Lifts.

The Audit and Risk Committee has received the Executive Management Team's annual review of the effectiveness of the system of internal control, together with the Annual Report of the internal auditor and has recommended these to the Board.

Independent auditor's opinion/report

Opinion

We have audited the Financial Statements of Chelmer Housing Partnership Ltd ("the Association") for the year ended 31 March 2024 which comprise the Group and the Association Balance Sheets, the Group and Association Income and Expenditure accounts, the Group and Association Statement of Changes in Equity, the Group Cashflow Statement and related notes, including the accounting policies in note 1.

In our opinion the Financial Statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Group and the Association as at 31 March 2024 and the income and expenditure of the Group and the Association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Association's Board has prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the Association or to cease their operations, and as they have concluded that the Group's and the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of the Board, the Audit and Risk Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board and Audit and Risk Committee minutes; and
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. As required by auditing standards, and taking into account possible pressures to meet loan covenants, we perform procedures to address the risk of management override of controls, in particular that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the simple recognition criteria for material revenue streams and limited opportunity for recognising income in the wrong period.

We did not identify any additional fraud risks.
In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:
- identifying journal entries and other adjustments to test based on high risk criteria and comparing the identified entries to supporting documentation, including, seldom used accounts and material post close journals.
- assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to noncompliance with laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Financial Statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the Financial Statements including financial reporting legislation (including related co-operative and community benefit society legislation), and taxation legislation, pensions legislation and specific disclosures required by housing legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related Financial Statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: health and safety, employment and general data protection, recognising the regulated nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Other information

The Association's Board is responsible for the other information, which comprises the Board's Annual Report. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:
- the Association has not kept proper books of account; or
- the Association has not maintained a satisfactory

Independent auditor's opinion/report

system of control over its transactions; or

- the Financial Statements are not in agreement with the Association's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 44, the Association's Board is responsible for: the preparation of Financial Statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities.**

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.

JLLees

Joanne Lees
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

30 August 2024


Great Hallingbury

Financial Statements

Financial Statements

Statement of comprehensive income

		Group		Association	
		2024	**2023**	**2024**	**2023**
	Note	£'000	£'000	£'000	£'000
Turnover	3	76,613	**77,576**	75,373	**74,955**
Cost of sales	3	(2,246)	**(7,103)**	(2,245)	**(5,670)**
Operating expenditure	3	(54,167)	**(52,623)**	(54,034)	**(52,524)**
Gain on disposal of property, plant and equipment (fixed assets)	6	5,730	**2,155**	5,730	**2,155**
Operating surplus		25,930	**20,005**	24,824	**18,916**
Gift Aid		-	-	1,104	**867**
Interest receivable	7	1,097	**455**	1,492	**666**
Interest and financing costs	8	(21,585)	**(19,785)**	(21,907)	**(19,936)**
Other finance costs		347	**(371)**	347	**(371)**
Movement in fair value of investment properties	15	169	**256**	169	**256**
Movement in fair value of financial instruments		1,471	**1,970**	1,471	**1,970**
Surplus before tax		7,429	**2,530**	7,500	**2,368**
Taxation	11	-	-	-	-
Surplus for the financial year		7,429	**2,530**	7,500	**2,368**
Remeasurement of the net defined benefit pension liability	28	(8,096)	**23,255**	(8,096)	**23,255**
Gains recognised on cash flow hedges		2,890	**35,374**	2,890	**35,374**
Total comprehensive income for the year		2,223	**61,159**	2,294	**60,997**

The above results relate wholly to continuing activities. The accompanying notes form part of these Financial Statements. The Financial Statements were authorised and approved by the Board on 24 July 2024 and signed on its behalf by:

Nicola Sawford
Chair

Sarah Jones
Audit and Risk Committee Chair

Louisa Allen
Company Secretary

Co-operative and Community Benefit Society: 8112

Statement of financial position

	Note	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Fixed assets					
Property, plant & equipment - housing properties	12	766,742	727,782	772,443	733,081
Intangible Assets	13	823	927	823	927
Other property, plant & equipment	14	15,606	16,129	15,606	16,129
Investment properties	15	7,995	7,826	7,995	7,826
Investment in associates	16	-	-	50	50
		791,166	752,664	796,917	758,013
Current assets					
Stock		8,227	5,561	805	347
Properties for sale	17	5,798	1,950	5,798	1,950
Trade and other debtors	18	5,920	3,824	13,790	9,025
Cash and cash equivalents		25,430	19,854	23,106	17,618
Net pension asset	28	-	7,491	-	7,491
		45,375	38,680	43,499	36,431
Creditors: Amounts falling due within one year	19	(25,850)	(21,084)	(26,189)	(20,682)
Net current assets		19,525	17,596	17,310	15,749
Total assets less current liabilities		810,691	770,260	814,227	773,762
Creditors:					
Amounts falling due after more than one year	20	(536,454)	(496,758)	(535,864)	(496,205)
Deferred government grants	21	(15,983)	(13,109)	(15,983)	(13,109)
Derivative financial instruments	23	(3,778)	(8,140)	(3,778)	(8,140)
Net pension liability	28	-	-	-	-
		(556,215)	(518,007)	(555,625)	(517,454)
Total net assets		254,476	252,253	258,602	256,308
Capital and reserves					
Income and expenditure reserve		92,977	91,155	97,103	95,210
Revaluation reserve		146,212	148,916	146,212	148,916
Cash flow hedge reserve	23	15,287	12,182	15,287	12,182
Total reserves		254,476	252,253	258,602	256,308

Stocks are shown at the lower of cost and net realisable value. The accompanying notes form part of these Financial Statements. The Financial Statements were authorised and approved by the Board on 24 July 2024 and signed on its behalf by:

Nicola Sawford
Chair

Sarah Jones
Audit and Risk Committee Chair

Louisa Allen
Company Secretary

Co-operative and Community Benefit Society: 8112

Consolidated statement of changes in reserves

	Income and expenditure reserve	Revaluation reserve	Cash flow hedge reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2022	61,716	151,405	(22,244)	190,877
Less reclassified to profit and loss	**217**	-	-	**217**
Transfer between cash flow hedge reserve and income and expenditure reserve	**948**	-	**(948)**	-
Surplus from statement of comprehensive income	**2,530**	-	-	**2,530**
Other comprehensive income				
Remeasurement of the net defined benefit pension liability	**23,255**	-	-	**23,255**
Gains/(losses) recognised on cash flow hedges	-	-	**35,374**	**35,374**
Transfer from revaluation reserve to income and expenditure reserve	**2,489**	**(2,489)**	-	-
Balance at 31 March 2023	**91,155**	**148,916**	**12,182**	**252,253**
Balance at 1 April 2023	91,155	148,916	12,182	252,253
Less reclassified to profit and loss				
Transfer between cash flow hedge reserve and income and expenditure reserve	**(215)**	-	**215**	-
Surplus from statement of comprehensive income	**7,429**	-	-	**7,429**
Other comprehensive income				
Remeasurement of the net defined benefit pension liability	**(8,096)**	-	-	**(8,096)**
Gains/(losses) recognised on cash flow hedges	-	-	**2,890**	**2,890**
Transfer from revaluation reserve to income and expenditure reserve	**2,704**	**(2,704)**	-	-
Balance at 31 March 2024	**92,977**	**146,212**	**15,287**	**254,476**

The accompanying notes form part of these Financial Statements.

The revaluation reserve represents the cumulative effect of revaluations of the housing properties up to the date of transition when the deemed cost exemption was taken. The difference between the revalued carrying amount of properties and the historical cost net book value is credited to the revaluation reserve. The income and expenditure reserve holds the accumulated surpluses and deficits from the statement of comprehensive income.

The cash flow hedge reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective.

Association statement of changes in reserves

	Income and expenditure reserve	Revaluation reserve	Cash flow hedge reserve	Total
	£'000	£'000	£'000	£'000
Balance as at 1 April 2022	65,933	151,405	(22,244)	195,094
Less reclassified to profit and loss	217	-	-	217
Transfer between cash flow hedge reserve and income and expenditure reserve	948	-	(948)	-
Surplus for the year from statement of comprehensive income	2,368	-	-	2,368
Other comprehensive income				
Remeasurement of the net defined benefit pension liability	23,255	-	-	23,255
Gains/(losses) recognised on cash flow hedges	-	-	35,374	35,374
Transfer from revaluation reserve to income and expenditure reserve	2,489	(2,489)	-	-
Balance at 31 March 2023	**95,210**	**148,916**	**12,182**	**256,308**
Balance at 1 April 2023	95,210	148,916	12,182	256,308
Less reclassified to profit and loss	-	-	-	-
Transfer between cash flow hedge reserve and income and expenditure reserve	**(215)**	-	**215**	-
Surplus from statement of comprehensive income	**7,500**	-	-	**7,500**
Other comprehensive income				
Remeasurement of the net defined benefit pension liability	**(8,096)**	-	-	**(8,096)**
Gains/(losses) recognised on cash flow hedges	-	-	**2,890**	**2,890**
Transfer from revaluation reserve to income and expenditure reserve	**2,704**	**(2,704)**	-	-
Balance at 31 March 2024	**97,103**	**146,212**	**15,287**	**258,602**

The accompanying notes form part of these Financial Statements.

The revaluation reserve represents the cumulative effect of revaluations of the housing properties up to the date of transition when the deemed cost exemption was taken. The difference between the revalued carrying amount of properties and the historical cost net book value is credited to the revaluation reserve.

The income and expenditure reserve holds the accumulated surpluses and deficits from the statement of comprehensive income.

The cash flow hedge reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective.

Notes to the Financial Statements

Consolidated statement of cash flows

		2024	2023
	Note	£'000	£'000
Net cash generated from operating activities	29	**33,667**	**31,876**
Cash flow from investing activities			
Purchase of property, plant and equipment		**(70,451)**	**(48,710)**
Purchase of other property, plant and equipment		**(472)**	**(866)**
Proceeds from sale of property, plant and equipment		**22,055**	**4,444**
Grants received		**3,035**	**499**
Interest received		**1,102**	**457**
		(44,731)	**(44,176)**
Taxation		**-**	**-**
Cash flow from financing activities			
Interest paid		**(23,796)**	**(21,509)**
Net movement in loans		**40,486**	**13,819**
Other finance costs		**(50)**	**(41)**
		16,640	**(7,731)**
Net change in cash and cash equivalents		**5,576**	**(20,031)**
Cash and cash equivalents at beginning of year		**19,854**	**39,885**
Cash and cash equivalents at end of year		**25,430**	**19,854**

The accompanying notes form part of these Financial Statements.

Notes to the Financial Statements

Notes to the Financial Statements

1. Legal status

Chelmer Housing Partnership (CHP) is registered under the Co-operative and Community Benefit Society Act 2014 and is registered with the Regulator of Social Housing as a non for profit Registered Provider of social housing as defined by the Housing and Regeneration Act 2008.

We have three wholly owned subsidiaries; Myriad Capital PLC (MYC), which is the Group's financing company, Myriad Homes Ltd (MHS), established for the purpose ofprogressing profit-making commercial opportunities for reinvestment in our core activities and Myriad Housing Ltd (MHD), which lets and manages housing development on our behalf. All three subsidiaries are registered under the Companies Act 2006.

2. Accounting policies

Basis of preparation

The Financial Statements have been prepared on a going concern basis, in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018:Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. They are prepared under the historical cost convention unless otherwise stated in the relevant accounting policy note(s). As a public benefit entity, CHP has applied all paragraphs of FRS 102 which relate to public benefit entities in preparing the Financial Statements. The Financial Statements are presented in Sterling (£).

Segmental reporting

For the purpose of segmental reporting, the Chief Operation Decision Maker (CODM) is considered to be the Board. In line with the segments reported to the CODM, the presentation of these Financial Statements and accompanied notes reflect the Group's management and internal reporting.

The information reviewed within the management accounts to assess performance and make strategic decisions is consistent with and closely aligned to these Financial Statements. Segmental reporting is presented in Note 3 to the Financial Statements where information about income and expenditure attributable to the material operating segments are presented on the basis of the tenure type of the housing assets held by the group.

This is appropriate on the basis of the similarity of the services provided, the nature of the risks associated and the nature of the regulatory environment in which the Group operates.

Assets and liabilities are not reported by operating segment of tenure, other than housing properties which are split by tenure type and are shown in note 12.

Disclosure exemptions

The individual accounts of Chelmer Housing Partnership Limited have adopted the following exemptions available under FRS 102:

- The requirement to present an individual statement of cash flows and related notes;
- Certain financial instruments disclosures as equivalent disclosures have been provided in respect of the Group as a whole;
- Disclosing the aggregate remuneration of the key management personnel as equivalent disclosures have been provided in respect of the Group as a whole.

The principal accounting policies of CHP are set out below.

Going concern

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

The Group prepares a 30-year business plan which is updated and approved on an annual basis. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. The Group has undertaken a series of further scenario testing including severe but plausible downsides in the worst-case assessment.

The Board, after reviewing the Group and company budgets for 2024/2025 and the Group's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and company have adequate resources to continue in business for the foreseeable future.

In order to reach this conclusion, the Board have considered:

- the property market - budget and business plan scenarios have taken account of delays in handovers, lower numbers of shared ownership property sales, reductions in sales values and potential conversion of shared ownership sale to social homes;
- maintenance costs - budget scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased across the years;
- rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- liquidity - our net cash requirement (which excludes uncommitted development schemes) is covered by cash for 6 months (minimum requirement is 3 months), and by cash and committed and secured funding lines for 48 months (minimum requirement is 24 months).

The Group did not suffer significant negative financial impact due to the continuing geo-political risks. As part of the going concern assessment and conclusion, these risks, along with that of inflation, have been considered in the Group's forecasts and factored into the stress test carried out, including any mitigation actions that may be required.

The Board therefore believe the Group and company has sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

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

Judgements and key sources of estimation uncertainty

In the process of applying the Group's and company's accounting policies, management has made certain judgements that have a significant impact on the Financial Statements. These are detailed below:

- **Defined benefit pension obligation**

In determining the valuation of the Group's pension schemes assets and liabilities, a number of assumptions are made around factors that are uncertain. These include life expectancy, inflation rate, discount rates and salary and pension inflation rates. The Group is exposed to risk if the actuarial assumptions differ from actual experience and through volatility in the plan assets. More detail is disclosed in note 28.

- **Fair value measurement**

Financial instruments are fair valued at each period end. Assumptions are made using market observable inputs and data. The directors have opted to apply IFRS 9 instead of FRS 102 for the recognition and measurement of financial instruments.

- **Fixed assets and impairment**

Fixed assets are reviewed annually for evidence of impairment. Impairment indicators are set out later in these policies.

The basis of valuation of assets is discounted cash flows and includes the deemed cost based on the valuations as at 31 March 2024 with a split between land and buildings.

For housing properties, the assets are broken down into components based on management's assessment of the properties. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

For impairment purposes, as explained in the accounting policies, housing properties are reviewed at the reporting date for indicators of impairment and a judgement is made on the impact of those indicators on either the future cash flows or, for assets held for their service potential, their carrying value.

Notes to the Financial Statements

Government grants received for housing properties are recognised in income over the useful life (as identified for the depreciation charge) of the housing property on a straight line basis under the accrual model.

- **Shared ownership**

The allocation of costs for shared ownership properties including those under construction are split between fixed assets and current assets. The split is determined by the percentage of the property sold under the first tranche disposal and the remainder retained by the Company within its social housing property, plant and equipment. The proportion expected to be sold under the first tranche disposal is recognised as inventory in current assets.

- **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets including any components. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to the Decent Homes Standards which may require more frequent replacement of key components.

Basis of consolidation

These Financial Statements are the result of the consolidation of the association and the following subsidiaries during the year ended 31 March 2024

- Myriad Housing Ltd;
- Myriad Homes Ltd;
- Myriad Capital PLC.

Uniform accounting policies have been adopted across the Group, and surpluses/deficits and balances on intra-group transactions have been eliminated on consolidation.

Turnover and revenue recognition

"Turnover comprises:

- rental and service charge income receivable in the year;
- grants from local authorities and Homes England;
- income from shared ownership first tranche sales;
- income from properties developed for sale;
  grant amortisation and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year, all of which arise in the UK."

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been performed. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Government grants received are initially deferred and then credited to turnover in the statement of comprehensive income on a straight line basis over the expected life of the asset which they have funded.

Gift Aid Income

Donations received under the Gift Aid scheme from our subsidiaries are recognised as turnover upon receipt as it relates to the principal activities of the association and is eliminated on consolidation.

Value Added Tax

The Group is partially exempt in relation to Value Added Tax (VAT), and accordingly is able to recover from HM Revenue and Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the statement of financial position. Irrecoverable VAT is accounted for in the statement of comprehensive income.

Employee Benefits

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

Pensions

The Company participates in the Essex County Council Pension Scheme (ECCPF), a defined benefit scheme. For defined benefit schemes, the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurements comprising actual gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each statement of financial position date.

A full valuation out the defined benefit scheme was conducted for year end 31 March 2024.

The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and liabilities, are recognised in their accounting period in which they arise.

Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the statement of financial position.

Refer to note 28 for more details.

Investment properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. After initial recognition investment property is measured at its fair value based on the valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the investment property valued.

The judgement requires determining the appropriate yield to be used in the valuation (6.80 percent).

Development costs

The anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal and other costs, and the capitalisation of development costs. During 2023/2024, development costs included £1,842k ofcapitalised interest.

Provisons for liabilities

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

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

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

Judgement is made around the recoverability of debt and a provision is made based on the age and type of debt. Former arrears are provided in full. Current arrears are provided for based on age.

3a. Turnover, cost of sales, operating expenditure, and operating surplus: Group

	2024				
	Turnover	Cost of sales	Operating expenditure	Gain on disposal of fixed assets	Surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3b)	68,841	-	(51,363)	-	17,478
Other social housing activities					
Supported housing	71	-	-	-	71
Development services	-	-	(541)	-	(541)
Management services	1,575	-	(1,830)	-	(255)
First tranche shared ownership sales	3,419	(2,245)	-	-	1,174
Staircasing activity on low cost home ownership	-	-	-	421	421
Sales of other housing properties	-	-	-	5,309	5,309
Other	1,357	(1)	(87)	-	1,269
	6,422	(2,246)	(2,458)	5,730	7,448
Non-social housing activities					
Lettings	995	-	(301)	-	694
Outright sales	-	-	-	-	-
Other	355	-	(45)	-	310
Subtotal	1,350	-	(346)	-	1,004
Total	76,613	(2,246)	(54,167)	5,730	25,930

	2023				
	Turnover	Cost of sales	Operating expenditure	Gain on disposal of fixed assets	Surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3b)	63,395	-	(50,785)	-	12,610
Other social housing activities					
Supported housing	85	-	-	-	85
Development services	-	-	(45)	-	(45)
Management services	1,175	-	(1,390)	-	(215)
First tranche shared ownership sales	8,804	(5,670)	-	-	3,134
Staircasing activity on low cost home ownership	-	-	-	901	901
Sales of other housing properties	-	-	-	1,254	1,254
Other	2,947	(1,433)	(49)	-	1,466
	13,011	(7,103)	(1,484)	2,155	6,579
Non-social housing activities					
Lettings	955	-	(304)	-	651
Outright sales	-	-	-	-	-
Other	215	-	(50)	-	165
Subtotal	1,170	-	(354)	-	816
Total	77,576	(7,103)	(52,623)	2,155	20,005

3a. Turnover, cost of sales, operating expenditure, and operating surplus: Association

	2024				
	Turnover	Cost of sales	Operating expenditure	Gain on disposal of fixed assets	Surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3b)	68,841	-	(51,363)		17,478
Other social housing activities					
Supported housing	71	-	-	-	71
Development services	-	-	(541)	-	(541)
Management services	1,575	-	(1,830)	-	(255)
First tranche shared ownership sales	3,419	(2,245)	-	-	1,174
Staircasing activity on low cost home ownership	-	-	-	421	421
Sales of other housing properties	-	-	-	5,309	5,309
Other	117	-	-	-	117
	5,182	(2,245)	(2,371)	5,730	6,296
Non-social housing activities					
Lettings	995	-	(301)	-	694
Outright sales	-	-	-	-	-
Other	355	-	-	-	355
Subtotal	1,350	-	(301)	-	1,049
Total	75,373	(2,245)	(54,034)	5,730	24,824

	2023				
	Turnover	Cost of sales	Operating expenditure	Gain on disposal of fixed assets	Surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3b)	63,395	-	(50,785)		12,610
Other social housing activities					
Supported housing	85	-	-	-	85
Development services	-	-	(45)	-	(45)
Management services	1,175	-	(1,390)	-	(215)
First tranche shared ownership sales	8,804	(5,670)	-	-	3,134
Staircasing activity on low cost home ownership	-	-	-	901	901
Sales of other housing properties	-	-	-	1,254	1,254
Other	326	-	-	-	326
	10,390	(5,670)	(1,435)	2,155	5,440
Non-social housing activities					
Lettings	955	-	(304)	-	651
Outright sales	-	-	-	-	-
Other	215	-	-	-	215
Subtotal	1,170	-	(304)	-	866
Total	74,955	(5,670)	(52,524)	2,155	18,916

Notes to the Financial Statements

3b. Particulars of turnover and operating expenditure from social housing lettings

				Group and Association	
				2024	2023
	General needs housing	Supported housing and housing for older people	Low-cost homeownership	Total	Total
Income	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	61,153	125	2,835	64,113	59,206
Service charge income	4,149	26	430	4,605	4,115
Amortised government grants	123	-	-	123	74
Turnover from social housing lettings	65,425	151	3,265	68,841	63,395
Operating expenditure					
Management	15,339	49	741	16,129	16,974
Services	5,999	19	290	6,308	5,017
Routine maintenance	8,784	28	426	9,238	9,373
Planned maintenance	6,634	21	-	6,655	6,971
Major repairs expenditure	1,439	5	-	1,444	1,348
Bad debts	364	1	-	365	323
Depreciation of social housing properties	10,399	28	348	10,775	10,352
Amortisation of intangible assets	449	-	-	449	427
Operating expenditure on social housing lettings	49,407	151	1,805	51,363	50,785
Operating surplus on social housing lettings	16,018	-	1,460	17,478	12,610
Losses from voids	-	-	-	(635)	(757)

3c. Particulars of turnover from non-social housing lettings

	Group		Association	
	2024	**2023**	2024	**2023**
	£'000	£'000	£'000	£'000
Shop rental	**595**	**596**	**595**	**596**
Properties rented at market rate	**400**	**359**	**400**	**359**
Support services provided to non-tenants	**-**	-	-	-
Outright sales	**-**	-	-	-
Other	**355**	**215**	**355**	**215**
Total	**1,350**	**1,170**	**1,350**	**1,170**

4. Accommodation in management and development for Group and Association

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

	2024	2023
Social housing	Number	Number
General needs - social rent	7,306	7,295
General needs - affordable rent	2,214	2,081
Supported housing and housing for older people - social rent	33	23
Shared ownership	499	632
Other	-	-
Managed by others	5	5
Total owned	10,057	10,036
Leasehold properties	770	762
Managed for others	787	561
Leasehold and managed for others	45	42
Total social housing	11,659	11,401
Non-social housing		
Shops	78	78
Other	1	1
Market rented properties	42	42
Total owned and managed	11,780	11,522
Accommodation in development at the year end	574	505

There was an increase of 249 homes owned or managed during the year. This includes 202 new properties built in the year plus a further 51 properties being managed on behalf of Legal and General Affordable Homes. We increased the number of properties that we manage on behalf of Chelmsford City Council by four. We sold eight properties to tenants. During the year 168 properties sold to M&G moved from Shared ownership and Leasehold to Managed for others.

The Company owns and manages 24 sheltered housing schemes (2023:23) which are now categorised as General Housing following changes to their management arrangements. The Company manages 166 homes on behalf of Chelmsford City Council, 498 on behalf of Legal and General Affordable Homes and 168 on behalf of M&G.

5. Operating surplus

This is arrived at after charging:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Depreciation of social housing properties	**10,775**	**10,352**	**10,775**	**10,352**
Impairment of housing properties	**590**	**-**	**590**	
Depreciation of non-social housing properties and other property, plant and equipment	**650**	**689**	**650**	**689**
Operating lease rentals				
- other fixed assets	**525**	**561**	**525**	**561**
Auditor's remuneration (excluding VAT)				
- for audit services	**150**	**110**	**115**	**78**
- for assurance services	**6**	**6**	**6**	**6**

6. Sale of properties

	Group and Company	
	2024	2023
	£'000	£'000
Disposal proceeds	**27,432**	**4,706**
Carrying value of housing properties	**(21,080)**	**(1,773)**
Grant recycled	**(54)**	**-**
Other operating costs and costs of disposal	**(568)**	**(778)**
Surplus on Sale of Properties	**5,730**	**2,155**

The carrying value of fixed assets includes £20,166k (2023: £0k) in relation to net asset management receipts. In operating costs there are two Right to Buy (2023: Five). Other operating costs and costs of disposal include the amounts paid back to Chelmsford City Council as part of the original transfer agreement when we were created. These relate to right to buy disposals.

7. Interest receivable and other income

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	£'000	£'000	£'000
Bank interest receivable	**1,097**	**455**	**1,095**	**453**
Interest received from investments	-	-	-	-
Interest received from subsidiaries	-	-	**397**	**213**
Total interest receivable	**1,097**	**455**	**1,492**	**666**

8. Interest payable and similar charges

Interest payable on loans specifically financing development is capitalised, based on the interest rate charged on the Bond, for the period from start of works up to the date of practical completion or acquisition of legal title, whichever is later.

The interest is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was required. Other interest payable is charged to the statement of comprehensive income in the year.

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	£'000	£'000	£'000
Interest payable on loans and swaps	**23,427**	**21,020**	**23,427**	21,020
Interest payable capitalised on housing properties under construction	**(1,842)**	**(1,235)**	**(1,520)**	(1,084)
Total interest payable	**21,585**	**19,785**	**21,907**	19,936
Interest rate used to determine the finance costs capitalised during the period	**4.79%**	**4.79%**	**4.79%**	4.79%

Included within interest payable in the Company is £11,880k (2023: £11,912k) relating to amounts payable to group entities.

9. Employees

Average monthly number of employees expressed in full-time equivalent based on a 37-hour week:

	Group and Association	
	2024	2023
	FTEs	FTEs
Administration	106	93
Operational	257	244
Housing, Support and Care	-	-
	363	337
Aggregate payroll cost of these persons:	2024	2023
Wages and salaries	14,457	12,845
Social security costs	1,511	1,421
Other pension costs	2,120	1,885
	18,088	16,151

The Other Pension costs shown above represent the cost of employer's contributions paid to Essex County Council Pension Fund (ECCPF) during 2023/2024. At March 2024 the company made contributions on behalf of 175 (2023: 189) employees to the ECCPF, and 206 (2023: 165) employees to the stakeholder's scheme. Further information on pensions costs is given in note 28.

Employee by banding:

The full time equivalent number of employees who received remuneration greater than £60,000:

	2024	2023
Banding (£)	Number	Number
60,000 - 69,999	9	6
70,000 - 79,999	9	6
80,000 - 89,999	2	3
90,000 - 99,999	1	-
100,000 - 109,999	-	1
110,000 - 119,999	-	2
120,000 - 129,999	5	3
130,000 - 139,999	1	-
140,000 - 149,999	-	-
150,000 - 159,999	-	-
160,000 - 169,999	-	-
170,000 - 179,999	-	-
180,000 - 189,999	1	1

Notes to the Financial Statements

10. Board members and Directors' emoluments

CHP Board Members	2024 £	2023 £
J Wanmer	-	4,321
M Noaro	11,500	10,950
P Cogan	5,812	10,950
N Sawford (Chair)	20,000	19,400
S Bennett	11,500	10,950
K Mayhew	10,042	8,775
F Goymour	12,570	8,775
A Wade	4,300	4,233
S Jones	11,500	10,950
T D'Olier	9,000	4,487
K Rogers	9,000	4,487
H Trivedi	9,000	4,487
K Bird (aka K McEwan)	8,074	2,165
	122,298	104,930

The total payments to Board and Committee members is reviewed annually, taking external independent advice where appropriate. Remuneration is based on sector benchmarking data for comparable sized associations.

Board Members received payments totaling £122,298 in aggregate in their capacity as members of the Company Board (2023: £104,930).

Key management personnel

The aggregate remuneration for key management personnel (the Executive Team), which includes the executive directors and other members of the Senior Management Team, charged in the year is:

	Group and Association	
	2024	2023
	£'000	£'000
Emoluments (including benefits in kind)	1,065	995
Pension contributions	123	129
	1,188	1,124

Key management personnel are defined as Board Members and the Executive Management Team (Directors) defined benefit scheme which are included in the numbers of employees quoted in note 9. Board Members received payments totaling £122,298 in aggregate in their capacity as members of the Company Board (2023: £104,930). The Leadership Team received payments totaling £1,060,039 in aggregate (2023: £994,770). Emoluments (excluding pension contributions) include amounts in relation to the Chief Executive.

During the year, the Company paid £186,692 (2023: £190,636) in Chief Executive salaries. Pension contributions totalling £36,360 (2023: £34,350) were made to the Essex County Council Pension Fund in respect of the Chief Executive. The Chief Executive is an ordinary member of the Essex County Council Pension Fund and no enhanced or special terms apply. The Company does not make any further contribution to an individual pension arrangement for the Chief Executive.

11. Tax on surplus on ordinary activities

	Group		Association	
	2024	2023	2024	2023
Current tax	£'000	£'000	£'000	£'000
UK corporation tax charge/(credit) on surplus for the year	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Deferred tax				
Net origination and reversal of timing differences	-	-	-	-
	-	-	-	-

Current tax reconciliation

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Surplus / (deficit) on ordinary activities before tax	7,429	2,530	7,500	2,368
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2023: 19%)	1,857	481	1,875	450
Expenses not deductible for tax purposes	-	-		-
Income not taxable	(1,857)	(481)	(1,875)	(450)
Total current tax charge	-	-	-	-

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

12. Property, plant, and equipment

Housing properties

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

On transition to FRS 102, we took the option of using the previous GAAP revaluation of completed housing properties as at 31 March 2014 as their deemed cost at the revaluation date, being 31 March 2014.

Housing properties constructed or acquired since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable). The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition and construction, which may include an appropriate amount for staff costs and interest, up to the date of completion. The cost of land for mixed developments is split between tenures based upon the respective site values.

Expenditure on items not separately identified as components are capitalised if they result in incremental future benefit, for example an increase in the net rental stream over the life of the property. The carrying amount of the part of the asset replaced is derecognised.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset until disposal and related sales proceeds included in turnover. The remaining element is classed as a fixed asset and included in housing properties at cost once completed, less any provisions needed for depreciation or impairment. Prior to completion, the properties are carried under assets under construction. Subsequent sales are treated as sales of fixed assets.

The exception to the above is where this would result in a surplus on the disposal of the current asset that would exceed the anticipated overall surplus. In these circumstances any surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or fixed assets.

The overall surplus is the difference between the net present value of cash flows and the cost. The net present value of the cash flows is the sum of the first tranche proceeds, net rental streams and expected receipts from subsequent disposals of the asset, less any grant repayable.

Freehold land is not depreciated. Assets in the course of construction are not depreciated until they are complete and ready for use. Depreciation is charged on major components so as to write off the cost of the components to their residual value, over their estimated useful lives, using the straight-line method. The components identified, with their respective useful lives, are as follows:

Component	Estimated useful life (Years)
Structure	100
Roofs	70
Kitchen	25
Bathroom	35
Heating system: boiler	7-15
Heating system: remainder	40
Windows and doors	30
Insulation	50
Fire safety equipment	10
Smart thermostats	10

Refurbishment or replacement of such components is capitalised and depreciated over the estimated useful life of the component. The carrying amount of any replaced component or part component is derecognised.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

During 2023/2024. CHP spent a total of £5,572,675 on decarbonisation works. This comprised of:

Energy efficiencies	**£3,325,963**
Property improvements	**£1,767,156**
Sustainability works	**£479,556**

Non-financial assets (property, plant and equipment)

The Group's housing properties and other property, plant and equipment are assessed for impairment at each reporting date. Where indicators are identified, then an assessment is undertaken to compare the carrying amount of assets or cash-generating units for which impairment is indicated to their recoverable amounts. If there is objective evidence of impairment, an impairment loss is recognised immediately in the statement of comprehensive income.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use represents the present value of the future cash flows expected to be derived from an asset or cash-generating unit, appropriately adjusted to account for any restrictions on their use. The assessment of value in use may involve considerations of the service potential of the assets or cash-generating units, provided the property concerned is being used for social housing and is in demand. Value in use for assets held for their service potential represents the depreciated replacement cost, being the most economic cost required to replace the service potential of the asset. Depreciated replacement cost is the lower of the cost of constructing or acquiring a replacement asset to provide the same level of service potential. The cost of acquiring a replacement asset could be either through purchasing an equivalent property on the open market or purchasing an equivalent property from another registered provider, providing there is considered to be an active market.

12. Property, plant and equipment - housing properties : Group

	Social housing properties held for letting					Shared ownership		
Group	**Social rent**	**Affordable**	**Components**	**Intermediate rent**	**Under construction**	**Under construction**	**Completed**	**Total**
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	312,423	240,755	145,391	8,323	15,417	5,917	64,409	792,635
Additions	-	-	-	-	49,488	16,328	-	65,816
Works to existing properties	17	10	6,467	-	-	-	-	6,494
Cross subsidy adjustment	-	-	-	-	-	-	(17)	(17)
Schemes completed	2,420	28,957	4,499	-	(35,876)	(7,471)	7,471	-
Disposals	(136)	(103)	(2,464)	-	-	-	(21,134)	(23,837)
Change of tenure/ asset type	-	-	-	-	-	-	-	-
At 31 March 2024	**314,724**	**269,619**	**153,893**	**8,323**	**29,029**	**14,774**	**50,729**	**841,091**
Depreciation								
At 1 April 2023	21,144	7,010	34,345	565	-	-	1,789	64,853
Depreciation charge in year	2,532	1,677	6,152	66	-	-	348	10,775
Impairment	-	-	-	-	-	590	-	590
Released on disposal	(14)	(3)	(1,409)	-	-	-	(443)	(1,869)
Change of tenure/ asset type	-	-	-	-	-	-	-	-
At 31 March 2024	**23,662**	**8,684**	**39,088**	**631**	**-**	**590**	**1,694**	**74,349**
Net book value								
At 31 March 2024	**291,062**	**260,935**	**114,805**	**7,692**	**29,029**	**14,184**	**49,035**	**766,742**
At 31 March 2023	291,279	233,745	111,046	7,758	15,417	5,917	62,620	727,782

12. Property, plant and equipment - housing properties : Association

	Social housing properties held for letting					Shared ownership		
Association	**Social rent**	**Affordable**	**Components**	**Intermediate rent**	**Under construction**	**Under construction**	**Completed**	**Total**
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	312,423	240,755	145,391	8,323	20,855	5,778	64,409	797,934
Additions	-	-	-	-	49,890	**16,328**	-	**66,218**
Works to existing properties	**17**	**10**	**6,467**	-	-	-	-	**6,494**
Cross subsidy adjustment	-	-	-	-	-	-	**(17)**	**(17)**
Schemes completed	**2,420**	**28,957**	**4,499**	-	(35,876)	**(7,471)**	**7,471**	-
Disposals	**(136)**	**(103)**	**(2,464)**	-	-	-	**(21,134)**	**(23,837)**
Change of tenure/ asset type	-	-	-	-	-	-	-	-
At 31 March 2024	**314,724**	**269,619**	**153,893**	**8,323**	**34,869**	**14,635**	**50,729**	**846,792**
Depreciation								
At 1 April 2023	21,144	7,010	34,345	565	-	-	1,789	64,853
Depreciation charge in year	**2,532**	**1,677**	**6,152**	**66**	-	-	**348**	**10,775**
Impairment	-	-	-	-	-	**590**	-	**590**
Released on disposal	**(14)**	**(3)**	**(1,409)**	-	-	-	**(443)**	**(1,869)**
Change of tenure/ asset type	-	-	-	-	-	-	-	-
At 31 March 2023	**23,662**	**8,684**	**39,088**	**631**	-	**590**	**1,694**	**74,349**
Net book value								
At 31 March 2024	**291,062**	**260,935**	**114,805**	**7,692**	**34,869**	**14,045**	**49,035**	**772,443**
At 31 March 2023	291,279	233,745	111,046	7,758	20,855	5,778	62,620	733,081

12. Property, plant and equipment - housing properties

Affordable social housing properties for rent have been constructed under the Short Form Agreement, which is not part of the HCA Affordable Homes Programme (2011-2015).

On transition to FRS 102 in 2015/2016, we took the option of using a previous valuation as its deemed cost at the transition date. Housing properties completed subsequently have been measured at cost. The company's housing properties were valued by professional external valuers, Savills (L&P) Limited, Chartered Surveyors.

Completed properties for social rent and shared ownership are valued at Existing Use Value for Social Housing (EUV-SH) and properties for intermediate rent are valued at Market Value Subject to Tenancies (MV-STT).

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

	Group and Association	
	2024	2023
	£'000	£'000
Historical cost	**702,518**	**676,455**
Depreciation	**(87,151)**	**(79,808)**
	615,367	**596,647**

Housing properties historical cost book value, net of depreciation:

	Group and Association	
	2024	2023
	£'000	£'000
Freehold land and buildings	**610,202**	**591,319**
Long leasehold land and buildings	**5,165**	**5,328**
	615,367	**596,647**

Additions to housing properties in the course of construction during the year included capitalised interest of £1,842k (2023: £1,235k) at an average interest rate of (2023: 4.79 percent).

13. Intangible assets

Cost or valuation	£'000
At 1 April 2023	2,818
Additions	345
Disposals	-
Impairment (charge) / reversal	-
At 31 March 2024	**3,163**
Depreciation	
At 1 April 2023	1,891
Charge for the year	449
Released on disposal	-
At 31 March 2024	**2,340**
Net book value	
At 31 March 2024	**823**
At 1 April 2023	927

14. Other property, plant, and equipment: Group

We have a number of commercial units situated within mixed tenure dwellings. As these units provide a service to our residents and wider communities, we have classified these as property, plant and equipment.

Other property, plant and equipment are stated at cost less depreciation and any impairment. Cost includes any expenditure directly attributable to bringing the asset into use. Repairs and maintenance are charged to income and expenditure.

Depreciation is charged on a straight-line basis over the expected useful lives of the assets to write them down to their estimated residual values over their expected useful lives, as follows:

	Years
Commercial properties for rent	40
Freehold office buildings	50
Plant and machinery	4
Fixtures, fittings and equipment	4 - 12

	Commercial properties for rent	Freehold offices	Plant and machinery	Fixtures, fittings and equipment	Total
Cost or valuation	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	7,709	10,791	573	2,352	21,425
Additions	-	-	17	111	128
Disposals	-	-	(2)	(16)	(18)
Impairment (charge) / reversal	-	-	-	-	-
Change of tenure/asset type	-	-	-	-	-
At 31 March 2024	**7,709**	**10,791**	**588**	**2,447**	**21,535**
Depreciation					
At 1 April 2023	1,738	1,397	264	1,897	5,296
Charge for the year	201	165	72	212	650
Released on disposal	-	-	(2)	(15)	(17)
Change of tenure/asset type	-	-	-	-	-
At 31 March 2024	**1,939**	**1,562**	**334**	**2,094**	**5,929**
Net book value					
At 31 March 2024	**5,770**	**9,229**	**254**	**353**	**15,606**
At 1 April 2023	5,971	9,394	309	455	16,129

The carrying value of the commercial properties which are all freehold that would have been included in the Financial Statements had the assets always been carried at cost is as follows:

	Group and Association	
	2024	**2023**
	£'000	£'000
Historical cost	**(1,672)**	**(1,589)**
Depreciation	**5,135**	**5,218**
	3,463	**3,629**

15. Investment properties (market rented properties)

Valuation	£'000
At 1 April 2023	7,826
Additions	-
Schemes completed	-
Disposals	-
Valuation adjustment	**169**
At 31 March 2024	**7,995**

Market rent properties are stated at Market Value Subject to Tenancies (MV-STT). The company's investment properties were valued by professional external valuers, Savills (L&P) Limited, Chartered Surveyors. The assumptions used by the valuers included Gross Yield of 6.80 percent per annum.

The valuation exercise was carried out in March 2024 with a valuation date of 31 March 2024. The Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards effective 31 January 2022 ('Red Book') has been applied.

The valuation adjustment of £169k (2023: £256k) has been credited to the statement of comprehensive income.

The carrying value of the completed housing properties that would have been inclued in the the Financial Statements had the assets always been carried at historical cost would be £6,280k (2023: £6,279k).

We have an interest in the freeholds of market rented properties, which are deemed investment properties because they are held for the purpose of ensuring a continuing rental income and are not held for social benefit or use in the business.

Investment properties are initially measured at cost and subsequently at fair value, with any changes in fair value recognised in the statement of comprehensive income.

Notes to the Financial Statements

16. Investments in subsidiaries

The investments in subsidiaries are as follows:

Name of subsidiary	Myriad Capital PLC	Myriad Homes Ltd	Myriad Housing Ltd
Principal activities of subsidiary	Investment	Sales	Design and Build
Ownership percentage	100	100	100
Ownership of incorporation	United Kingdom	United Kingdom	United Kingdom
	£	£	£
At 31 March 2024	**50,000**	**100**	**100**
At 31 March 2023	50,000	100	100

17. Properties for sale

Properties for sale are carried at cost less impairment provision. Cost includes all statutory and professional fees relating to the acquisition of a property, obtaining planning consents, legal fees and the costs of construction and redevelopment. Finance costs are capitalised within the cost of properties for sale.

	Group and Association	
	2024	**2023**
	£'000	£'000
Shared ownership properties under construction	**4,674**	**1,926**
Completed shared ownership properties	**1,124**	**24**
	5,798	**1,950**

The Group assesses at each year end whether any impairment is required. This assessment is made by comparing the carrying amount with its selling price less costs to complete and sell. Selling price is calculated by estimating the likely end sales value of completed developments less all necessary future development and disposal costs. If there is an impairment, the carrying amount is reduced to the selling price less costs; the resulting impairment loss is recognised immediately in the statement of comprehensive income.

When the circumstances that previously caused an impairment no longer exist or there is clear evidence of an increase in selling price, the amount of the impairment would be reversed so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell.

18. Debtors

Debtors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

We have made arrangements with individuals for arrears payments of rent and service charges and these arrangements are effectively loans granted at nil interest rate.

Financial assets comprise trade and other debtors, cash and cash equivalents and loan balances. Financial assets are assessed for impairment at each reporting date using the lifetime expected credit loss model. Lifetime expected credit losses are recognised where there has been a significant increase in credit risk since initial recognition, otherwise 12 months expected credit losses are recognised. Credit risk is assessed as the risk of a default occurring over the expected life of the financial instrument. Impairment gains or losses are recognised in the statement of comprehensive income.

The Company is partially exempt for Value Added Tax (VAT). The Financial Statements include VAT to the extent that it is suffered by CHP and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

	Group		Association	
a) On lend to subsidiaries	**2024**	**2023**	**2024**	**2023**
	£'000	£'000	£'000	£'000
Lending to Myriad Housing Ltd	-	-	**100**	**415**
Lending to Myriad Homes Ltd	-	-	**7,769**	**4,957**
	-	-	**7,869**	**5,372**

	Group		Association	
b) Debtors	**2024**	**2023**	**2024**	**2023**
Due within one year	£'000	£'000	£'000	£'000
Rents and service charges receivable	**2,394**	**1,883**	**2,394**	1,883
Less: Provision for bad and doubtful debts	**(1,297)**	**(1,022)**	**(1,297)**	(1,022)
	1,097	**861**	**1,097**	861
Other debtors	**2,477**	**638**	**2,042**	408
Prepayments and accrued income	**2,346**	**2,312**	**2,781**	2,312
Amount owed by other Group companies	-	**13**	**1**	72
	5,920	**3,824**	**5,921**	3,653

	Group		Association	
c) Total Debtors	**2024**	**2023**	**2024**	**2023**
	£'000	£'000	£'000	£'000
Note a and b	**5,920**	**3,824**	**13,790**	9,025

19. Creditors: Amounts falling due within one year

Creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	2,362	1,041	1,564	832
Rent and service charges received in advance	2,211	1,948	2,211	1,948
Interest payable	3,440	3,305	155	20
Housing loans	5,939	5,557	5,939	5,557
Bond premium	1,191	1,157	1,191	1,157
Other taxation and social security	557	435	608	483
Other creditors	1,307	2,071	1,307	2,071
Amount owed by other Group companies	-	224	9,845	6,165
Accruals and deferred income	8,953	5,346	3,369	2,449
	25,960	21,084	26,189	20,682

20. Creditors: Amounts falling due after more than one year

	Group		Association	
	2024	2023	2024	2023
Housing loans	£'000	£'000	£'000	£'000
Within one to two years	**6,323**	**5,940**	**6,323**	**5,940**
Within two to five years	**80,255**	**20,228**	**80,255**	**20,228**
In five years or more	**423,627**	**442,775**	**421,870**	**441,020**
Total housing loans	**510,204**	**468,943**	**508,448**	**467,188**
Bond Premium	**30,291**	**31,482**	**30,291**	**31,482**
Less: Loan arrangement costs	**(4,173)**	**(3,669)**	**(3,006)**	**(2,467)**
	536,322	**496,756**	**535,733**	**496,203**
Recycled capital grant fund	**131**	**2**	**131**	**2**
	536,454	**496,758**	**535,864**	**496,205**

The housing loans are secured by specific charges on the company's housing properties. All loans are repayable by lump sums at set stages in the debt agreement until 2042. At 31 March 2024 the company had undrawn loan facilities of £100m (2023: £99m). Included in the total housing loans is a discounted prepayment on issue of the bond finance of £665k (2023: £685k). Bond interest was issued at an interest rate of 4.79 percent, which after taking into account the discounted prepayment gives a net rate of 4.75 percent.

CHP uses interest rate swaps to manage its interest rate risk. At the year-end instruments were held with a nominal value of £177m and fair value of £4m, with security of property £75.6m and cash £0m.

21. Grants

	Social	Affordable	Shared ownership	Under construction: Social housing	Under construction: Shared ownership	Total
Cost or valuation	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	(3,719)	(7,142)	(855)	(1,655)	(67)	(13,438)
Additions	-	-	-	(2,567)	(430)	(2,997)
Schemes completed	(1,219)	(1,218)	-	2,437	-	-
Disposals	-	-	-	-	-	-
At 31 March 2024	**(4,938)**	**(8,360)**	**(855)**	**(1,785)**	**(497)**	**(16,435)**
Amortisation						
At 1 April 2023	113	199	17	-	-	329
Charge for the year	46	68	9	-	-	123
Released on Disposal	-	-	-	-	-	-
At 31 March 2024	**159**	**267**	**26**	**-**	**-**	**452**
Net book value						
At 31 March 2024	**(4,779)**	**(8,093)**	**(829)**	**(1,785)**	**(497)**	**(15,983)**
At 31 March 2023	(3,606)	(6,943)	(838)	(1,655)	(67)	(13,109)

Government Grants include grants receivable from Homes England, local authorities and other government organisations. Government Grants are recognised as deferred income and amortised to income on a straight line basis over the expected useful life of the housing property structure under the accrual model of accounting. Amortisation starts from the point of completion of the housing property to which the grant relates.

Grants relating to revenue are recognised in statement of comprehensive income over the same period as the expenditure to which they relate. Until the revenue grants are recognised as income they are recorded as liabilities.

Government grants released on sale of the property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and are included in the Statement of Financial Position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the statement of comprehensive income.

Other grants are recognised in income once the performance conditions have been met under the performance model of accounting.

The carrying value of the grants that would have been included in the Financial Statements had they been carried at historical value less amortisation is as follows:

	2024	2023
Group and Association:	£'000	£'000
Historical cost	**60,327**	**57,413**
Amortisation	**(6,762)**	**(6,196)**
	53,565	**51,217**

22. Disposal proceeds fund and recycled capital grant fund

Recycled Capital Grant Fund	**2024**	**2023**
	£'000	£'000
	Homes England	**Homes England**
At 1 April	**2**	**110**
Grant recycled	**86**	**37**
Interest accrued	**5**	**2**
Applied to new build / not utilised	**37**	**(147)**
At 31 March	**130**	**2**
Amounts three years or older where repayment may be required	-	-

Disposal Proceeds Fund (Homes England)	**2024**	**2023**
	£'000	£'000
	-	-
At 1 April	-	-
Grant recycled	-	-
Interest accrued	-	-
Applied to new build / not utilised	-	-
At 31 March	-	-

The Group generally has the option to recycle capital grant which would otherwise be repayable, for re-use on new developments. If unused within a three year period, it will be repayable to the Homes England with interest. The development programme of the Group is such that the recycled grant is expected to be re-used before it becomes repayable. Any unused recycled capital grant held within the capital grant recycling fund is disclosed in the statement of financial position split between creditors falling due within one and after one year.

Withdrawals from the disposals proceeds fund were used for approved works for new builds and existing properties. Since 6 April 2017, there is no longer a requirement to add any new net proceeds of disposals to the Disposal Proceeds Fund. Existing Funds were fully utilised in 2018/2019.

23. Financial instruments: Group

Financial assets:	2024	2023
	£'000	£'000
Measured at fair value through the profit and loss		
Current asset listed investments	-	-
Measured at undiscounted amounts receivable		
Trade and other Debtors	2,042	638
	2,042	638

Financial liabilities:		
Measured at fair value and designated in an effective hedging relationship		
Derivative financial liabilities	3,778	8,140
Measured at fair value, non-hedged financial instruments		
Derivative financial liabilities	-	-
Measured at amortised cost	-	-
Loans repayable	547,625	507,139
Measured at undiscounted amounts receivable		
Trade and other creditors	3,669	3,112
	555,072	518,391

The Group's income, expenditure, gains, and losses in respect of the financial instruments are summarised below:

Interest income and expense		
Total interest income for financial assets at amortised cost	-	-
Total interest expense for financial liabilities at amortised cost	21,020	21,020
Derivatives that are designated and effective as hedging instruments carried at fair value		
Liabilities		
Interest rate swaps	3,778	8,140
Fair value loss charged to the Statement of Comprehensive Income	1,471	1,970
Closing loan liability	(20,536)	(22,292)
Cash Flow Hedge Reserve	(15,287)	(12,182)

23. Financial instruments: Group continued.

Derivative financial instruments: Group and Association

	2024	2023
Derivative that are designed and effective as hedging instruments carried at fair value	£'000	£'000
Liabilities		
Interest rate swaps	**(3,778)**	**(8,140)**
Non-hedged instruments carried at fair value		
Liabilities		
RPI swaps	-	-
	(3,778)	**(8,140)**

The following table details the notional principal amounts and remaining terms of interest rate swaps contracts outstanding as at the reporting date:

Outstanding - receive floating and pay fixed contracts	**Average contract fixed interest rate**		**Notional value**	**Principal**	**Fair value**	
	2024	**2023**			**2024**	**2023**
	%	%	£'000	£'000	£'000	£'000
Less than one year	-	-	-	-	-	-
One - two years	-	-	-	-	-	-
Two - five years	**4.47%**	**4.47%**	**28,150**	**28,150**	**343**	**3,200**
Five years +	**3.48%**	**3.48%**	**148,850**	**148,850**	**3,435**	**4,940**
			177,000	**177,000**	**3,778**	**8,140**

23. Financial instruments: Group continued.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps Sterling Overnight Index Average (SONIA) plus a credit adjustment spread of 0.1193. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

Financial assets and liabilities comprise trade and other debtors, cash and cash equivalents, trade and other payables, loans and derivatives financial instruments.

The Group has made an accounting policy choice to apply the recognition and measurement requirements of IFRS 9 Financial Instruments.

Recognition and de-cognition

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, despite having to retain some significant risks and rewards of ownership, has transferred control of the asset to another party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are only offset in the statement of financial position when there exists a legally enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise and settle the liability simultaneously.

Initial measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

Financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are subsequently measured at amortised cost using the effective interest method, less any impairment. Where a premium or discount has been incurred on a bond issue, this is released over the term of the debt using the effective interest rate method.

Interest income and expense is recognised by applying the effective interest rate, except for short-term receivables and payables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

23. Financial instruments: Group continued.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Hedge accounting

The Group designates certain interest rate swap derivative financial instruments as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the income statement as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income at that time is accumulated in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Credit risk

The liabilities to funders are secured by a legal charge over property assets owned by the group with a value in excess of total borrowings. The carrying value of the funding liabilities represents the maximum value exposed to credit risk.

Liquidity risk

Expected cash flows from the financial assets, in particular cash resources, are used in assessing and managing the risk of not being able to meet our obligations when they are due.

Interest rate risk

At 31 March, 82.7 percent of our debt was fixed or hedged. There is no intention to repay any term debt other than in accordance with the terms of each agreement.

The Group has £89.1m of variable debt funding which could be exposed to rises in SONIA rates. If SONIA were to increase by 0.5 percent, then the impact would be additional interest costs of £240.6k to the statement of comprehensive income. The Group is subject to interest rate risk on investment income on short term deposits, cash balances and swaps.

24. Non-equity share capital

CHP is a Communtiy Benefit Society limited by guarantee and has issued no share capital.

At 31 March 2024 the Company had ten certificated members (31 March 2023: 68).

The certificates provide members with the right to vote at general meetings, but does not provide any rights to dividends. In the event of a winding up the members are liable to subscribe for £1 each to satisfy their guarantee to the company.

25. Financial commitments

	Group		Association	
Capital expenditure	**2024**	**2023**	**2024**	**2023**
	£'000	£'000	£'000	£'000
Contracted but not provided	**76,648**	**88,223**	**77,125**	**87,247**
Authorised but not contracted	**116,025**	**144,514**	**118,228**	**147,568**
	192,673	**232,737**	**195,353**	**234,815**

The above commitments will be financed through a combination of sales receipts, cash, and the undrawn loan facilities provided by Barclays Bank and Lloyds Bank Group.

26. Operating leases:

The total future minimum lease payments which the company is committed to make under operating leases are as follows:

		Group and Association	
		2024	2023
	Leases expiring	£'000	£'000
(i) Land and buildings	Within one year	**29**	**29**
	Two to five years	**45**	**74**
	In more than five years	-	-
		74	**103**
(ii) Office and computer equipment	Within one year	**30**	**30**
	Two to five years	**17**	**26**
	In more than five years	-	-
		47	**56**
(iii) Vehicle leases	Within one year	**441**	**396**
	Two to five years	**635**	**857**
	In more than five years	-	-
		1,076	**1,253**
		1,197	**1,412**

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the lease term.

27. Contingent liabilities

The Group previously identified that works amounting to £5m may be required to our only tower block, Parkside Court, as a result of changes to the building regulations arising from the Hackett Review together with remedial works required to the cavity barriers. The costs of this work costs will be recovered from the contractor who installed the original cladding. No further contigent liabilites have been identified.

28. Pension obligations

Essex County Council Pension Fund (ECCPF) : Group and company

The ECCPF is a multi-employer defined benefit pension scheme, administered by Essex County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme.The most recent formal actuarial valuation was completed as at 31 March 2022 by a qualified independent actuary. The ECCPF was closed to new employees with effect from 1 October 2018 but employees already within the scheme will continue to contribute and accrue pension benefits.

The employer's contributions to the ECCPF by the Company for the year ended 31 March 2024 were £1,553k (2023: £1,572k) at a contribution rate of 20.2 percent (2023: 19.2 percent) of pensionable salaries, set until the next triennial funding valuation as at 31 March 2025. The contribution rate was increased with effect from 1 October 2018 with the closure of the ECCPF to new employees.

ECCPF have provided pension calculations on a more prudent basis than in previous years. This has been highlighted by KPMG as being a change in CHP's accounting policy and that this would require formal adoption. KPMG also observed their view is that either approach is acceptable. Consequently, we have sought the advice of FirstActuarial (CHP's retained pension advisors) to provide advice on the change and to recommend the approach we should take. The result of their review was that the new approach was, in fact, their preferred option and was approved by CHP Board on 24 July 2024.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at 31 March

	2024	2023
	£'000	£'000
Opening fair value of liabilities	**54,969**	**84,223**
Service cost	**1,295**	**3,210**
Past service cost	**-**	**350**
Interest cost	**2,611**	**2,180**
Contributions by the members	**503**	**519**
Change in financial assumptions	**(1,490)**	**(38,051)**
Change in demographic assumptions	**(715)**	**(2,103)**
Experience (loss)/gain on defined benefit obligation	**191**	**6,057**
Net benefits paid out	**(1,643)**	**(1,416)**
Closing fair value of liabilities	**55,721**	**54,969**

28. Pension obligations continued

Reconciliation of opening and closing balances of the present value of fund assets as at 31 March

	2024	2023
	£'000	£'000
Opening fair value of assets	72,277	70,818
Interest on assets	3,479	1,850
Return on assets less interest	5,439	(1,598)
Actuarial gain/(loss) on assets	-	573
Contributions by the employer	1,553	1,572
Contributions by the members	503	519
Estimated benefits paid net of transfers in	(1,643)	(1,416)
Administration expenses	(50)	(41)
Closing fair value of assets	81,558	72,277

The total return on the fund assets for the year ending 31 March 2024 is £8,918k (2023: £252k).

Amounts recognised in the statement of comprehensive income

	2024	2023
	£'000	£'000
Service cost	(1,295)	(3,560)
Net interest on defined liability (asset) Administration expenses	397	(330)
Administration expenses	(50)	(41)
Total loss	(948)	(3,931)

Group asset share

	2024		2023	
	% of total	£'000	% of total	£'000
Equities	55%	45,175	58%	41,633
Gilts	2%	1,457	1%	1,057
Other bonds	0%	-	0%	0
Property	7%	5,629	8%	5,920
Cash	2%	2,012	3%	2,330
Alternative assets	15%	12,400	16%	11,439
Other managed funds	18%	14,885	14%	9,898
Total value of fair assets	100%	81,558	100%	72,277

28. Pension obligations continued

Net pension deficit as at 31 March 2024

	2024	2023
	£'000	£'000
Present value of the defined benefit obligation	**(55,721)**	**(54,969)**
Fair value of fund assets	**81,558**	**72,277**
Impact of asset ceiling	**(25,837)**	**(9,817)**
Net defined pension asset / (liability)	**-**	**7,491**

Reconciliation of Asset Ceiling

	2024	2023
	£'000	£'000
Opening Impact of Asset Ceiling	**9,817**	**-**
Interest on Impact of Asset Ceiling	**471**	**-**
Acturial losses/(gains)	**15,549**	**9,817**
Closing Impact of Asset Ceiling	**25,837**	**9,817**

The asset has been restricted in line with the requirements of the accounting standards. The asset ceiling represents the present value of the economic benefit available to the Employer in the form of either a future refund or reduced future employer contributions.

The asset ceiling this year is calculated as the expected future cost of accrual, calculated using the same assumptions used to calculate the defined benefit obligation, minus the present value of the current contributions payable by the Employer over the future working lifetime of the current active membership. As the current Employer contribution rate exceeds the expected future cost of accrual, the asset ceiling is nil.

This is a change of approach from last year where it was assumed that contributions would be payable over the next three years as certified under the rates and adjustments certificate, and this year it has been assumed that contributions are payable over the future working lifetime of the active members.

28. Pension obligations continued

Assumptions

The main financial assumptions used by the actuary were:

% per annum	2024	**2023**
Rate of increase in salaries	**3.85%**	**3.85%**
Rate of increase in pensions in payment	**2.85%**	**2.85%**
Discount rate	**4.95%**	**4.80%**
Inflation assumption:		
CPI	**3.20%**	**2.90%**
RPI	**3.15%**	**3.20%**
Life expectancy from age 65 years - retiring today / in 20 years:		
Male	**20.8 / 22**	**21.1 / 22.3**
Female	**23.3 / 24.7**	**23.5 / 25.0**

Re-measurement of the net assets / (defined liability) included in other comprehensive income

	2024	**2023**
	£'000	£'000
Return on fund assets in excess of interest	**5,439**	**(1,598)**
Other actuarial gains / (losses) on assets	**-**	**573**
Change in financial assumptions	**1,490**	**38,051**
Change in demographic assumptions	**715**	**2,103**
Experience gain / (losses) on defined benefit obligation	**(191)**	**(6,057)**
Changes on effect of asset ceiling	**(15,549)**	**(9,817)**
Remeasurement of net assets / (defined liability)	**(8,096)**	**23,255**

Projected pension expense for the year to 31 March 2025

	2025
	£'000
Service cost	**1,237**
Net interest on the defined benefit liability	**(43)**
Administration expenses	**50**
Total loss	**1,244**
Employer contributions	**1,733**

Please note, pension scheme changes as a result of the outcome of the Virgin Media Court of Appeal case July 2024 are under review and further details will be provided in the next reporting period.

29. Cash flow from operating activities

	2024	2023
	£'000	£'000
Operating surplus for the year	**25,930**	**20,005**
Adjustments for non-cash items:		
Depreciation of property, plant and equipment plus impairment	**12,463**	**11,468**
Loss on component replacements	**-**	**-**
Decrease / (increase) in stock	**(2,666)**	**(2,953)**
(Increase) in trade and other debtors	**(2,096)**	**(603)**
Increase / (decrease) in trade and other creditors	**4,215**	**2,255**
Amortisation of grant	**(123)**	**(111)**
Pension costs less contributions payable	**(208)**	**2,029**
Movement in properties for sale	**(3,848)**	**(214)**
Net cash generated from operating surplus	**33,667**	**31,876**

Cash and cash equivalents consist of cash at bank, in hand, deposits and money market deposits held for more than 24 hours that can be withdrawn at any time without penalty and deposits for fixed term amounts up to 12 months.

Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Net debt reconciliation	**At 1 April 2023**	**Cashflows**	**Other Non Cash Changes**	**At 31 March 2024**
	£'000	£'000	£'000	£'000
Cash and cash equivalents	**19,854**	5,576	-	**25,430**
Loans	**507,139**	34,547	5,939	**547,625**
	526,993	40,123	5,939	**573,055**

30. Related parties transactions

The Group is required to disclose details of material transactions with related parties, bodies or individuals that have the potential to control or influence the group or to be controlled or influenced by the group. A related party is the transfer of assets or liabilities or the performance or services by, or for another (related) party irrespective of whether a charge is made. Disclosures of these transactions allows readers to assess the extent to which the Group might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Group.

Board Directors

Board directors have control over the Group's operating and financial policies. The total remuneration paid to the board directors is shown in note 10. We have conducted our annual review of declared interests, there are no disclosures of any material transactions with related parties', bodies or individuals that have the potential to control or influence the Group or to be controlled or influenced by the Group.

31. Subsidiaries

CHP issued a £200m 30 year bond in December 2013 via its subsidiary, Myriad Capital PLC. This bond was tapped for an additional £50m in March 2021 under the existing terms, taking the total amount issued to £250m.

CHP provides staff and other services to its subsidiaries under the terms of procedure agreements. Salary costs are recharged on a time spent basis and the general overheads on the number of units on site for each subsidiary and the average cost per head within the development programme. Details of the amounts charged to the subsidiaries within the Group are as follows;

	2024	**2023**
	£'000	£'000
Myriad Homes Ltd	**10**	**10**
Myriad Housing Ltd	**774**	**709**
Myriad Capital PLC	-	-
	784	**719**

Myriad Capital PLC is the financing vehicle for CHP and charges interest to CHP.

CHP guarantees the contracts undertaken by Myriad Housing Ltd when requested to do so. We have Parent Company Guarantees in place on the following schemes:-

Mascalls Park
Channels Phase 1
Prittlebrook Southend
Hall Road - Ashberry Homes
Hall Road Bellway Kent
Stanway - NE2, Colchester
Arisdale Avenue, Persimmon (Phase 1)
Hall Road Phase 2 (Bellway Thames)
Main Road, Gt Leighs
Hall Road Rochford Phase 3
Holloway Road, Heybridge
Newhall, Harlow
Arla, Hatfield Peveral - Bellway
High Road, Fobbing
Broad St Green
Brierley Paddocks

Legal and administrative details

Registered name and address
Our Association name is Chelmer Housing Partnership Limited, but we like to be known as CHP.

Myriad House
33 Springfield Lyons Approach
Chelmsford, Essex, CM2 5LB

Registered numbers

Co-operative and Community Benefit Society: 8112
Regulator of Social Housing: L4331

Our Group

We have three wholly owned subsidiary companies in our Group:
Myriad Capital PLC
Myriad Homes Limited
Myriad Housing Limited

Advisers

External auditor (appointed October 2019)

KPMG LLP
15 Canada Square, London, E14 5GL

Internal auditor

Beevers and Struthers
1 George Leigh Street, Manchester, M4 5DL

Banker

National Westminster Bank Plc
4-5 High Street, Chelmsford, Essex, CM1 1FZ

Solicitors

Trowers and Hamlins LLP
3 Bunhill Row, London, EC1Y 8YZ

Devonshires Solicitors LLP
30 Finsbury Circus, London, EC2M 7DT

Funders

Lloyds Banking Group PLC
PO Box 39900, Bishopsgate Exchange
155 Bishopsgate, London, EC2M 3YB

Barclays Bank PLC
1 Churchill Place, London, E14 5HP

National Australia Bank
Level 25, 255 George Street, Sydney
NSW 2000 Australia

Financial Statements

2023/2024

Please contact us if you would like a copy of this document in large print, on CD, or in another language.

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Chelmer Housing Partnership Limited
Report and Financial Statements for the year end of March 2024