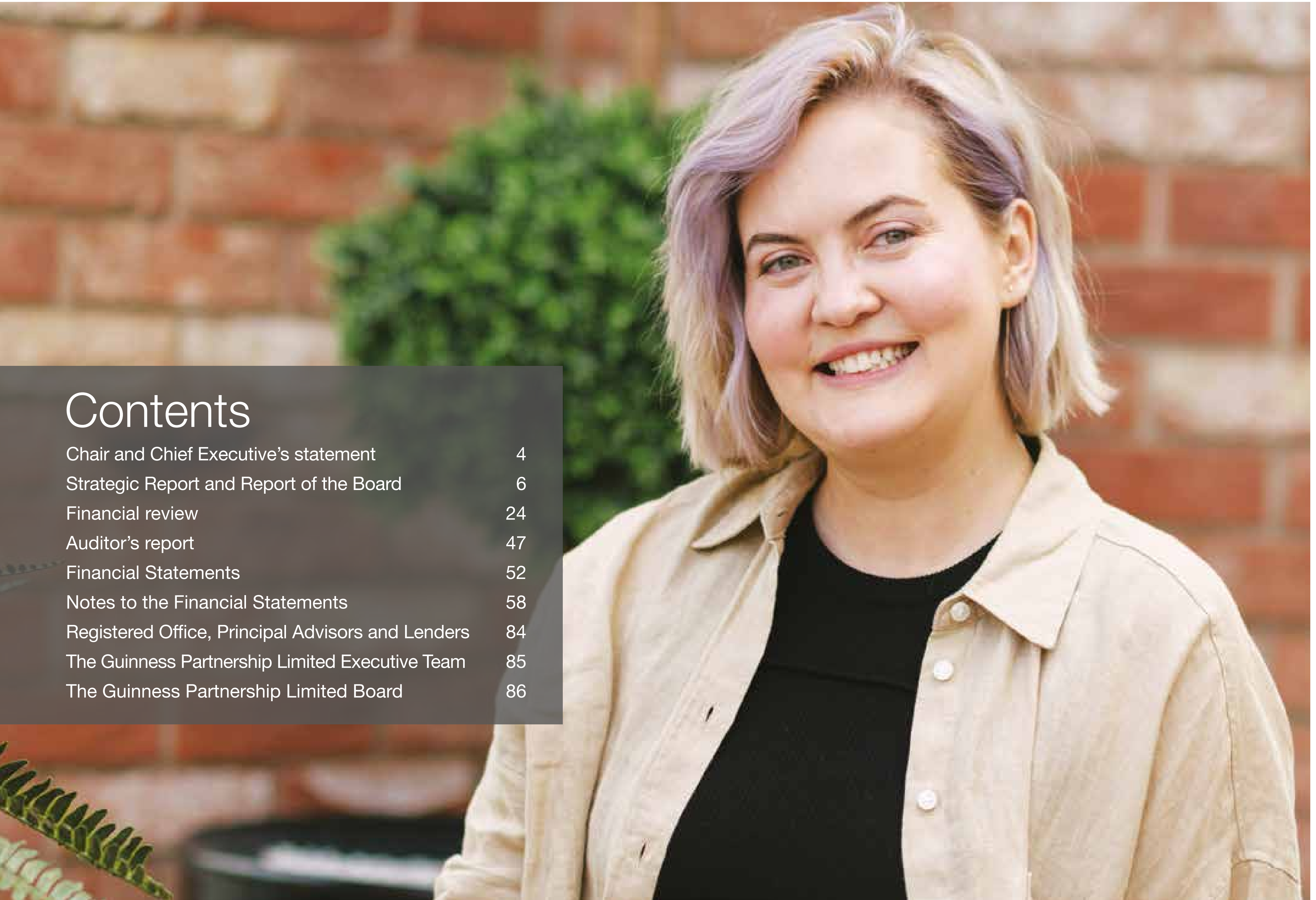
the guinness partnership

Financial statements

2021/2022



Contents

Guinness – an overview of the year

Financial, property and development and operational highlights

Financial

£963.3m
Total net assets

£388.2m
Group turnover

£4,388
Group Social Housing cost per home

£96.6m
Group operating surplus

£98.5m
TGPL operating surplus

Credit ratings:

Standard & Poor's
A- (stable)

Moody's
A3 (stable)

Property and development

1,027
New homes started on site

410
New homes completed

3,319
Homes under construction

2,026
New homes pipeline

28.2
Average number of days to complete a non-emergency repair

£143.1m
Investment and maintenance of existing homes

Operational

64,326
Homes in management as at 31 March

72%
Tenant satisfaction

83%
Employee engagement TGPL

100%
Gas safety checks carried out

G1 V2
RSH regulatory gradings

7,456
Weekly care hours delivered

Chair and Chief Executive's statement

Welcome to Guinness's Financial Statements for the year to 31 March 2022, which describe what and how we have been doing over the last year, our financial performance and position, and how we see ourselves as being placed for the future.

Over the last 12 months, Covid restrictions have lifted and the worst health risks of the pandemic appear to have receded. But the pandemic is not without its legacy, and we have emerged into challenging times, including a cost of living crisis on a scale not seen for generations. These are difficult times for many of our residents and communities – as they are for some of our colleagues. These are challenges that many of us have not lived or worked through before.

Over the past year, we have devoted considerable energy and resource to catching up with repairs work that we put on hold during the early 2021 Covid lockdown to protect residents and colleagues. We are grateful to our colleagues for the dedication they have shown, and the many additional hours worked to recover our repairs service. We are also grateful to our residents for the patience they have shown during this time.

We have continued to work hard to improve all services and have invested significantly in the technologies and infrastructure which support this. Making it easy and simple for our residents to inform us of repairs and making sure those repairs are done right and on time, is at the core of this.

We are committed to hearing the voices of our residents, and to learning from them how they think we can do things better. We value the contribution of our 15,000 engaged residents who work with us throughout every year to shape our policies and services, and the contribution of our Tenant Scrutiny Panel who review the operations which matter most to residents.

We continue to support individuals and communities. In 2021/22 we invested over £2.3 million in community activities and partnerships that made a difference for over 9,500 people and we helped a further 12,800 claim an additional £13.9m of benefits to which they were entitled. For those most in need we have a targeted fund, which we doubled last year and which we are significantly increasing in the year ahead so we can help even more people.

Many of the fundamentals of housing in England have not improved. There remains a chronic national under-supply of affordable homes, particularly to rent. During the year we made progress towards delivering our commitments under our Homes England and GLA Strategic Partnerships, and we now have 3,300 homes under construction across the country.

Progress is also being made with our building safety programme, to ensure homes remain safe. Alongside our work to remediate more recent buildings, we are retrofitting additional safety measures to older buildings, including installing sprinklers in all taller buildings.

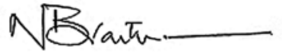
As a nation we face a huge long-term challenge in decarbonising our existing homes. Sustainability and the response to the climate crisis have significantly impacted the political and social landscape. During the year we launched our Environmental and Sustainability Strategy which sets out how we plan to bring all homes to at least an Energy Performance Certificate rating of C by 2030 and achieve net zero carbon by 2050. We are adopting a fabric-first approach, in preparation for taking further advantage of technology as it advances.

The challenges of successfully running a housing association, in particular the cost of providing homes and services, are increasing. Rightly, we continue to be scrutinised closely by politicians, media and – most importantly – our residents for what we do and how we do it. Sometimes that scrutiny can be uncomfortable, but it is always welcome because it helps shine a light on how we can continue to improve.

We are confident, because we have the financial strength, capacity and focus to deliver. Our Financial Plan includes provision for improvements to existing homes, delivering building safety, achieving net zero carbon, and building new homes. Over the past 12 months we have successfully streamlined many of our internal processes and put in place upgraded business support systems. We are reinvesting the capacity this has released back into services, homes and ensuring our people have the tools they need.

Receiving the Investors in People award for Diversity and Inclusion in 2021, for the second consecutive year, was a very proud moment for us. Whilst our focus on inclusion goes beyond our work on race, the Anti-Racism commitments we made in 2020 remain a central part of it. This year we rolled out Race Fluency training to over 1,000 colleagues, and with five other housing associations and a leading business school launched a leadership programme supporting managers and leaders from ethnic minority backgrounds.

The continuing dedication and work of Guinness colleagues is what makes things possible for us as we navigate a challenging external environment. Thank you to each of them and thank you to all the partners who work with us for our residents and communities.



Neil Braithwaite (Chair)

Catriona Simons (CEO)

Strategic Report

Who we are

The Guinness Partnership is one of the largest housing providers in England, with a strong social purpose and a history spanning more than 130 years. Guinness was founded in 1890 to improve people's lives and create possibilities for them and this remains our purpose today. We provide homes and services to over 130,000 people in 64,000 homes across the country. What we are here for hasn't changed and we continue to provide homes and services. We also deliver over 7,000 care hours each week.

As a customer service organisation, it's our customers that we're here for. That means the residents we provide homes to today – our tenants and leaseholders – and the people we provide care and support services to. It also means our future customers.

What we do

The Guinness Partnership Ltd is a Registered Provider of social housing and an exempt charity. Our core activities are the provision of housing for social and affordable rent, affordable home ownership and housing for older people. Through our charitable subsidiary, Guinness Care, we provide a range of care services, including care at home and extra care housing. We are regulated by the Regulator of Social Housing (RSH) and the Care Quality Commission (CQC).

Most of our homes, around 80%, are for rent at prices lower than those charged in the private market – and on terms which offer far greater security. The remainder are either low-cost home ownership or leasehold homes. We provide the majority of our housing services through The Guinness Partnership Limited, the Group parent. The Group also includes a number of subsidiaries and trading entities.

We are addressing the need to increase housing supply, with plans to build 5,500 new homes by March 2025. As well as homes for rent, we also build homes for affordable ownership and homes that people can purchase on the open market, recognising that the national shortage of housing affects those seeking to buy a home too.

Everything we do is about our customers, our communities and our people, and every pound of surplus we make is re-invested in achieving our social purpose.

Where we operate

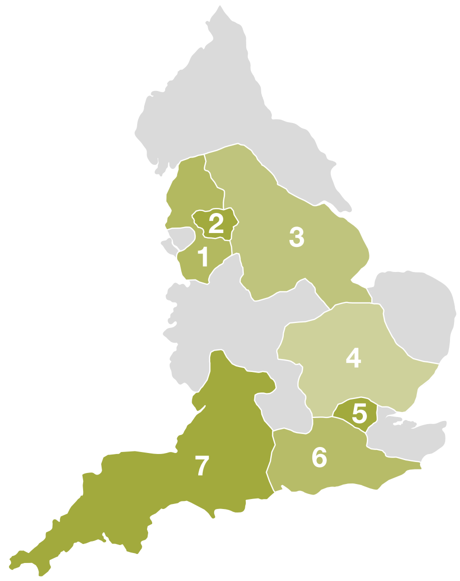
Top 10 Local Authorities	Number of Homes	% total
London (total)	6,984	11%
Cheshire East	5,687	9%
Milton Keynes	4,581	7%
Havant	3,888	6%
Manchester	3,742	6%
Sheffield	2,463	4%
Rochdale	2,167	3%
Stockport	1,574	2%
Oldham	1,347	2%
Gloucester	1,333	2%

We are a national housing association, with over 64,000 homes in 146 Local Authority areas across England, with significant presence in the North West, Yorkshire, the East Midlands, the South West, London and the South East.

In June 2022 we divided our activities into seven clearly defined geographical regions that are shown on the map to the right.

We build and acquire homes in areas where we have scale and a strong local presence, where we can maximise our impact for customers and communities. Where there is lower demand for our homes or empty homes are uneconomic to repair, we actively consider disposal. Where others have a greater concentration of homes and may be better placed to have an impact for residents, in line with our Footprint Strategy, we do consider the transfer of homes to other landlords. This approach enables us to improve both customer service and operating efficiency.

In line with this strategy, in 2021/22 we completed three stock transfers. In October 2021 we transferred 567 properties in the Liverpool City Region to Riverside Housing Group and in November and December 2021 we acquired 468 properties in Chesterfield and Derby respectively from Clarion Housing Group.



1 North West **2** Greater Manchester
3 Yorkshire, Humberside and East Midlands
4 Home Counties **5** Greater London
6 South East and the Coast **7** South West

The Guinness Partnership Limited*

- **Guinness Care and Support Limited** (trading as Guinness Care*)
- **City Response Limited** (trading as Guinness Property)
- **Guinness Housing Association Limited***
- **Guinness Developments Limited**
- **Guinness Homes Limited**
  - **Forge New Homes LLP** (JV)
- **Hallco 1397 Limited**
- **Guinness Platform Limited**
- **The Guinness Trust**

*denotes Registered Providers of social housing

Our Structure

The Guinness Partnership Limited (TGPL) is the group parent. TGPL undertakes the majority of our social housing activity and is regulated by the Regulator of Social Housing. The wider Guinness Group includes two other Registered Providers of social housing, as well as six trading entities (all of which are subsidiaries of TGPL) and a registered charity, as shown below.

- Guinness Care and Support Limited (trading as Guinness Care) – charitable Registered Provider of housing, care and support services.
- Guinness Housing Association Limited – non-charitable, not-for-profit Registered Provider of social housing.
- City Response Limited (trading as Guinness Property) – provides responsive repairs and planned maintenance works to the Group.
- Guinness Developments Limited - provides design and build services in respect of the Group's development programme.
- Guinness Homes Limited – provides housing for sale and some leasehold management services.
- Hallco 1397 Limited – a company which is not actively trading.
- Guinness Platform Limited – a development subsidiary which is not actively trading.
- The Guinness Trust – a registered charity which is not actively trading.
- Forge New Homes LLP – a development joint venture which Guinness Homes Limited participates in with four other housing associations (or their subsidiaries) in the Sheffield area.

Our Vision and Strategy

Our vision is for Guinness to:

- Deliver **great service** – to be one of the best service providers in the housing and care sectors.
- Provide **great homes** – to provide as many high-quality homes as possible, and to play a significant part in tackling the country's housing crisis.
- Be a **great place to work** – to be one of the best employers in the country.

And to:

- Be a **great business** – to be a strong and efficient business that does things well, and that people can trust and rely on.

Our current strategy period extends to 2025. Our targets for each area are:

- Great Service: **customer satisfaction of at least 80% by 2025.**
- Great Homes: **5,500 homes completed by March 2025, including 5,000 affordable homes under our Strategic Partnerships.**
- A Great Place to Work: **employee engagement of at least 85% in 2025.**
- A Great Business: **operating margin of 27% by 2025.**

Under our Strategic Partnerships with Homes England and the Greater London Authority, we are committed to delivering a total of 6,350 new homes by 2029. We also aim to deliver an additional 950 homes outside the Strategy Partnership commitments. The composition of our development programmes and how they contribute to our longer term targets is shown below:

Development Programme to 2029			
	Delivered by 2025	Delivered by 2029	Total under SP's
Homes England SP1	2,800	-	2,800
Greater London SP1	1,750	-	1,750
Greater London SP2	-	300	300
Homes England SP2	-	1,500	1,500
Other	950	-	-
Total	**5,500**	**1,800**	**6,350**

Responding to our operating environment and key priorities

Our operating environment

Two years of the Covid-19 pandemic brought challenge and disruption to our customers' lives and to the work we do. During 2021/22 we continued to experience repairs backlogs following our decision to pause some work again during the January to April 2021 Covid lockdown. Supply chain and labour markets were challenging, particularly towards the end of the year when costs rose sharply. These factors had some impact on elements of our operational and financial performance during the year.

The impact of dramatic cost of living increases, particularly on those on lower incomes, is evident. The cost of essentials is becoming prohibitive. We are providing increasing levels of support both directly and through our community partners but despite this, and despite the one-off support announced by the Government, we expect that the coming years will continue to be very difficult for some of our residents.

The COP26 summit and the latest Intergovernmental Panel on Climate Change report warned that immediate action is required to restrict global warming to 1.5°C. We are committed to Environmental, Social and Governance objectives, and are pursuing this agenda through the roadmap and actions in our Environment and Sustainability Strategy.

The availability of affordable housing, particularly homes for rent, continues to be constrained as demand exceeds new supply; we continue to develop new homes through our Strategic Partnerships with Homes England and the GLA.

Political, public and media scrutiny of social housing and social landlords has continued to intensify, particularly in relation to the condition of homes, the quality of repairs, and whether residents are universally treated with respect. Examples of poor-quality housing and poor practice have been highlighted. The Social Housing White Paper and the Social Housing (Regulation) Bill have set a clear expectation that housing associations should be transparent about how we perform and share that with our residents. They also highlighted the continued importance of providing opportunities for our residents' voices to be heard and for them to influence decision making and shape how we deliver services.

The new Building Safety Act 2022 put many of the recommendations made by Dame Judith Hackitt in her 2018 Report into law. The safety of our homes and residents remains our top priority, and our dedicated Building Safety Team has been working to prepare us for the new regime, as well as overseeing the investigation and, where necessary, remediation programme for our buildings. In all our homes, existing and new, we will meet or exceed legislative and regulatory requirements.

Decent Homes are a central pillar of the housing mission set out in the Government's Levelling Up White Paper. The Government set out associated legislation in the Levelling-Up and Regeneration Bill.

We welcomed the Government's commitment to additional funding for social care raised through the Health and Social Care Levy, including £300m to better integrate housing with health and care. The sector remains a challenging operating environment however, constrained by narrow margins, high rates of employee attrition and strong competition from other sectors for the same pool of labour.

Building safety

The safety of our residents in their homes continues to be our top priority. We have a comprehensive Building Safety Action Plan and investment capacity identified in our Financial Plan. We have continued to ensure our policies and working practices meet all relevant Government advice and legislation, taking opportunities to adopt practices early where we can.

During 2021/22 the cladding replacement at our remaining building with Aluminium Composite Material (ACM) cladding was completed.

We continued to assure the safety of our buildings through our programme of external wall investigations and Type 4 Fire Risk Assessments. We retrofitted sprinklers in nine buildings and commenced installation of evacuation alert systems in eight buildings.

We are retrofitting sprinklers to all buildings over 18 metres in height, to all timber-frame buildings over 12 metres in height and to certain other buildings where we determine that the building would benefit from sprinklers due to the vulnerability of residents.

We have adopted early many of the provisions of the new Building Safety Act 2022:

- We worked with the new Building Safety Regulator to be an early adopter of the requirement to compile Building Safety Cases for high rise buildings (greater than 18 metres or seven storeys).
- Our Building Safety Team carried out fortnightly Building Safety inspections at our high-rise and higher risk buildings.
- Almost 1,000 fire risk inspections were completed to monitor and ensure the safety of our buildings.
- We published our Building Safety Resident Engagement Strategy and have started delivering the associated action plan.
- We are developing our use of technology to assess and monitor high-risk residential buildings (such as creating digital twins of three existing high risk residential buildings) and embedding Building Information Modelling (BIM) where we develop new large and complex schemes.
- We are introducing Building Safety Cases for all of our buildings within scope of the Building Safety Act, in advance of the legislative requirement.

In February 2022 we secured £26m of funding from the Government's Building Safety Fund. This funding will help remediate a fully leaseholder scheme in London which has High Pressure Laminate (HPL) cladding. Work is due to begin in the near future. An additional eight cladding remediation projects are due to commence in the year ahead.

Sustainability and the environment

Sustainability, and the response to the Climate Crisis, have significantly impacted the political and social landscape. A range of legislation and policy aimed at achieving a zero-carbon economy by 2050 is developing.

During the year we launched our Environmental and Sustainability Strategy and action plan for bringing all our homes to at least an Energy Performance Certificate rating of C by 2030. Our Strategy includes our roadmap to net zero carbon by 2050.

Our approach to improving existing homes today is a fabric-first approach. This will allow time for new heating technologies and supply chains to evolve.

The Strategy includes two cross-cutting objectives:

- People - We will invest to strengthen our skills and expertise and provide guidance and support to colleagues and customers.
- Data - We will collect, store, and analyse the data necessary to understand our environmental performance and shape the decisions we make about our homes.

These cross-cutting objectives are designed to enable delivery of five more specific objectives:

- Decarbonisation - We will reduce the carbon footprint of our homes and business.
- Water - We will reduce the volume of water consumed through our operations and in our homes.
- Circular Economy – We will reduce waste from our services and processes and actively promote recycling.
- Green Spaces and Biodiversity – We will develop our understanding of the green spaces we own and manage, their potential impact on the local environment and community, and we will develop and implement local improvement plans.
- Climate Resilience - We will ensure our new and existing homes are resilient to the impacts of climate change and significant weather events.

In order to ensure that we are transparent, we have adopted the Sustainability Reporting Standard for Social Housing and published our first Environmental, Social and Governance (ESG) Report. This will be an annual publication, reporting our performance against the 48 criteria contained within the Standard.

We know that the resources required to meet our ambitions will be significant and have provided £1bn in our Financial Plan to meet these challenges. We will also seek external grant funding wherever possible in order to accelerate progress and we will pilot products and technologies ready to make larger scale investment decisions later in the decade.

Development

Our relationships with Homes England (in partnership with Stonewater) and the Greater London Authority (GLA) have enabled us to successfully secure grant funding to deliver new affordable housing. We are committed to delivering 6,350 grant funded homes through to 2029 and have secured £383m of grant to achieve this. Of this, £220m has been drawn down since March 2019 with a further £163m expected to be drawn over the period of the programmes. We also expect to make use of Continuous Market Engagement (CME) opportunities as they arise.

Through our initial Strategic Partnerships with Homes England (HE) and the GLA we have committed to deliver 4,550 new affordable homes by 31 March 2025, with a further 950 to be built through continuous market engagement. During the year we successfully bid for Wave 2 funding through our Strategic Partnerships with Homes England and the GLA to deliver a further 1,800 affordable homes by 2029.

We have made good progress delivering our SP1 commitments although inflationary cost pressures and capacity constraints in the supply chain present challenges.

In 2021/22 we invested a further £168.8m in the development of new homes, completing 410, starting on site with 1,027 and acquiring land which will support delivery of 882 more. The performance of our development programme is discussed further on pages 16 and 32.

Of the 410 homes that we completed during the year, 271 were for Shared Ownership, 135 were for Affordable or Social Rent and four were for Open Market Sale.

Information on our larger schemes is provided below:

Leaside Lock – Tower Hamlets (London)
At Leaside Lock in East London we have assembled land next to the River Lea to deliver 965 homes across a range of tenures. During the year, the first 116 homes in Phase 1 were completed by Henry Construction. The remaining 384 homes in Phase 1 will complete before the end of 2023/24. Phase 2 (144 homes) has started on site, and construction on Phase 3 (321 homes) will commence shortly.

Silvertown Quays – Newham (London)
This development in Silvertown Quays in East London for 721 homes is a Greater London Authority strategic site. We entered into contract with the developer, Lendlease, in March 2022 with site enabling works commencing soon thereafter. Phase 1 has detailed planning permission and will deliver 129 rented and 150 shared ownership homes at the end of 2025.

Signal Park – Kingston upon Thames (London)
We are delivering 250 shared ownership and 83 affordable rent homes over two phases in Kingston upon Thames, South-West London. The Lovell Partnership began construction of the first phase (211 homes) in March 2021 and these homes are due to be complete by July 2023. Phase 2 has outline planning consent and is due to commence in 2023, with delivery in 2025.

Gloucester Quays - Gloucester
In Gloucester's primary regeneration area we are developing homes for Affordable Home Ownership and Affordable Rent in partnership with Crest Nicholson. The Gloucester Quays scheme is a 343 home development situated next to the Gloucester and Sharpness canal with 99 homes complete by March 2022. The wider development is expected to be complete by early 2025.

Fox Hill - Sheffield
The Fox Hill development in Sheffield is a scheme being delivered in partnership with Vistry Partnerships, the scheme commenced in October 2019. By March 2022, 19 Affordable Rented and 33 shared ownership homes were complete. The remaining 115 homes should be ready for occupation by Summer 2023.

Points Cross - Leeds
Points Cross is a mixed tenure development of 928 homes situated in the Leeds South Bank Regeneration and Innovation District. The 311 homes in Phase 1 commenced in March 2021 with the developers, United Living, forecasting completion in April 2023. Phase 2 (180 homes) is expected to start in December 2022 and complete in Summer 2024.

McArthur's Yard - Bristol
We have entered into contract with Hill Partnership to develop 142 homes at McArthur's Yard in Bristol with construction beginning during 2021/22.

Other sites across the country

We have over 3,300 homes under construction across our key strategic areas.

Under Homes England SP2 we have committed to delivering 1,200 of the 1,500 homes using Modern Methods of Construction (MMC), and 375 will be modular homes. In line with our commitment to deliver a greater proportion of our homes using MMC, during the year Guinness Developments Limited invested £10m to acquire a minority shareholding in modular homes manufacturer Ilke Homes Holdings Ltd.

The map below shows the location of some of our current and planned development activity across the country mapped against our existing housing stock (shown in green):

Resident Engagement

We are committed to delivering a great service for all our residents, and systematically use their feedback and views to improve and shape what we do. We have a Customer Engagement Strategy that sets out how we engage with people who live in Guinness homes and use the services we provide, what we engage with customers about and how we measure and report our progress.

During the year we engaged with over 1,400 residents to improve services and shape our policies.

We engaged with residents to create a new damp and mould policy, and we used feedback from our residents to inform our update of policies including Resident Consultation, Arrears, Complaints and Compensation.

We also engaged in a number of formal consultations with residents including where a change of landlord was proposed. We consulted residents on the transfer of certain homes in Liverpool to Riverside Housing Group and have engaged through Section 20 when undertaking significant procurement activities.

We undertake transactional surveys following completion of responsive repairs and call customers directly if they are not happy. During the year 26,500 residents responded to these surveys. This feedback helps us to identify and promptly address any resident concerns. To ensure continuous improvement, we communicate any changes made to services as a result of feedback to our customers, colleagues and third-party service providers.

We have a Tenant Scrutiny Panel of 11 residents which identifies specific areas of our work for review. Recommendations from the Panel are converted into action plans that are monitored by our Group Audit and Risk Committee and the Board. During the year the Panel focussed on Complaints Handling, and Emergency Repairs. Summaries of findings, and our proposed actions are published on our website.

The Panel's focus on Complaints contributed to our broader work to improve the quality of complaints handling. Following the review we have improved our systems, tailored staff training, improved our contact waiting times and changed some of our repair services. We have also reviewed and updated our Complaints Policy and have completed a self-assessment of compliance with the Housing Ombudsman Complaints Handling Code.

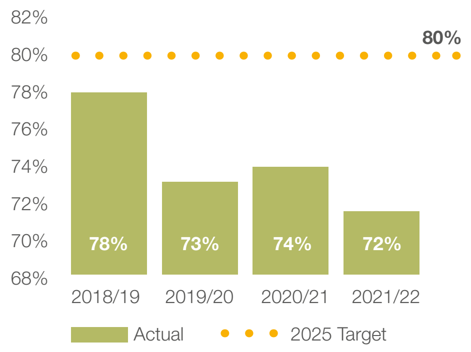
Our Performance in 2021/22

Our Board sets our corporate objectives and long-term Strategy, and approves our Business Plan and performance targets each year. Our subsidiary Guinness Care has its own Business Plan. Our performance is regularly monitored by the Executive Team and the Board.

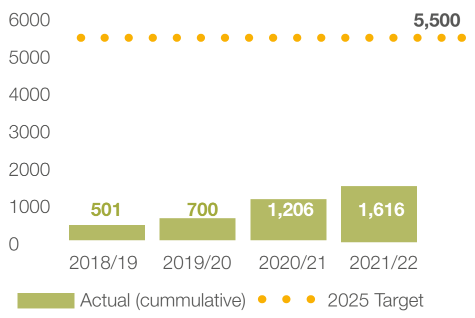
Overview

Progress towards each of our 2025 Strategy targets is shown below. This demonstrates that improvement is required in order to meet our aspirations, but that progress is being made.

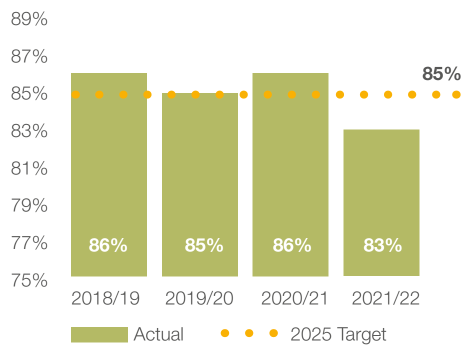
Great service: Tenant satisfaction



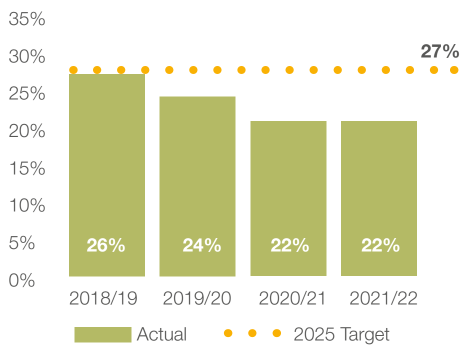
Great homes: Homes completed



Great place to work: Employee engagement



Great Business: Operating margin



Our Business Plan for 2022/23 identifies our priorities for the year ahead and what we plan to do to reach our goals. It sets performance targets, which are supported by KPIs. In setting these targets we balance the ambition and plans we have to reach our strategic goals, with acknowledgment of current performance.

More detail on our performance for the year is shown on the following pages.

Great Service

Is about getting things done, making things easy, and how we make our customers feel. It's about listening, and our customers knowing they can trust us.

Our Operational Performance	2021/22 Actual	2021/22 Target	2020/21 Actual	2020/21 Target
Tenant satisfaction	72%	77%	74%	75%
Homeowner satisfaction	50%	56%	52%	50%
Care customer satisfaction	92%	92%	93%	92%
Satisfaction with last completed repair	82%	90%	81%	90%

Tenant satisfaction of 72% was below our target, and fell 2% year-on-year. In common with much of the social housing sector the key driver, satisfaction with responsive repairs, was affected by a backlog of non-emergency repairs following our decision to pause non-emergency repairs during the January to April 2021 Covid-19 lockdown as we prioritised protecting customers' and colleagues' health and safety.

This pause resulted in higher than usual volumes of non-emergency repairs requiring completion subsequently, and in a very challenging labour market. During the year we sought to address this by increasing our recruitment and retention incentives for our repairs workforce, which led to some increased capacity towards the end of the year.

Satisfaction varies significantly between our regions. Our North and North West regions have satisfaction levels which typically exceed 80%. In London and the South East satisfaction is below 70%; a challenging labour market and low subcontractor capacity has led to repairs performance being weaker here.

We anticipate that the focus on recruitment, recent changes to our repairs services and the establishment of a separate London region to provide focus for our teams and contractors, will have a further positive impact.

Homeowner satisfaction fell 2% year-on-year to 50% and was affected by delays to our planned maintenance programme to leaseholder properties as a result of lockdowns during the pandemic.

Customer satisfaction with our care service remains high at 92%.

Our 2021/22 business plan objectives:	What we achieved:
Extend our digital offer, enhancing and extending repairs and maintenance functionality, including services delivered by contractors.	• We re-launched our online repairs appointment booking service in November 2021 (following the return to normal services post-pandemic) with improvements to functionality such as the ability to reschedule booked appointments online. • In November, we launched a campaign to target 20% of day-to-day repairs being booked online by December 2022. We had reached 8% by the end of March. • We commenced development of our longer-term Digital Strategy, which we plan to have in place in 2022. The strategy will focus on ongoing enhancement of the digital services, using technology to make management of our homes more effective.
Extend the use of our Customer Relationship Management (CRM) system through customer journeys and adopt additional functionality to enable us to communicate effectively and better support our tenants and residents.	• We Introduced new guided workflows based on clear business processes which enables colleagues to deliver a more consistent, standardised, high-quality experience to our customers. The new workflows are supported by knowledge articles and scripts. • We now manage resident transactional surveys in our core systems, better enabling us to understand resident feedback and to respond rapidly and effectively, putting things right and closing the loop on any outstanding issues. • Adoption of additional CRM functionality enables us to gather stronger insight into the impact of our tailored communications with residents while maintaining compliance with General Data Protection Regulation requirements.

72% tenant satisfaction

92% customer care satisfaction

£143.1m investment in our existing homes

Customer satisfaction with our care service remains high at 92% year on year, demonstrating the value that our customers place on this service.

Our 2021/22 business plan objectives:	What we achieved:
Embed changes to our repairs service, recover from the impact of Covid-19 on maintenance activity and complete the next stages of the Guinness Property transformation (Empty Homes and Planned Maintenance).	• We reduced the level of non-emergency repairs work in progress by the end of the year. This was achieved by reprioritising resources and by implementing recruitment, retention and contractor incentives. We have continued to see further improvements following the end of the reporting year. • Satisfaction with repairs delivered by our in-house service (Guinness Property) increased to 84% from 81% in the prior year, and customer satisfaction with homes relet increased from 81% to 82%.
Deliver our Customer Engagement Strategy (including for Building Safety) and our White Paper Action Plan. Create more opportunities for customer involvement. Ensure the Tenant Scrutiny Panel is operating effectively and set up a Homeowner Scrutiny Panel.	• We held resident focus groups and online surveys to inform our work in a number of areas including damp and mould, our arrears policy, our mutual exchange process, and our building safety procurement framework. We implemented policy changes and shaped new staff training programmes as a result of this engagement. • Our Tenant Scrutiny Panel reviewed our complaints handling and our emergency repairs service during the year. Improvement recommendations have been converted into action plans which are monitored by our Group Audit and Risk Committee, the Board and the Panel itself.
Deliver our Social Investment Strategy focusing on Alleviating Hardship; Education Employment & Training; and Inclusive Communities.	• Across the group we invested over £2.3m in social investment activity during the year. • We ran over 50 projects, reaching 9,000 people in our communities. • We secured social value contributions from contractors. • We started 15 new employment, education and training initiatives. • We provided financial and in-kind support to our eight food pantries enabling them to support 3,000 people.
Help customers sustain their tenancies by using data to identify when people may struggle to pay their rent. Proactively intervene to reduce the number of avoidable arrears-related evictions. Support customers to claim the benefits they are entitled to.	• New analytics and processes enable us to proactively identify residents at risk of being unable to pay their rent. • We supported over 12,800 customers to claim £13.9m in welfare benefits they were entitled to and supported 1,235 people through our Hardship Fund. • We secured 4,062 direct payments of Universal Credit to reduce arrears. • We sourced £116k in external grants to support customers in sustaining their tenancies.

Our goals and targets for 2022/23:

- Extend our digital offer, enhancing and extending repairs and maintenance functionality, including to services delivered by contractors.
- Extend the use of our CRM system throughout the customer journey and adopt additional functionality to enable us to communicate effectively and better support our tenants and residents.
- Create our new Guinness regions, including our London region. Strengthen regional and local accountability, impact for customers and stakeholder influence through our new Head of Region roles.
- Proactively provide information to tenants and leaseholders so they understand what to expect from us and options for engaging with us.
- Ensure our service charges accurately reflect the cost of services provided, are affordable and are clearly explained to customers.
- Deliver our Social Investment Strategy focusing on Alleviating Hardship; Education Employment & Training; and Inclusive Communities.
- Deliver our Customer Engagement Strategy (including for Building Safety) and our White Paper Action Plan. Create more opportunities for customer involvement and use insight from our Tenant Scrutiny Panel to drive improvement.

In numbers:

Tenant satisfaction	75%
Customer care satisfaction	92%
Satisfaction with responsive repairs	85%
Homeowner satisfaction	55%

Great Homes

Are safe and secure, warm and dry, and where everything works. A great home is affordable and a place people are proud to live.

Our Operational Performance	2021/22 Actual	2021/22 Target	2020/21 Actual	2020/21 Target
Gas certification compliance	100%	100%	100%	100%
Electricity, asbestos, water safety compliance	100%	100%	100%	100%
Fire Risk Assessments in date	97.6%	100%	100%	100%
Homes meeting the Decent Homes Standard	99.99%	100%	99.95%	100%
Emergency repairs completed in the time agreed	95.5%	100%	95.7%	100%
Non-emergency repairs completed within 28 days	84.4%	100%	79.5%	100%
Re-let turnaround time (days)	67.2 days	29 days	70.6 days	22 days
Total new homes starting on site	1,027	2,484	1,349	2,000
Number of new homes completed	410	835	506	700

Performance on gas and asbestos servicing, electrical testing and water safety assessments continues to be good with 100% compliance maintained throughout the year. At the end of the year 97.6% of our Fire Risk Assessments were in date. The majority of these were completed in the first week of April and all were completed by the beginning of June 2022.

At the end of the year 99.99% of our homes met the Decent Homes Standard with work to the nine non-decent properties scheduled for early 2022/23.

We completed 84.4% of non-emergency repairs within 28 days during the year which represents an improvement on the prior year. As discussed previously, recovery from the pandemic, challenging labour markets and storms during February have proved challenging. Performance has improved since the end of the reporting year and we expect this improvement to be sustained.

Our average empty home turnaround time of 67.2 days remains worse than target. In part this was due to letting during the year of some homes that had previously been vacant for very long periods, and ongoing pressures securing labour and contractor resource to complete works required to empty homes. A plan of work has been put in place to deliver improvements supported by more granular management reporting on key stages of the process. We are targeting improvement during 2022/23.

We completed 410 new homes during the year, which was below our target of 835. Since April 2018, 1,616 new homes have been completed against our target of 5,500 by March 2025 with construction having commenced on a further 3,885. Completions and starts on site during the year were adversely affected by labour and material supply chain issues and some developers reprofiled completions of affordable homes on their schemes.

Our 2021/22 business plan objectives:	What we achieved:
Deliver our Building Safety Action Plan and our wider programme of investment to ensure our existing homes are of good quality, decent, safe, secure and warm.	• We secured £26m from the Government's Building Safety Fund to fund cladding remediation work. • We installed sprinkler systems in nine buildings, enhancing the safety of over 600 homes. • We commenced installation of evacuation alert systems in eight high rise buildings, with all due to complete by March 2023. • We adopted provisions of the Building Safety Bill early, in particular working with the new Building Safety Regulator to compile a draft model Building Safety Case. • We implemented a fortnightly Building Safety inspection regime at our high rise and higher-risk buildings, completing almost 1,000 inspections during the year. • We published our Building Safety Resident Engagement Strategy and began the roll out of its accompanying action plan. • We completed a pilot to create digital twins of three existing High Risk Residential Buildings and have started to embed Building Information Modelling (BIM) into our new complex developments so we can better understand and manage risk.
Ensure we continue to carry out our statutory compliance checks and regular safety testing on our homes on time, and take effective follow-up action where required.	• Our compliance performance remains strong with 100% compliance on gas, electric, water safety and asbestos inspections and 97.6% of fire risk assessments in date.
Develop our Environmental and Sustainability Strategy – develop our long-term plan for decarbonising our existing homes.	• Our Environmental and Sustainability Strategy (and associated Action Plan) was approved by the Board during the year. • The financial investment required to deliver this strategy (including Net Zero Carbon by 2050) has been identified and allocated in our 30-year Financial Plan.

410 new homes completed

100% statutory compliance checks completed

99.99% of our homes meet the Decent Homes Standard

Since April 2018 1,616 homes have been completed and construction has started on a further 3,885.

Our 2021/22 business plan objectives:	What we achieved:
Ensure we are on track to deliver our Homes England and GLA development commitments to build 5,500 affordable homes by 2025. Start 2,400 new homes and complete 835 new homes during the year.	• We started on site with 1,027 homes and completed 410 homes during the year. • We entered contract for 721 homes at Silvertown Quays in Newham (London). • We purchased land providing plots for 882 homes. • We entered into further Strategic Partnerships with Homes England and the GLA to deliver an additional 1,800 new homes by 2029 and expect to use Continuous Market Engagement to increase this number further.
Continue our programme of upgrades to communal areas and, roll out our new technology offer in our housing for older people.	• We upgraded or replaced digital alarm systems in a further 45 Housing for Older People schemes, bringing the total to 110 since the project started.

Our goals and targets for 2022/23:

- Deliver our Building Safety Action Plan, including remediation and improvement works and further investigations. Engage residents in building safety. Develop the data we hold on our buildings, ensuring it is comprehensive.
- Agree and implement a damp and mould Action Plan to develop our organisational approach (both maintenance and customer support) and apply learnings from the recent Housing Ombudsman sector wide review.
- Deliver statutory compliance checks and regular safety testing in our homes on time, and take effective follow-up action where required.
- Repair and re-let our empty homes faster, by improving process efficiency across our maintenance and lettings teams, and by strengthening our sub-contractor network and our in-house maintenance capacity.
- Ensure we are on track to deliver our Homes England and GLA commitments to build 5,500 affordable homes. This year, start 1,641 new homes and complete 771 new homes.
- Deliver our Environment and Sustainability Strategy in relation to our existing homes and new develop-ments.
- Continue our programme of technology upgrades in existing housing for older people, to include digital alarms and investigate the feasibility of communal wi-fi in these homes.

In numbers:

Gas certification compliance	100%
New homes started	1,641
New homes completed...	771
... of which are social/ affordable homes	452
Homes meeting the Decent Homes Standard	100%
Overdue fire risk actions at each month-end	0

A Great Place to Work

Is one where people share a vision, have a real sense of purpose and feel really valued. It's a place people are proud to work.

Our Operational Performance	2021/22 Actual	2021/22 Target	2020/21 Actual	2020/21 Target
Employee engagement – TGPL	83%	85%	86%	85%+
Employee engagement – Guinness Care	80%	83%	81%	77%
Employee engagement – Guinness Property	74%	85%	84%	85%
Attendance level excluding long-term sick	98.6%	98.4%	99.1%	98.4%
Staff turnover	13.8%	10%	6%	10-15%
Completion of corporate mandatory training after one month	95.6%	100%	98.1%	100%

Employee engagement remains strong across the Group. The high levels of engagement demonstrate that our people remain highly motivated and committed to our social purpose.

We have continued to review and benchmark our pay and benefits to ensure these remain competitive. We are working to ensure our communications across the organisation are consistent, relevant and inclusive, making sure our colleagues know their feedback and ideas are fairly considered and being clear on the support we offer colleagues to achieve their career aspirations at Guinness. We continue to invest in learning and development through a combination of Management and Leadership Programmes, professional qualification support and Graduate and Apprenticeship Programmes.

Levels of employee engagement within Guinness Property fell during the year as we faced challenges addressing repairs backlogs in an environment where recruitment of skilled trades people is difficult and our sub-contractor supply chain has not been able to support us to the extent that was hoped. We have increased our staff establishment in Guinness Property and, as we recruit to vacant posts during 2022/23, we expect engagement levels to increase.

We remain committed to employee wellbeing and measure ourselves against external standards including Disability Confident (where we have the highest level of accreditation), Inclusive Employers and Investors in People (IIP). We offer a range of support on physical and mental health to all colleagues and are members of Mates in Mind which offers mental health and wellbeing support specifically for colleagues who work in construction. We were delighted to have received the Investors in People (IIP) Diversity and Inclusion Award (for the second consecutive year) and the Leadership and Management Award.

Our 2021/22 business plan objectives:	What we achieved:
Launch the next phase of our Guinness Managers and Leaders programmes and launch our new Aspiring Talent and Management Fundamentals programmes.	• New programmes were launched with 72 managers attending our Managers & Leaders programmes during the year.
Continue our programme of investment in leadership and management development. Identify and develop tomorrow's talent through succession planning and continuing the Beyond Now programme.	• 14 colleagues took part in our Beyond Now emerging talent programme, culminating in participants completing a business-related project. Three participants have secured a promotion within Guinness after completing the programme. • We introduced our first Graduate Programme in May 2021, with four graduates joining Guinness to develop their professional careers in Building Safety, Surveying and Health and Safety. • We conducted 360-degree feedback reviews for 84 senior managers. • We launched a Guinness Manager Toolkit.
Develop our performance management culture, taking learning from the 2020 Employee Survey and feedback groups.	• We simplified the annual and mid-year review process and made improvements to support managers to communicate more effectively with team members and have development conversations.
Embed our new Professional Qualifications Framework, ensuring we have the depth and breadth of technical skills we need for the future.	• We funded 51 colleagues in their professional qualifications in a range of areas including Building Safety, Health and Safety, Leadership & Management, Finance, Project Management, or to gain Chartered Institute of Buildings or RICS professional membership. • We funded a further 30 colleagues in their Chartered Institute of Housing (CIH) professional qualification.

83% TGPL employee engagement

13.8% staff turnover

98.6% attendance level

We won the IIP Diversity and Inclusion Award for the second year running, and we were also awarded the Leadership and Management Award during the year.

Our 2021/22 business plan objectives:	What we achieved:
Enhance our customer service training to ensure we have the tools and techniques across the business to deliver a consistent customer experience.	• 300 colleagues took part in our Great Service training programme.
Deliver our 2021/22 D&I Strategy objectives, including our Anti-Racism commitments.	• Working with five other Housing Associations, Altair, and a leading Business School, we launched a leadership programme for managers and leaders from ethnic minority backgrounds. Three Guinness managers joined the programme. • Three of our leaders attended the Future of London / Greater Manchester Leaders programmes which encourages the development of minority ethnic leaders. • In partnership with Investing in Ethnicity, we delivered race fluency training to 1,090 employees. • We trained 123 employees in British Sign Language.
Continue our programme of investment in staff wellbeing so we have a happy and fulfilled workforce, recognising the impacts of the ongoing Covid-19 pandemic.	• Nearly 400 colleagues took part in our Women's and Men's Health week campaigns. • We introduced our hybrid working trial for desk-based colleagues in September 2021 to inform decisions on future ways of working. • We continued to support our field-based staff throughout the pandemic, regularly reviewing Risk Assessments and Method Statements to help keep them safe. • 32 colleagues completed their Mental Health First Aider refresher training. • We promoted the Headspace wellbeing app to ensure colleagues could access additional support (such as meditation) to manage stress levels. • We provided access to a salary finance product which helps colleagues with financial education, debt consolidation and savings.
Continue to develop our Health and Safety culture, focusing particularly on contractor management and our field-based workforce.	• We carried out six team Health and Safety Culture Audits across the business and implemented recommendations with Heads of Service to build on and improve culture within teams. • We trained 131 employees on Health and Safety contractor management. • We carried out a Health and Safety audit of our repairs contractor in the South West. • Our Health and Safety Team carried out safety tours of five of our development sites to assure contractor safety. • We carried out Health and Safety inspections at 136 of our housing schemes.

Our goals and targets for 2022/23:

- Continue our programme of investment in staff wellbeing so we have a happy and fulfilled workforce.
- Deliver our 2022/23 D&I Strategy objectives, including our Anti-Racism commitments.
- Use learning from the hybrid working trial to help establish our future ways of working for desk-based roles.
- Continue our programme of investment in people including leadership, management development, and performance management.
- Implement recruitment, retention and learning to ensure we have the depth and breadth of technical skills, talent and diversity our organisational and service design tells us we need.
- Enhance our customer service and housing management training so that our teams have the professional and specialist knowledge they need.
- Continue to develop our Health and Safety culture, focusing particularly on contractor management and our field-based workforce.

In numbers:

Employee engagement, TGPL	85%
Employee engagement, Guinness Property	74%
Employee engagement, Guinness Care	80%
Attendance level excluding long-term sick	98.5%
Staff turnover	10%
Completion of corporate mandatory training after 1 month	100%

A Great Business

Is one which performs and is strong and resilient. It invests in the future and does things well.

Our Operational Performance	2021/22 Actual	2021/22 Target	2020/21 Actual	2020/21 Target
Operating margin – TGPL*	21.5%	25.3%	21.6%	24.3%
Compliance with loan covenants	100%	100%	100%	100%
Rent arrears	3.67%	3.60%	3.24%	3.6%
Regulatory viability rating	V2	V2	V2	V2
Regulatory governance rating	G1	G1	G1	G1

*Operating margin excluding the surplus on disposal of fixed assets.

Our financial position and performance remains strong and consistent year-on-year.

Our financial performance is reviewed in detail in the Financial Review on page 24.

We retain our G1/V2 grading for Governance and Financial Viability and maintain our credit ratings of A3 (stable outlook) with Moody's and A- (stable outlook) with Standard and Poor's.

Our 2021/22 business plan objectives:	What we achieved:
Continue to embed a Lean Process culture across the business. Deliver a year-one programme of process improvements.	• 174 colleagues completed a Lean Six Sigma qualification. • We delivered improvement projects which generated £1.9m of efficiencies.
Review our office estate to ensure it meets the requirements of future ways of working.	• We reduced costs by £1m through office and consolidation of our facilities contracts. • We consolidated our offices in Bristol and Gloucester into a single location. • We consolidated 150 facilities service contracts into a single national contract. • We commenced our hybrid working trial.
Deliver our budgeted Operating Margin of 25% and arrange new borrowings to reinvest in existing and new homes.	• Our operating margin was lower than budget due to operating cost pressures and delays in our development programme. • We maintained over £800m of available liquidity to fund upcoming investment in new and existing homes.
Continue to improve our cyber security capability by delivering the 2021/22 objectives set out in Guinness's Cyber Security Action Plan.	• We undertook a cyber security business impact analysis and implemented actions to enhance our security maturity. • We implemented new tools and services to mitigate cyber security risks.

3.7% rent arrears

G1/V2 RSH Governance and Financial Viability ratings

21.5% operating margin – TGPL

We delivered improvement projects generating £1.9m of efficiency savings.

Our 2020/21 business plan objectives:	What we achieved:
Protect our reputation by working closely with key stakeholders and engaging with the media.	• We launched a stakeholder perceptions audit. • We worked with the Centre for Social Justice to publish a new report on public attitudes to social housing, which was widely circulated amongst Government and backbench MPs. • We responded to 11 external / Government consultations. • The volume of positive press coverage about Guinness increased by 30% year-on-year.
Deliver year three of our IT Roadmap, focusing on the move to cloud based services and updating core systems across finance, asset management and customer services, to provide integrated systems and ensure continued resilience and security.	• We completed the implementation of our single Group Finance system (Oracle Cloud). • We migrated to Exchange Online, and implemented new Azure-based customer authentication for our online services. • We added additional core functionality to our strategic CRM solution. • We commenced the implementation of our new Asset Management system, which will consolidate our asset and tenancy data in a single database, reducing risk of error and simplifying our IT estate. • We completed our annual programme of application and infrastructure upgrades to ensure systems remain up to date and resilient to security risks.
Develop our Environmental and Sustainability Strategy in relation to our operations, offices and fleet.	• Our Environmental and Sustainability Strategy and supporting Action Plan is now in place. • We established a Sustainable Offices Working Group to shape our approach to measuring and reducing the environmental impact of our workspaces and operations. • We successfully bid to the Social Housing Decarbonisation Fund for funding to deliver External Wall Installation to 52 homes in Cheshire. • We piloted the use of electric vehicles for Guinness Property with plans to extend roll-out across the business in the coming years.
Deliver Guinness Care's growth and productivity plan. Grow our services and identify ways of protecting long-term viability.	• We secured a new Extra Care Housing (ECH) contract with Barnsley Metropolitan Borough Council and significantly extended care provision at our Extra Care scheme in Totnes, Devon. • Growth of our Care at Home service was significantly challenged by the Covid-19 pandemic and labour shortages. Care hours reduced overall to 7,456 per week.
Identify and appraise further opportunities to both consolidate and grow our portfolio.	• We completed three major stock transfers, acquiring 468 properties in Chesterfield and Derby from Clarion Housing Group and selling 567 properties in Liverpool to Riverside Housing Group.

Our targets for 2022/23:

Deliver our budgeted Operating Margin of 24% and arrange new borrowings to reinvest in existing and new homes.

Deliver our procurement programme, optimising specifications to improve services and manage cost.

Enhance and protect our reputation by working closely with key stakeholders and engaging with the media.

Deliver year four of our IT Roadmap, focusing on updating core systems across finance, asset management and customer services, to provide integrated systems and ensure continued resilience and security. Progress the move to Cloud.

Deliver our Environmental and Sustainability Strategy in relation to our operations, offices and fleet.

Identify and appraise further opportunities to both consolidate and grow our portfolio in line with our Footprint Strategy and Asset Management Strategy.

Continue to improve our cyber-security capability by delivering the 2022/23 objectives set out in Guinness's Cyber Security Action Plan.

Use Continuous Improvement tools and data to identify and deliver efficiencies, make best use of assets and measurable improvements to our homes and services for customers.

In numbers:

Compliance with loan covenants	**100%**
Liquidity (months available)	**24**
Operating margin	**24%**
Current tenant arrears	**3.6%**

Great Care

Guinness Care provides housing and support services to older people in our social housing properties, care at home, extra care housing and supported living services.

Our Operational Performance	2021/22 Actual	2021/22 Target	2020/21 Actual	2020/21 Target
Customer satisfaction	92%	92%	93%	92%
Overall CQC rating (good or above) – all services	100%	100%	92%	100%
Employee engagement	80%	83%	81%	77%
Care hours at year end (per week)	7,456	10,604	8,109	9,354

The quality of our care services is reflected in high levels of customer satisfaction and through external assessment of our services by the Care Quality Commission which has rated all our services as good or outstanding.

Delivering high quality care is dependent on the recruitment and retention of high quality employees. Recruiting and retaining care staff remains a challenge and this has proven even more challenging during the Covid pandemic. We have established a Recruitment and Retention Steering Group to take actions to improve in this area.

The volume of care hours delivered each week has reduced during the year driven by a fall in demand during the pandemic as people found alternative ways of sourcing care (including from relatives working at home).

Our 2021/22 business plan objectives:	What we achieved:
Deliver improvements for older residents and customers with a learning disability.	• We completed a digital alarm upgrade to 45 schemes across the Group (exceeding our target of 25). • We implemented a series of health and well-being initiatives for older people living in our housing, including digital inclusion projects.
Strengthen care at home delivery – deliver improved services, technology and efficiencies.	• We implemented a new safeguarding system (RADAR) across all regulated care activities. • We extended our electronic care recording system (PASS) to all care at home activities.
Ensure our homes and services are safe and sound and provide a safe and healthy working environment.	• We achieved 100% compliance on gas, electrical, fire, asbestos and water safety checks in Guinness Care properties. • All Guinness Care properties met the Decent Home Standard at the end of the year.
Develop opportunities for new extra care housing (ECH).	• A new Extra-Care development received outline planning permission in Tavistock, Devon.
Improve recruitment and retention.	• Recruitment to care roles remains a sector-wide challenge. Remuneration levels are kept under constant review to ensure they remain as competitive as possible.
Deliver growth in care and support hours at or above margin.	• Weekly care hours delivered fell during the year as growth targeted was not achieved.

92% care customer satisfaction

100% of our care homes rated as good or outstanding

80% care employee engagement

We have established a Recruitment and Retention Steering Group to take actions to improve recruitment and retention of high quality care employees.

Our goals and targets for 2022/23:

- Work up our current proposal for a new Extra Care Housing scheme and identify three further feasible future sites.
- Rapidly improve on boarding processes that are agile and enable a quicker response to local resourcing needs to enable us to achieve the growth plan.
- Ensure the customer voice is heard through a review of the GC Customer Engagement Strategy, taking account of new CQC and RSH regulatory consumer standards and plan.
- Streamline the housing and care management service in Extra Care to improve customer experience and business efficiency.
- Ensure strengthened and co-ordinated organisational resilience as a platform to develop new opportunities.
- Ensure Guinness Care homes are included in planning for zero carbon targets.

In numbers:

CQC ratings inspection	**Good or Outstanding**
Customer satisfaction	**92%**

Financial Review Five year summary

The table below provides a summary of the Group's results and key financial ratios for the last five years.

	2022 £m	2021 £m	2020 £m	2019 (restated) £m	2018 £m
Summary: Consolidated income & expenditure					
Turnover from social housing activities	384.3	362.0	352.3	351.7	350.4
Turnover from non-social housing activities	3.9	6.2	7.1	8.8	24.0
Operating costs and cost of sales	(310.2)	(294.8)	(272.2)	(274.7)	(266.9)
Surplus on disposal of housing properties	18.6	94.0	11.0	60.9	5.4
Operating surplus	**96.6**	**167.4**	**98.2**	**146.7**	**112.9**
Surplus/(loss) on disposal of other fixed assets	0.2	0.2	-	(0.2)	0.4
Net interest charges	(55.1)	(99.7)	(58.7)	(62.8)	(60.8)
Fair value and re-measurement movements	2.8	1.8	(1.2)	(0.2)	2.1
Gain on acquisition	-	-	-	-	-
Surplus for the year before taxation	**44.5**	**69.7**	**38.3**	**83.5**	**54.6**
Taxation	0.1	0.2	(0.1)	(0.1)	(0.4)
Surplus after interest and tax	**44.6**	**69.9**	**38.2**	**83.4**	**54.2**
Summary: Statement of financial position					
Intangible fixed assets	8.5	6.0	-	-	-
Tangible fixed assets	3,475.2	3,304.8	3,204.8	3,071.0	3,101.4
Net current assets	296.3	340.4	288.5	222.0	13.1
Total assets less current liabilities	3,803.5	3,664.7	3,506.8	3,307.2	3,182.7
Long term liabilities and provisions	(2,840.2)	(2,776.0)	(2,644.9)	(2,523.6)	(2,432.7)
Net assets	963.3	888.7	861.9	783.6	750.0
Reserves	**963.3**	**888.7**	**861.9**	**783.6**	**750.0**
Summary: Statement of cash flows					
Net cash generated from operating activities	201.0	43.4	112.5	96.2	175.5
Cash flow from investing activities	(223.0)	(51.8)	(146.6)	(5.2)	(99.7)
Cash flow from financing activities	22.6	(27.1)	53.3	(74.1)	(68.4)
Cash and cash equivalents at the start of the year	**79.5**	**115.0**	**95.8**	**78.9**	**71.7**
Cash and cash equivalents at the end of the year	**80.1**	**79.5**	**115.0**	**95.8**	**78.9**

	2022	2021	2020	2019 (restated)	2018
Key Financial Ratios					
Underlying earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) as % of interest payable (excluding bond redemption penalty)	258%	336%	242%	285%	231%
EBITDA –MRI (as a percentage of interest) – including loan redemption penalty	98.1%	91.2%	130.8%	147.3%	183%
Operating margin (Group) – excluding surplus on disposal of fixed assets	20.1%	19.9%	24.3%	23.9%	29%
Operating margin (Group) – including surplus on disposal of fixed assets	24.9%	45.5%	48.3%	23.9%	29%
Interest cover (underlying operating surplus + depreciation) / net interest	286%	231%	263%	327%	270%
Gearing % (total borrowing / total net worth – reserves plus capital grant)	57.0%	58.0%	55.0%	52.9%	55.6%
Gearing % (as defined in the Sector Scorecard)	41.6%	42.6%	39.9%	38.1%	34.9%

Financial Review

The commentary below considers results on a group basis. Elsewhere in the strategic report performance information relates to the TGPL legal entity unless otherwise stated.

Revenue and Margin

The Group generated an overall surplus of £44.6m for the year ended 31 March 2022, a decrease of £25.3m compared to the prior year. The overall surplus represents a net margin of 11.5% (2021: 19.0%) on turnover of £388.2m. The reported results in the prior year were impacted by a £94.0m surplus reported on the stock swap with Paradigm Housing Group and a £35.4m early redemption penalty associated with the 2025 bond. In the current year our reported results benefit from a surplus of £18.6m following the transfer of homes in the Liverpool City Region to Riverside Housing Group.

Our underlying operating margin excluding surpluses from disposal of fixed assets has improved slightly compared to the prior year at 20.1% (2021: 19.9%). Our reported operating margin including surpluses from the sales of housing properties reduced to 24.9% (2021: 45.5%) due to the one-off impact of the stock swap with Paradigm on prior year results.

Our core business remains social housing lettings, with 86.7% of the Group's turnover being generated from this activity (2021: 90%). Our social housing lettings business delivered an operating surplus of £82.3m and an associated operating margin of 24.5% (2021: £82.1m, 24.8%) for the year. We have maintained our operating margin despite a challenging external environment and rising cost inflation particularly in labour and materials costs which form a large part of our expenditure. Performance has been supported by additional rental income from properties acquired from Clarion Housing Group during the year.

This year the share of our income generated by first tranche sales of shared ownership properties increased to 8% (2021: 4%) which reflects completions through our development programme. The operating margin on these sales averaged 7.0% (2021: 8.8%) which was lower than target as cost increases on a number of schemes were not fully offset by increased sales prices.

We delivered a 98.1% (2021: 91.2%%) EBITDA-MRI margin as a percentage of interest payable. TGPL's EBITDA-MRI interest cover was 110%, demonstrating that the core business continues to perform strongly and cover the investment needed to keep our homes in good condition and fund development of new homes. At a Group level the margin has been impacted by reported losses in Guinness Care and Guinness Homes Limited. We expect EBITDA-MRI interest cover to be above 100% in the coming years as underlying margins improve.

Statement of financial position

At 31 March 2022 the Group is reporting total reserves of £963.3m (2021: £888.7m). This reflects our continued growth over recent years.

The Group owns and manages over 64,000 properties, with the carrying value increasing by £201.4m to £3,448.0m. We invested £60.9m in capital improvements to our existing properties and £168.9m in developing new affordable housing. Transfers of properties to and from other providers resulted in an increase of £14.9m in the net book value of our housing properties. Depreciation charges for 2021/22 were £53.5m.

Stock has increased during the year by £24.3m to £329.3m reflecting the fact that we are developing homes for shared ownership and outright sale.

At 31 March 2022 the Group had cash balances totalling £80.1m (2021: £79.5m) with this cash deposited with a range of counterparties, including AAA rated money market funds, who meet our counterparty credit criteria. The cash is invested with deposit terms of no more than 30 days.

The Group's trade and other debtors due in less than one year decreased year on year with a balance at 31 March 2022 of £30.8m, (2021: £96.3m). The decrease is driven by a prior year debtor of £72.2m representing the debt service reserve associated with the 2025 bond redeemed in 2020/21 for which the cash was received in May 2021.

At 31 March 2022 the Group had outstanding drawn bank and debt facilities of £1,421.4m (2021: £1,344m). We have further undrawn loan facilities of £836.0m (2021: £941.0m) which together with our cash generated from operations and grant funding, provide strong levels of liquidity to support our investments in new and existing homes. We continue to maintain high liquidity levels to fund upcoming development activity.

We have reviewed the value of our properties, fixed assets and stock and have considered changes in the economic and policy environment, projected income, demand, or market value where applicable, for indicators of impairment. An impairment charge of £3.6m has been recognised this year against certain development schemes where costs have increased compared to anticipated values.

In accordance with the requirements of FRS102 and the SORP, the deficit in respect of defined benefit pension schemes, which totals £60.3m (2021: £84.8m), continues to be recognised in full in the Statement of Financial Position. The liability decreased during the year as a result of deficit reduction contributions by the Group of £8.3m and changes to the financial assumptions used, primarily an increased discount rate which has the impact of reducing the present value of future liabilities. The discount rate is based on AA UK corporate bond yields.

On 1 April 2021 we transferred our share of the assets and liabilities in the Social Housing Pension Scheme (SHPS) multi-employer scheme to our own-name pension scheme, The Guinness Partnership Pension Scheme under the trusteeship of TPT Retirement Solutions. With this standalone scheme, Guinness has increased control over investment strategy and governance obligations compared to being part of the SHPS multi-employer structure. Further detail about the scheme is contained in note 26 of the Financial Statements.

Financial Planning

Guinness uses a long-term (30 year) Financial Plan to demonstrate the long-term viability of the business and continued loan covenant compliance, to establish financial capacity and risk appetite and to inform decision making regarding investment choices.

Our latest Financial Plan reflects the ambitions set out in our Strategy which include delivering 5,500 new homes by March 2025 and achieving an underlying operating margin of 27% by March 2025, as well as investment in our existing homes to achieve EPC C by 2030 and net zero carbon by 2050.

Our Financial Plan is the subject to regular review and stress testing with documented recovery plans in place which respond to the impacts of the most adverse multi-event risk scenarios.

Treasury Management

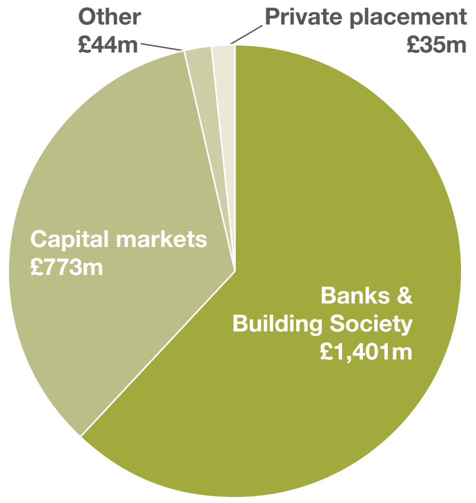
Strong treasury management is critical to delivering our plans and maintaining our financial resilience. We manage treasury risks to ensure the Group has sufficient liquidity to fund its operations and development pipeline. These include interest rate risk, counterparty risk and ensure loan covenant compliance.

The Group Treasury Management Policy is updated and submitted annually to the Group Board for approval with the Group Board reviewing treasury performance on a quarterly basis. This includes a review of compliance with financial covenants, interest rate management and liquidity projections. As at 31 March 2022 the Group complied with all financial covenants in place.

Financing

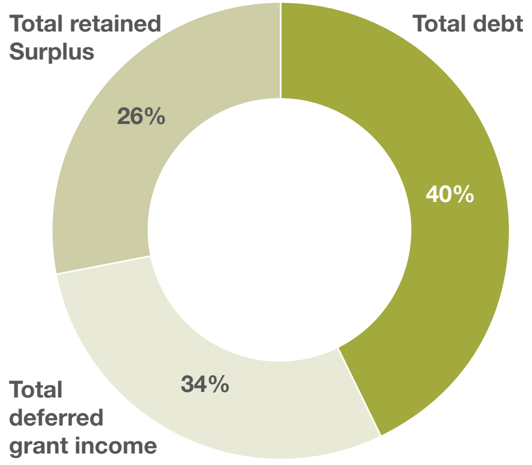
At 31 March 2022 the Group had total loan and debt facilities of £2.26bn (2021: £2.28bn) of which £1.42bn (2021: £1.34bn) had been drawn.

Source of funds (£m)



Our overall funding position consists of £1,515.5m of debt, £963.3m of retained surpluses and £1,296.3m of deferred grant funding. We use debt and grant funding to develop new homes while investing our surplus in maintaining our existing homes.

Our funding



During the year no new revolving credit facilities were put in place nor were there any further bond issues. All applicable loan facilities and interest rate derivatives were transitioned by the end of December 2021 from a LIBOR basis to SONIA, which is the Bank of England's preferred benchmark for sterling risk-free rates. Further funding will be arranged during 2022/23 to ensure appropriate liquidity is in place to support our development ambitions.

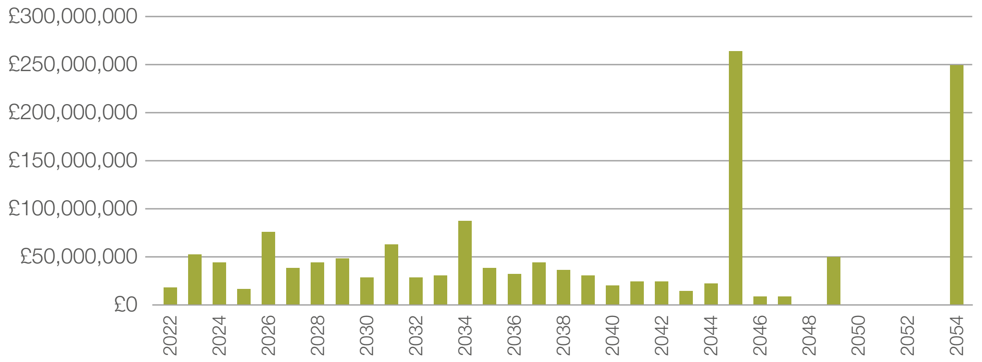
Interest rate management and re-financing risk

Net interest charges for the year totalled £55.1m (2021: £99.7m). Charges in the prior year included an early redemption charge on our 2025 bond of £35.4m.

We are currently in an environment of rising interest rates and in accordance with the Group's Interest Rate Management Strategy and in order to mitigate the risks of rises in variable interest rates, at 31 March 2022 82.0% (2021: 86.9%) of the Group's debt was at rates fixed with a range of maturities between 1 and 34 years. At 31 March 2022 the weighted average maturity of our debt was 17 years.

The Group has limited re-financing risk with 85% of the Group's drawn debt not due for repayment within five years, and 90% not due for repayment within four years. During the last financial year, Guinness drew £105m against revolving credit facilities which have an average final maturity of seven years. Our existing bonds are due for repayment in 2044 and 2055.

Drawn loan maturity profile



Of this fixed rate debt £105.9m (2021: £107.2m) was hedged under ISDA agreements. The mark to market exposure in respect of these agreements as at 31 March 2022 was £28.7m adverse (2021: £42.1m adverse) with property security in place to cover this position.

Loan Security

Committed facilities are secured against our social housing assets. These assets are independently valued to ensure we meet lenders' asset cover requirements. As at 31 March 2022 37,264 (2021: 42,244) homes were charged as security to lenders and ISDA providers by TGPL. We also held 20,662 (2021: 15,490) unencumbered properties. Of the properties used as loan security at the end of the year 46% were charged at EUV-SH, 42% at MV-ST and 12% on a rental income basis. The majority of properties used as loan security are general needs rented properties although some shared ownership properties are also used as loan security.

Liquidity

The Group's Treasury Management Policy requires that the Group's secured facilities and cash balances must be no less than the forecast cash outflow for the next 18 months. The Group met this policy requirement throughout the year. As at the end of March 2022 the Group had sufficient facilities available to meet forecast cash outflow for the next 42 months until September 2025.

At year end the Group held cash balances totalling £80.1m (2021: £79.5m) of which £39.8m (2021: £24.2m) was held in AAA rated money market funds. We have £30.8m (2021: £103.7m) held within ring-fenced accounts, relating to debt service reserves, bond sinking funds, leaseholder sinking funds, and other balances which are held in favour of third parties. During the year, £72.2m of debt service reserve relating to the 9.125% bond due 2025 was released to Guinness following the full redemption of the bond in March 2021.

Capital and reserves

The reserves of the Group at 31 March 2022 totalled £963.3m (2021: £888.7m). The Group generates surpluses each year which are reinvested in existing homes, communities, services and the development of new homes, with some provision for contingencies. The Group Board is satisfied that the reserves at 31 March 2022 were at a level that is appropriate for the business.

Going further in our communities

Our social purpose goes beyond our core business of providing affordable housing and care services. We do this by delivering against the three themes of our Social Investment Strategy:

1. **Alleviating hardship** – from food and consumables poverty.
2. **Education, employment and training** – through a range of work experience opportunities, developing and supporting career aspirations and direct funding.
3. **Inclusive communities** – by supporting health and wellbeing, diversity, youth diversion, and preventing / tackling domestic abuse.

In total, we invested well over £2.3m through a combination of direct and partnership-based activities, benefiting over 21,000 people to differing extents, including nearly 14,000 Guinness residents.

Alleviating Hardship

We provide practical support to enable stable tenancies and to ease the most severe circumstances.

Our in-house Customer Support Team has supported over 12,800 households to claim £13.9m in welfare benefits they were entitled to. Of this, 68% supported payment of rent, with the remaining 32% (£4.5m) enabling households to buy food, pay bills and better sustain their tenancies. We supported 1,235 residents through Hardship Fund awards and secured external grants of £116,000 to support our residents.

We have provided over £50,000 in donations and in-kind support to our national network of eight food pantries and two mobile food vans that collectively have supported around 3,000 people this year. An independent evaluation of our food pantries has shown they not only facilitate access to healthy and affordable food, but also connect their service users with wider support and advice.

Through our partnership with Sal's Shoes we have established local outlets in Crewe, Salford and Hackney to provide nearly 500 households access free, high quality footwear for their children.

Education, employment and training

Guinness offers a blend of direct and partnership-based support to facilitate access to jobs and training. We provided 23 young people with employment via the Government's Kickstart programme, with at least 10 going on to secure further employment both within and outside of Guinness at the end of their placements.

We enrolled 53 people onto an apprenticeship in 2021/22. Of these, 14 were in care roles, 10 in trades roles, and 16 in housing and property management. As at 31 March 2022 we had 63 live apprenticeships.

Our Aspire awards continue to be a pillar of Guinness's employment, training and support offer. Over the year we received 70 applications from customers and partners, resulting in 18 people progressing through to training opportunities. We are also funding a degree for one of our residents to study pharmacology as a first generation university student in her family.

We continue to support getting more women working in and interested in construction. We partnered with 'Women into Construction' (WiC) and Henry Construction to support a programme which took place in July 2021 and through which 17 women participated including five Guinness customers.

Our Sheffield Foyer offers vital support to young people. Throughout the year, 64 young people have been helped into jobs or apprenticeships, 29 into training and 27 into college. Through our existing partnership with Rebel Business School, we supported 21 Guinness residents to learn how to set up their own business.

Beyond our direct work we have significantly expanded our network of partners who provide support for residents to get into work or training. We entered into new partnerships with Groundwork, the Rio Ferdinand Foundation, Barclays Digital Wings, Smart Works, HITZ Learning Academy, Riverside Training, the Skills Centre, the Skills Network, as well as schemes run by some of our local authority partners.

Inclusive Communities

In Northwold, Hackney, we have developed a strong partnership with Boilerhouse N16 to support around 1,000 people from the local community each month with youth and community activities, an after school club, a boxing club, a pantry, advice and support and free school shoes via Sal's Shoes.

Alongside this we have established a new family centre which opened in June 2022, run by The Boiler House and supported by our partner Little Village. It will initially house a “baby bank”, where parents can obtain groceries, consumables and clothes for babies and young children, and a Sal’s Shoes outlet.

Elsewhere in the country we have worked with different community partners including Motiv8 in Havant, YMCA Crewe, Oldham Athletic Community Trust and Foundation 92 in Manchester, to provide a range of diversionary activities for young people and their families.

We delivered an intergenerational project at two of our sheltered housing schemes which brought local primary school children and our older customers together for activities to boost wellbeing, reduce loneliness and foster stronger communities. With 46 participants and hugely positive feedback, we are continuing with this programme in 2022/23.

We offered a digital inclusion programme, through it offering 30 of our older customers the chance to learn or refresh their online skills.

We continue to support our customers’ health and wellbeing, providing people with access to counselling, advice and mentoring to better equip and enable them to manage through challenging circumstances.

Corporate responsibility

Diversity and inclusion

Our commitment to diversity and inclusion (D&I) is defined in our Diversity and Inclusion Strategy and is complemented and extended through our People Strategy, our Customer Engagement Strategy, our approach to investing in our communities, and our Procurement Strategy. In 2020/21 we broadened our D&I commitment through the publication of our Anti-Racism Statement which is supported by a detailed Action Plan.

D&I is embedded in every aspect of Guinness and the way we do business. We believe that great ideas and the best solutions come from bringing together a wide range of perspectives, and that by harnessing diverse viewpoints and talents we can achieve more for our customers and the communities in which we work.

It is our people who deliver our vision and ambitions for our organisation, so being an inclusive employer and creating a culture where colleagues feel they belong, can be themselves, and can share their views and ideas, is fundamental to our Strategy.

Information on diversity statistics across the Group is provided in the table below:

2021/22							
Group				TGPL			
Total ee’s	% BME	% Female	% Disabled	Total ee’s	% BME	% Female	% Disabled
2,501	10.6%	54.6%	10.8%	1,375	13.6%	55.3%	10.8%

GP				GC			
Total ee’s	% BME	% Female	% Disabled	Total ee’s	% BME	% Female	% Disabled
502	7.2%	11%	8.6%	624	6.7%	88.3%	12.7%

* Figures are based on individual employees as at 31 March 2022 (excluding Agency, Contractors, Bank Staff and Apprentices).

We are committed to an inclusive work environment and culture where our employees can achieve their full potential and in so doing, help us realise our vision to improve people’s lives. Our workforce is diverse, and we work to ensure equality of outcome for all our employees. Our ability to do this relies on openness and our commitment to hold ourselves to account. We have clear processes in place to ensure pay equality such as a Job Family Framework, Job Evaluation Panel and regular benchmarking of senior roles, including senior positions, using expert consultants.

This year as part of our Anti-Racism commitment we launched our cross-sector Future Leaders Programme and expanded our conversations on race, ethnicity and racism to include members of the Gypsy, Roma and Traveller (GRT) community and Jewish people. We published our Ethnicity Pay Gap for the second time, and our action plan contains a range of activities which we hope will reduce the ethnicity pay gap over the coming years.

We were proud to win the Investors in People Award for D&I for the second consecutive year.

Gender pay gap

	Mean	Median
TGPL	7.8%	3.7%
Guinness Property	14.0%	25.1%
Guinness Care	28.1%	2.4%
National Median	14.9%	15.4%

*Positive values indicate a gap in favour of men

Ethnicity pay gap

In 2021 TGPL had a median ethnicity pay gap of 1.8% (in favour of white employees) compared to the 2019 national median gap of 2.3%.

	Mean	Median
TGPL	10.7%	1.8%
Guinness Property	-6.1%	-7.5%
Guinness Care	6.8%	7.6%

*Positive values indicate a gap in favour of white employees

The table below sets out the ethnicity pay gap by ethnic minority groups with most prevalent representation in our workforce.

	Mean	Median
Asian	-4.0%	1.0%
Black	2.0%	-10.0%
Mixed and multiple ethnicity	11.0%	-0.1%

This is based on disclosed diversity data for 90% of employees at March 2022.

Safeguarding

Safeguarding means protecting people’s health, wellbeing and human rights, and enabling them to live free from harm, abuse and neglect. This is fundamental to high quality health and social care and in housing. As a housing and care provider, we are committed to safeguarding people who use, or are connected to, our services and to protecting them from abuse. We take a zero-tolerance approach to abuse. We ensure we comply with good national practice, multi-agency protocols and legislative requirements including the Care Act 2014 statutory guidance. We also work closely with Local Authorities and Local Safeguarding Adults Boards. Our enhanced training programme, delivered over the last two years, has increased both the number of potential cases we have identified and reported to local authorities as the statutory body, and the proportion of such reports which are accepted by them for action.

Value for money and the Sector scorecard

How we ensure we deliver Value for Money

We are committed to delivering and demonstrating Value for Money (VfM) in everything that we do, for our customers and the communities we serve, and in the way we run our organisation. This commitment is led by the Board, shared across the whole organisation and is embedded in our Strategy. This commitment is led by the Board, shared across the whole organisation and is embedded in our Strategy.

Our approach is delivered by our people, through our culture of customer service and VfM, supported by strong leadership, training, individual objective setting and rigorous financial management.

The Board sets the strategy for Guinness. We have a clear, comprehensive and strategic approach to achieving VfM which includes:

- Setting budgets which deliver the optimum balance of expenditure between investing in services, new and existing homes, and communities;
- Clearly highlighting activities in our Business Plan which will contribute to delivering VfM;
- The measurement and regular reporting of performance against Key Performance Indicators which focus on the quality and efficiency of services provided;
- Rigorous appraisal of all significant projects, including the potential benefits in alternative delivery models;
- A robust assessment process for development and investment opportunities including alignment with our strategic objectives, likely returns on investment, demand for the products and external market conditions;
- An established Procurement Strategy;
- Focus and follow-up on planned savings by the Executive Team and the Board, including regular updates on the progress of forecast savings across relevant projects;
- Robust self-assessment of performance against the RSH’s VfM Standard to ensure compliance, including an assessment of performance which covers customer satisfaction, new homes built, employee engagement and operating margin;
- Benchmarking our performance against our peers and the sector as a whole; and,
- Review of performance over time to identify trends and areas for further scrutiny.

Reporting on value for money

The Regulator of Social Housing's VfM Standard requires Guinness, as a Registered Provider, to publish performance against the seven metrics defined by the Regulator, our own metrics and targets, and to provide a comparison against our peers where relevant.

Value for money performance

The use of benchmarking information is an important way for us to understand and challenge our performance and costs. We compare how we are doing in a number of ways:

- against other RPs through participation in the **Sector Scorecard** where we compare our performance against all participating RPs and for a peer group of large RPs who, like Guinness, work across the country; and
- using the RSH's **Global Accounts,** where the performance of the whole sector against the seven metrics contained in the Value for Money Standard is published.

While there is a year's lag between available benchmarks and our financial results, in normal years they do provide a reasonable comparison of our performance to that of our peers. Available benchmarks are for the 2021 financial year.

The 15 measures included within the Sector Scorecard are grouped into Business Health, Development – Capacity and Supply, Outcomes Delivered, Effective Asset Management and Operating Efficiencies. The Sector Scorecard metrics continue to include the metrics contained within the Value for Money Standard and so we have reported on our performance in a way which is consistent with the Sector Scorecard. Our performance against other performance targets is presented earlier in this Strategic Report.

Business health

Scorecard metric	2022 Group	2022 TGPL	2021 Group	2021 TGPL	National median benchmark 2021	National Provider benchmark 2021
Operating margin (overall) *	**20.1%**	21.5%	19.9%	21.6%	23.9%	24.3%
Operating margin (social housing lettings)*	**24.4%**	24.9%	24.8%	23.6%	26.3%	31.6%
EBITDA-MRI (as % interest) *	**98.1%**	110.3%	91.2%	97.2%	183%	171%
EBITDA-MRI (as a % interest) – excluding bond redemption penalty	**98.1%**	110.3%	136.2%	145.4%	183%	171%

* these indicators are those included within the VfM Regulatory standard with the National median benchmark for 2021 contained in the Annex to the 2021 Global Accounts rather than from the Sector Scorecard and the National provider benchmark referring to providers >30,000 units.

Operating margins are a key indicator of financial health. The overall operating margin of the Group is lower than the 2021 national median and peer group. As a national organisation with a significant proportion of our homes located outside London and the South East our rent levels and hence margins are lower than for organisations which are located predominantly in the South. In addition, the Group includes loss making care services, and supported housing and housing for older people which generates lower margins. In 2022 General Needs rental activity generated a margin of 25.4% with supported housing/housing for older people generating a margin of 3.3%.

Our weighted average interest cost for the year was 4.4% which is in line with sector benchmarks and improved significantly after the redemption of our 2025 bond in the prior year (the cost of the redemption reduced interest cover in that year). Current year EBITDA-MRI interest cover for the Group and TGPL is reduced by capitalised building safety costs of £18m which were incurred in the year. At Group level the level of EBITDA-MRI interest cover in the current year is impacted by the reported losses in Guinness Care and Guinness Homes Limited. We expect EBITDA-MRI interest cover performance to be above 100% in the coming years although we continue to invest significantly in our existing homes, delivering works to ensure we continue to meet the Decent Homes Standard, investing in building safety works and initiatives which improve the long-term sustainability of our housing portfolio.

Our Strategy targets improvements in our underlying operating margin by March 2025. We will deliver this by managing our cost base over the coming years. We will continue to improve our in-house maintenance operations and deliver an identified programme of Continuous Improvement across the business using lean methodology to improve services and deliver efficiencies. Restructuring activities in 2022 have been designed to maximise the benefits of our recent investments in systems and enable us to meet our financial and operational performance targets.

Development – capacity and supply

Scorecard metric	2022 Group	2022 TGPL	2021 Group	2021 TGPL	National median benchmark 2021	National Provider benchmark 2021
New supply % (social) *	**0.64%**	0.65%	0.78%	0.80%	1.30%	1.5%
New supply % (non-social) *	**0.01%**	0.01%	0.01%	0.01%	0.00%	0.14%
Gearing*	**41.6%**	42.8%	42.6%	44.5%	43.9%	46.0%

* these indicators are those included within the VfM Regulatory standard with the National median benchmark for 2021 contained in the Annex to the 2021 Global Accounts rather than from the Sector Scorecard.

During the year we completed 410 new homes, our level of delivery is low compared to benchmarks and below our own business plan targets. Planning delays, supply chain pressures, labour shortages and building safety considerations have made performance challenging in 2021/22 and this is likely to continue. Delivery is, however, expected to increase with the completion of 771 new homes targeted for 2022/23.

Our gearing level remains consistent with recent years and is slightly lower than sector benchmarks. We expect gearing levels to gradually increase over the coming years as our development programme progresses. Proceeds from the sale of homes will, however, limit increases and preserve capacity for future investment.

Outcomes delivered

Scorecard metric	2022 Group	2022 TGPL	2021 Group	2021 TGPL	National median benchmark 2021	National Provider benchmark 2021
Customer satisfaction	**72.0%**	72.0%	74.0%	74.0%	75.5%	75%
Reinvestment *	**7.7%**	7.8%	7.0%	7.1%	5.8%	5.1%
Investment in communities	**£2,261,000**	£3,019,000	£1,857,000	£1,761,000	n/a	n/a

* these indicators are those included within the VfM Regulatory standard with the National median benchmark for 2021 contained in the Annex to the 2021 Global Accounts rather than from the Sector Scorecard.

Improving customer satisfaction continues to be a key strategic priority for Guinness. Satisfaction varies significantly across the country over 80% typically achieved in the North compared to below 70% in the South East region. Repairs satisfaction, a key driver of overall satisfaction, is lower in London and the South East than elsewhere in the country.

The backlog of repairs that built up during the Covid-19 pandemic continued to be a challenge for our repairs and maintenance teams in 2021/22. This, combined with recruitment challenges in the sector and the limited capacity of sub-contractors, means that we have not been able to deliver work at the pace we would have wanted to. Progress was also hindered by storms in February which resulted in a significant number of new repairs. Our emergency repairs performance was strong throughout the year.

We are continuously improving services to our customers. During the year we have extended our digital offer making it easier to book repairs and enhanced our CRM system to improve the customer journey and the way we communicate.

At the beginning of 2022/23 we have been reshaping our Guinness Regions, which will strengthen regional and local accountability and improve services for customers.

The level of reinvestment in homes increased to 7.7% during the year reflecting our ongoing commitment to the quality and safety of our existing homes and to the delivery of new homes. We expect the level of investment in new homes to drive further increases in our reinvestment percentage over the coming years.

We have continued to invest in our communities over and above our expenditure on social housing activities. We delivered significant outcomes against our Social Investment Strategy during the year – some of the specific areas and activities in which we have invested are detailed elsewhere in this Strategic Report.

410 new homes completed

1,027 homes started on site

2,026 new homes pipeline

72% customer satisfaction

£2.3m investment in communities

7.7% re-investment in properties

Effective asset management

Scorecard metric	2022 Group	2022 TGPL	2021 Group	2021 TGPL	National median benchmark 2021	National Provider benchmark 2021
Return on capital employed (ROCE) *	**2.5%**	2.6%	4.6%	4.7%	3.3%	3.5%
Occupancy	**98.9%**	98.9%	99.1%	99.1%	99.2%	99.2%
Ratio of responsive repairs to planned maintenance	**0.63**	0.63	0.73	0.72	0.71	0.62

* these indicators are those included within the VfM Regulatory standard with the National median benchmark for 2021 contained in the Annex to the 2021 Global Accounts rather than from the Sector Scorecard.

The return on capital employed (ROCE) metric compares our surplus to the value of properties held on our balance sheet. Our 2021 result was distorted by a one-off accounting gain on disposal of housing properties. Underlying performance has slightly improved year on year but remains below the sector median benchmark level. Key drivers of this metric are similar to those that influence our operating margin discussed above and the planned improvements in margin and so as margins improve so should our ROCE.

Levels of occupancy in our homes remains high but fell during the year to 98.9% compared to the median benchmark of 99.2%. Performance is impacted by a number of factors such as our high void turnaround time and tenure type of property we are letting (for example, supported housing properties and housing for older people tend to be slower to let). We are addressing void turnaround times and have an improvement plan in place.

Our ratio of responsive repairs to planned repairs is in line with the national provider benchmark.

Operating efficiencies

Scorecard metric	2022 Group	2022 TGPL	2021 Group	2021 TGPL	National median benchmark 2021	National Provider benchmark 2021
Headline social housing cost per unit *	**£4,388**	£4,326	£4,106	£3,891	£3,730	£3,680
Rent collected	**100.05%**	100.05%	100.29%	100.26%	100%	99.7%
Overheads as a percentage of adjusted turnover	**11.4%**	10.5%	10.9%	10.1%	13.4%	10.2%

* these indicators are those included within the VfM Regulatory standard

Our headline social housing cost per unit of £4,388 is higher than the 2021 sector benchmark. The 2021 benchmark will not reflect more recent impacts across the sector of inflation and increasing pressures on maintenance services. We expect levels of investment and therefore cost per unit to increase in the coming years as we continue to deliver our programme of building safety improvements, invest to ensure our homes continue to meet the decent homes standard and begin work at scale to deliver our sustainability strategy.

Our overheads as a percentage of adjusted turnover for the Group have increased slightly to 11.4%, in line with our peer group and better than the national median benchmark of 13.4%. As we work to improve our operating margin we will focus on areas where our benchmarking suggests our costs are high, for example premises and IT costs. As we grow through development and stock acquisition, our overheads will be spread across more homes.

Our strong rent collection performance continues to compare favourably with our peers. By supporting tenants to claim the benefits they were entitled to, and through effective tenant debt management, we collected over 100% of rent due during the year. We take a data led approach to identifying customers at risk of arrears and pro-actively intervene where we can to support customers to sustain their tenancies.

98.9% occupancy of our homes

2.5% return on capital employed

£143.1m investment in our existing homes

100% rent was collected

£4,388 housing cost per unit

Governance

Regulation

The Guinness Partnership Limited (TGPL) is an exempt charity and a registered society under the Co-operative and Community Benefit Societies Act 2014. TGPL is also a Registered Provider of Social Housing (RP).

The entities within the Group which are RPs are regulated by the Regulator for Social Housing (RSH). Those which are Community Benefit Societies, whether charitable or non-charitable, are also registered with the Financial Conduct Authority.

The RSH requires TGPL and other RPs in the Group to comply with its Economic (including Governance and Financial Viability) and Consumer Standards. It requires the Boards of RPs to formally assess compliance with the Governance and Financial Viability Standard on an annual basis. The Board confirms that this has been carried out for the year ended 31 March 2022 and that TGPL and the other RPs within the Group continued to be compliant with all aspects of the Standard throughout 2021/22 and to date.

The RSH assesses TGPL's compliance with the Governance and Financial Viability Standard and publishes its assessment of compliance. Following routine engagement the RSH re-confirmed the Group's regulatory rating of G1 for Governance and V2 for Viability in October 2021.

Guinness Care and Support Limited is an exempt charity, a registered society under the Co-operative and Community Benefit Societies Act 2014 and an RP. It is also registered with and regulated by the Care Quality Commission.

Guinness Housing Association Limited is a not-for-profit, registered society under the Co-operative and Community Benefit Societies Act 2014 and an RP.

TGPL is the corporate trustee of the Guinness Trust which is registered with and regulated by the Charity Commission. The Guinness Trust does not form part of the consolidated group financial statements.

Code of governance

The Board is committed to achieving the highest standards of corporate governance in its management of the Group's strategies, ethics, accountability, risk management and control. All entities within the Group have a Code of Governance which complies with the National Housing Federation's 2020 Code (amended as required for the non-RP entities within the Group) (adopted with effect from 1 April 2021).

We are required to confirm our compliance with the Code or explain any non-compliance with it. We were compliant with the code for 2021/22.

There are comprehensive governance policies in place which apply to Board and Committee members as well as to employees and engaged customers. Board and Committee members are remunerated and signed agreements for services are in place.

Boards and Committees

The TGPL Board is the Group's ultimate governing body, as TGPL is the parent body to the Group. The Board meets at least six times a year. The Board consists of a minimum of seven and up to 12 Directors, and at least a third of Board members must be non-executive Directors. The Group Chief Executive is a TGPL Board member. As at 31 March 2022 the Board consisted of 11 members. The names and biographies of the Board members are provided on pages 86-87. Board and Committee members bring a wide range of strengths, skills and experience to our Boards and Committees. Details of Board members' experience and main commitments are presented on pages 86-87.

The Board is responsible for:

- Setting the Group's values, vision, mission and strategic objectives.
- Setting the Group Strategy and Business Plan and monitoring performance on a regular basis;
- Approving budgets and the long-term Financial Plan;
- Establishing a culture that is positive, focused on the needs of current and future residents, other customers and other key stakeholders, and which embeds equality, diversity and inclusion within Guinness;
- Ensuring the overall financial viability and integrity of the Group and that appropriate financial control and risk management mechanisms are in place; and
- Approving the consolidated financial statements of the Group, which include those of TGPL.

All legal entities within the Group have Boards responsible for the strategic, operational and financial performance of that entity.

The Board and the Remuneration and Nominations Committee keep the composition of the Board, Committees and the Boards of subsidiaries under regular review to ensure that the appropriate balance of skills, relevant experience, independence and knowledge is maintained to enable them to fulfil their duties and responsibilities effectively.

The Board selection process ensures that non-executive members of the Board, the Boards of subsidiaries and Committees have the experience and skills to be able to consider, debate and constructively challenge development of strategy and performance against objectives, and key business decisions as appropriate to their role.

Board and Committees are appraised on an annual basis with individual and collective appraisals conducted in alternate years.

Individual Board and Committee member appraisals were carried out for all Board and Committee members in August and September 2021. Appraisals are next due to be carried out in September 2023.

An independent Review of Board and Committee Effectiveness was carried out in 2020 and was reported to the Remuneration and Nominations Committee in May 2020, and to the Board in June 2020, with the Board approving a Board Action Plan, progress on which has been monitored by the Remuneration and Nominations Committee. The next Board Effectiveness Review will be reported to the Board later in 2022.

A Board and Committee members' skills assessment was also undertaken in 2019/20 and åassessment shaped Board recruitment and its findings were reflected in the selection process for appointments made during 2020. A further skills assessment is currently underway and due to be reported to the Remuneration and Nominations Committee in September 2022.

Board membership details and meeting attendance for the year:

Name / remuneration	TGPL Board	Group company roles	Group Audit & Risk	Remuneration & Nominations	Health, Safety and Environment	TGPL Board attendance
Number of meetings in 2021/22	9					9
Neil Braithwaite £28,573	Chair			●		9
Chris Wilson £18,000	Deputy Chair	Chair – Guinness Care and Support Limited Chair – Guinness Housing Association Limited	●	●		9
Gina Amoh £12,500	●		●			8
Lee Bolton £12,500	●					8
Amanda Calvert £16,000	●		●		Chair	9
Ben Laryea £12,500	●				●	7
Phil Morgan £16,000	●		●	Chair		9
Samantha Pitt £16,000	●		Chair	●		4
Linda Sanders £12,500	●		●			9
Catriona Simons Chief Executive	●	Chair Guinness Property, Guinness Developments Limited, Guinness Homes Limited, Guinness Platform Limited, Hallco 1397 Limited			●	9
Chris Stevens £12,500	●				●	6

Committees

The Board delegates certain governance responsibilities to functional Group committees, which have their own approved terms of reference. Day-to-day management and delivery of the Board approved strategies is delegated to the Executive Team. The following Committees support the TGPL Board:

The Group Audit and Risk Committee

The Group Audit and Risk Committee has up to 10 members and meets at least four times a year. It is responsible for monitoring and reporting to the Board on the Group's systems of internal control and risk assurance, and for overseeing internal and external audit. The Committee meets privately with the internal and external auditors at least once a year.

The Remuneration and Nominations Committee

The Remuneration and Nominations Committee has up to eight members and meets at least four times a year. It is responsible for considering and making recommendations on Board and Committee memberships, appointment of the Chairs of subsidiary Boards and other appointments across the Group, pensions matters and senior executive remuneration. It also commissions reviews of Board effectiveness and individual Board member appraisals.

The Health, Safety and Environmental Committee

The Health Safety and Environmental Committee has up to six members and meets at least four times a year. It is responsible for providing assurance to TGPL and the Subsidiary Boards that all parts of the Group are acting within applicable legislation and regulation that relate to health, safety and the environment. It also ensures that the Group has systems in place to ensure a robust and embedded approach to health and safety and environmental management.

Customers

We provide a range of ways for our customers to engage, across tenures, all ages, all cultures and all of our geographical areas, including participating in Committees. During 2020/21 a Tenant Scrutiny Panel, comprised solely of tenants and family members occupying Guinness homes, was established, and started its first scrutiny review. The Panel carries out reviews of services and makes recommendations to the Board and the Group Audit and Risk Committee which will respond to any recommendations and put plans in place to address issues raised by the Panel. The Panel has real influence in how Guinness provides services to its tenants and focuses on what is important to our tenants and where we should focus improvement activity. In 2021/22 the Panel carried out reviews into complaints handling and emergency repairs.

The Executive Team

The Board delegates day-to-day management to the Executive Team which is led by the Chief Executive. Details of the Executive Team are provided on page 85 of these financial statements. Meetings are attended by the Executive Directors for Asset Management, Commercial Services, Customer Services, Development and Finance, the Managing Director of Guinness Care and Support Limited and the Group HR Director. The Executive Team meets fortnightly and Executive Directors attend all meetings of the TGPL Board.

For salary disclosure purposes, members of the Executive Team are referred to as Directors. However, with the exception of the Group Chief Executive who is a member of the Board of TGPL, they are not regarded as Directors of TGPL for legal purposes.

We take Independent professional advice when setting executive pay. We also consider executive pay in the context of sector benchmarks, taking into account the need to attract and retain suitably qualified people to lead an organisation of our size and complexity. The overall framework and policy is determined by the Remuneration and Nominations Committee. This Committee is also responsible for recommending proposed remuneration and any contractual changes relating to the terms and conditions of the Group Chief Executive's employment.

Employees

There is a shared culture across the Group based on the Guinness Behaviours which are at the core of our business and underpin how we do things. The Guinness Behaviours are supported by the Guinness Leadership and Management Standard which describes what we expect of our leaders and managers.

We aim to attract, develop and retain talented people who give their best to Guinness and we invest in a range of learning and development opportunities so that our people are confident they have the skills and knowledge to succeed at Guinness. We anticipate the requirements and skills we will need so that we continue to be strong and successful as an organisation, delivering the homes and services our customers need from us.

Transparency and openness

We are committed to being open and transparent in how we conduct our business and interact with customers and other stakeholders and we publish information relating to our approach to transparency and sharing information.

Fraud, anti-bribery and whistle-blowing

We are committed to maintaining the highest ethical standards in our business activities and we adopt a zero-tolerance approach to bribery or any form of corruption. We embed this through our policies, procedures and employee training frameworks. We have a staff whistle-blowing policy which enables all employees with concerns over any aspect of our work to come forward and express those concerns.

Managing our risks

We take a group-wide approach to Risk Management through our Corporate Risk Plan and supporting Risk Management Strategy and Framework. Our approach, which is summarised in the diagram below, enables us to consider the full spectrum of risk and manage the combined impact of those risks.

Risk and Risk Management Strategy

Risk Governance
- TGPL Board
- GARC
- Executive Team
- Subsidiary Boards and Committees
- Officer Risk Panel
- Operational Teams and staff

Risk Identification
- Current internal/external risk review
- Risk events
- Operational & financial performance monitoring
- Horizon scanning
- Emerging risks
- External events & learning

Risk Assessment
- Clear risk scoring matrix
- Risk appetite defined & adhered to
- Target score & risk tolerance understood
- Combination of risk crystallisation understood & mitigated

Risk Mitigation
- Mitigations linked to cause & impact
- Defined controls & control owners
- Risk action tracking against target scores
- Root cause analysis

Assurance
- Three lines of assurance model in place
- Assurance framework supports risk plan
- Assurance outcomes directly inform risk management strategy

Monitoring & Reporting
- Informative & insightful reporting guides improvement
- 'Live' risk plans
- Regular review with risk owners
- Communication across the business

Risk Plans (Corporate, Subsidiary and Business Area)

Risk Governance

TGPL Board
- Ultimate responsibility for Risk Management
- Approves Risk and Risk Management Strategy
- Sets risk appetite annually.
- Regular monitoring/ reporting of key risks

Group Audit and Risk Committee (GARC)
- Monitors the effectiveness of the risk framework
- Recommends changes to risk strategy to Board
- Provides assurance to Board that risk management is embedded and systematically reviewed

Executive Team
- Champions Risk & Risk Management Strategy
- Considers management controls over risk
- Reports results of Risk Plan review to GARC.

Subsidiary Boards and Committees
- Review risks at functional level
- Responsible for risks at subsidiary level
- Provide reports to GARC

Office Risk Panel
- Embed risk management culture
- Monitors & co-ordinate Risk & Controls Assurance activities
- Regularly review and provides updates for strategic and operational/entity risks
- Provide reports to Executive Team and to GARC

Operational Mangagement Teams
- Maintain Business Area Risk Plan
- Ensure robust control environment
- Liaise with their Risk Panel representative
- Annual reporting of risk and control

All Staff
- Maintaining good internal controls
- Assessment of key risk areas
- Identifying and reporting risk & events

Risk appetite

Risk appetite defines the level of risk we are prepared to accept across the different risk categories, taking into account the varying levels of financial and operational stress. Risk appetite is key to our decision making processes, including our strategy and business planning.

We have identified five key categories of risk that are critical to the success of the business (aligned to our strategic objectives). These are Strategic, Compliance, Financial, Operational effectiveness and Reputation.

Risk appetite varies across the Group, not only by risk category but also by activity. A risk appetite statement is maintained for TGPL and includes the operations of all development subsidiaries and those of Guinness Property. However, the risk profile associated with Guinness Care is different to that of other services and so a separate risk appetite statement is prepared for Guinness Care.

We use our risk scoring matrix to assess our inherent, residual and target risk scores – with target scores aligned to our risk appetite for each risk category. Actions to improve controls and further mitigate risk are developed to achieve target scores and are reported through our risk management framework.

Risk assessment – key risks

The Executive Team and the Board consider the risks described in the following tables to be the key risks facing the Group at the current time:

Key Risk – High inflationary environment and impacts on the cost of living

2021/22 context

- CPI at 7% for March 2022 and forecast to increase to 10% later in the year.
- Further interest rate increases are anticipated.
- Energy and fuel price increases with energy price caps expected to increase further.
- Increased costs of labour and materials with supply chain challenges impacted by the conflict in Ukraine.

Short term risk

- Potential increase in rent arrears.
- Disconnect for employees between wage inflation and costs.
- Increasing levels of fuel poverty amongst our customers.
- Affordability of mortgages is reduced for prospective purchases of our homes.
- Increased development and maintenance costs.

Longer term risk

- Inflation expected to reduce over the next 18 months.
- Property price inflation expected to slow.
- Further increases to interest rates and reduction in the availability of credit.

Risk Mitigations

- Increase in Hardship Fund to support residents who are struggling most.
- A 4.25% pay award for employees in 2022.
- Fixed price contracts in place on most development schemes.
- Regular stress testing of Financial Plans and robust recovery strategies in place.
- Programme of investment in homes to ensure all homes meet EPC C by 2030.

Key Risk – IT Security Breach

2021/22 context

- Widespread critical security vulnerability found relating to java script (Log4j) impacted software globally.
- The Government's cyber security breaches survey for 2022 found 39% of all organisations reported a breach.

Short term risk

- Loss of business critical information.
- Disruption of service delivery.
- Loss of customer or employee personal data
- Financial loss.

Longer term risk

- Reputational damage and loss of trust.
- Move to cloud based applications changes but does not eliminate risks.

Risk Mitigations

- Security monitoring in place provided by a reputable third party.
- Regular penetration testing programme.
- Desktop infrastructure protections in place.
- Improvement Plan in place with third party assurance.

Key Risk – Investment to maintain and improve the quality of our homes exceeds levels provided for in our Financial Plan

2021/22 context

- Social and mainstream media investigations into quality of homes and services across the sector.
- Net Zero Carbon aspirations of Government.
- Building Safety programme.
- Sector-wide increases in disrepair claims.
- Focus on damp and mould from the Housing Ombudsman.
- Backlog of repairs following the pandemic.
- Labour and materials shortages.

Short term risk

- Pressure on cashflows.
- Pressure on loan covenants.
- Capacity to develop new homes is reduced.
- Reputational damage arising from negative media coverage.
- Increased repair costs.
- Increased costs of handling disrepair cases.

Longer term risk

- Further increased investment costs.
- Further reduced development capacity.
- Cost reduction across the wider business may be required to create capacity for necessary investment in existing homes.

Risk Mitigations

- Regularly updated stock condition data informs understanding of investment needs.
- Financial planning and stress testing tests the resilience of our Financial Plan.
- Road map to achieve net zero by 2050 included in our Environmental and Sustainability Strategy.
- Prioritised investment programme.
- Decent Homes compliance understood and monitored.
- Robust asset option appraisal process.

Key Risk – Failure to adequately prepare for Climate Change

2021/22 context
- Warming temperature in the UK and globally.
- Wetter conditions in the UK.
- Government's Net Zero Carbon Strategy: Build Back Greener.

Short term risk
- Increased flooding and storm events causing damage to homes.
- Adverse weather impacting service delivery.
- Increasing insurance premiums.
- Skills shortage to understand and prepare for climate change.
- Increased investment required.

Longer term risk
- Harm caused to residents, staff, contractors or the public.
- Reduction in asset values where sustainability requirements are not met.
- Increased investment requirements of existing homes.

Risk Mitigations
- Environmental and Sustainability Strategy in place supported by a detailed action plan.
- Development Design Guide principles focus on sustainability and consider the future sustainability of development schemes.
- Future investment requirements of existing stock validated by a qualified third party and included in our 30 year Financial Plan.

Key Risk – Development and sales targets not achieved

2021/22 context
- Increased costs of labour and materials and supply chain challenges.
- Rising inflation leading to interest rate rises at the latter part of the year to 0.75% at March 2022 (third consecutive rise) and uncertainty over the economy.
- Slowing of residential sales following the end of the stamp duty holiday in Sept 2021.
- End of Help to Buy in December 2022.

Short term risk
- Higher costs and potential delays in starting sites.
- Increase in the costs of mortgages. potentially reducing demand from buyers.
- Property value fluctuations against changing demand.

Longer term risk
- Inflation expected to reduce over the next 18 months.
- Property price inflation expected to slow.
- Further increases to interest rates and reduction in the availability of credit.

Risk Mitigations
- Regular stress testing of Financial Plans and robust recovery strategies in place.
- Regular milestone review of development schemes and ability to respond to changes.
- Good working relationships with Homes England and Greater London Authority to address any issues in delivery.

Key Risk – Labour and skills supply and the future of work

2021/22 context
- The number of job vacancies in January to March 2022 rose to a new record of 1.3m (ONS, March 2022).
- ECIIA research highlighted 50% of all employees will need to be reskilled over the next five years.
- Hybrid/agile working models continue to evolve.

Short term risk
- Vacancies in some high demand roles which impacts our ability to deliver services.
- Wage inflation.
- Increased recruitment costs.
- Increased use of agency or temporary staff.
- Reconfiguration of existing office estate.

Longer term risk
- Continued wage inflation.
- Increased learning and development costs in order that existing employees can be appropriately skilled in-role.
- Shape and type of office estate may change.

Risk Mitigations
- Management/leadership development and succession planning.
- Graduate and apprenticeship schemes in place.
- Alternative recruitment routes to fill key roles.
- Competitive pay and benefits.
- Hybrid/agile working principles well understood.
- People strategy considers longer term skills and labour requirements.

Key Risk – Service delivery and accountability

2021/22 context
- New consumer regulation.
- Consultation on new Tenant Satisfaction Measures.
- Backlog of repairs following the pandemic.
- Social and mainstream media investigations into quality of homes and services across the housing sector.

Short term risk
- High volumes of customer complaints .
- Reputational damage if service failures are not rectified quickly.
- Significant cost associated with service failure.

Longer term risk
- Declining customer satisfaction.
- Failure to comply with regulatory requirements.
- Reputational damage.

Risk Mitigations
- Tracking of regulatory changes and responses provided to consultation.
- Scrutiny Panel in place which conducts reviews of key service areas and provides recommendations for improvement.
- Closed loop transactional surveys for key service areas.
- Programme of continuous improvement to key services.
- Programme of 'Great Service' training for all staff.
- Focus on improving the quality and use of customer data.

Key Risk – Major Health and Safety failure	
2021/22 context	• Building Safety Act. • Continued compliance with Health and Safety Law and Regulation. • New Building Safety regulator. • Continued focus of Regulator of Social Housing on the safety of our homes and buildings.

Short term risk	Longer term risk
• Risk of harm to customers, employees or members of the public. • Potential regulatory downgrades. • Financial loss through fines or compensation. • Increased insurance premiums.	• Increasing compliance costs. • Regulatory intervention. • Reputational damage impacting ability to secure future funding.

Risk Mitigations	• Health and Safety Management System meeting the requirements of ISO45001. • Role specific mandatory H&S training for staff. • Comprehensive Building Safety action plan in place. • Major incident reporting system in place.

Statement on internal control

The Board has overall responsibility for establishing and maintaining the system of internal control and for reviewing its effectiveness. This applies in respect of all entities within the Group.

The system of internal control is designed to manage risk and to provide reasonable, but not absolute, assurance that key business objectives and expected outcomes will be achieved. It also exists to provide reasonable assurance about the preparation and reliability of financial information and the safeguarding of the Group's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded within normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed.

Key elements of our internal control framework include:

- Regular Board meetings for which there is a defined schedule of matters for decision.
- An established management framework with clearly defined levels of responsibility and delegated authorities.
- Adoption of the principles of the National Housing Federation's 2020 Governance Code, supported by a framework of policies and procedures that employees and Board members must comply with.
- A Group-wide risk management system (including health and safety) with an established process for identifying, evaluating and managing the significant risks faced by the Group.
- The Group Audit and Risk Committee which meets regularly with officers and with internal and external auditors to satisfy itself that the internal control systems are operating effectively.
- A rolling programme of internal controls assurance reviews conducted by suitably qualified Guinness employees.
- Internal audit assurance provided by an independent firm of professional advisors which reviews internal control and risk management frameworks, key risks and adherence to relevant law.
- External audit assurance which provides some further independent assurance of the internal control environment, as described in the external auditor's audit report and annual letter to the Board.
- A comprehensive anti-fraud policy supported by procedures and mandatory training.
- Procedures to ensure the employment, retention, training and development of suitably qualified staff to manage activities and risk.
- The preparation and monitoring of budgets and business plans - the Board, Committees and the Executive Team review Group financial and operating performance throughout the year.
- A process for approving all investment decisions with all major investment decisions subject to appraisal and approval by the Executive Team and the Board.
- A Treasury Strategy which is subject to regular review and approval by the Board.
- The Group's whistle-blowing policy which enables employees to raise issues on a confidential basis.

The Group Audit and Risk Committee reviews reports received from internal and external auditors and makes regular reports to the Board on the extent to which internal controls continue to take account of major risks facing the Group. The Group Audit and Risk Committee submits an annual report, summarising its work and conclusions to the Board.

In reviewing the effectiveness of internal controls, the Board considers a range of evidence that includes independent sources, management assurances and outcomes from a range of risk management activities.

The Group Audit and Risk Committee has reviewed the Chief Executive's annual review of the effectiveness of the system of internal control for the Group. The Board has reviewed the effectiveness of the system of internal control, including risk management, for the year to 31 March 2022, and up to the date of signing these financial statements. It has not identified any weaknesses sufficient to cause material misstatement or loss which require disclosure in the financial statements.

Viability Statement

The Board has assessed the viability of the Group over a five-year period. This assessment is informed by a 30-year Financial Plan which is shared annually with our Regulator, the RSH, and provides assurance that the Group complies with the Regulatory Framework and that the Group has adequate resources to continue operating as a going concern. The Board has assessed the resources available to the Group and is satisfied that it is appropriate to continue to prepare the financial statements on a going concern basis.

The Board reviews the Group Financial Plan at least twice a year and approves it annually. The Financial Plan is subjected to rigorous stress-testing to assess its ability to withstand significant risks and various combinations of risks. The Board is satisfied that financial viability and loan covenant compliance is maintained throughout the life of the Plan.

Our Financial Plan is supported by an approved Treasury Strategy which ensures the Group's treasury portfolio is effectively and efficiently managed so it can comply with lender covenants and undertakings. It addresses external funding risks, hedging risks, cash flow forecasting and liquidity requirements, and the appropriate and efficient investment of surplus funds.

Each year the Regulator of Social Housing carries out a Financial Stability Check of all Registered Providers with 1,000 or more social homes. Following the annual financial stability check the RSH concluded that Guinness should retain its G1 Governance and its V2 viability gradings. These gradings apply to the whole Guinness Group and remain compliant gradings. The V2 grading is a reflection of our significant investment in our existing homes, as well as our exposure to homes for sale. The Group has also retained good credit ratings throughout the year with external credit rating agencies Moody's (A3) and Standard and Poor's (A-) both with a stable outlook. These outcomes confirm to customers, investors and other stakeholders that Guinness is managing its resources and risks effectively to ensure its financial viability is maintained and that its social housing assets are not put at risk.

The ratings provide external assurance that the Board has put in place appropriate governance arrangements to ensure the Group adheres to all relevant law and regulatory requirements and has an effective risk management and internal controls assurance framework in place.

The Board performs an annual review of the Group's compliance with the Governance and Financial Viability Standard set by the RSH and confirms continued compliance.

After making all reasonable enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and that it is well-placed to manage its business risks appropriately.

Statement of the responsibilities of the Board

The Group Board, which is the Board of The Guinness Partnership Limited, is responsible for preparing the financial statements. The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice) law, including Financial Reporting Standard 2 and applicable law.

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

In preparing these financial statements the Board is required to:

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

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable it to ensure that the Group's Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice: Accounting by Registered Housing Providers 2018, and, the Accounting Direction for Private Registered Providers of Social Housing in England (2019). The Board is also responsible for safeguarding the assets of the Group and for taking reasonable steps for the detection of fraud and other irregularities.

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

The Board confirms that to the best of its knowledge:

- The Financial Statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the Group; and,
- The Report of the Board includes a fair review of the development and performance of the Group and the position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

Going concern

As referred to in the Viability Statement the Board has a reasonable expectation that the Group has adequate resources to continue in operation for a period of no less than 12 months from the date of sign-off of the Financial Statements, and for this reason has continued to adopt the Going Concern basis in preparing the Group's Financial Statements.

Statement of compliance

The Strategic Report has been prepared in accordance with applicable reporting standards and legislation. The Board can also confirm that the Group has complied with the Regulator of Social Housing's Governance and Financial Viability Standard. All of the current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditor

BDO LLP are the appointed auditor. They have expressed their willingness to continue in office. Accordingly a resolution is to be proposed for the re-appointment of BDO LLP as auditor.

On behalf of the Board

Neil Braithwaite,
Chair of the Guinness Partnership Limited
15 September 2022

Charitable and Community
Benefit Society No. 31693R
Homes and Communities Agency no. 4729
Regulator for Social Housing Registration no. 47

Independent Auditor's Report to the members of the Guinness Partnership Limited

Opinion

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2022 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of The Guinness Partnership Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the Group and Association statement of comprehensive income, the Group and Association statement of financial position, the Group and Association statement of changes in reserves, the Group statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Group and the Parent Association's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's assessment of the going concern status of the Group and the Association which included forecasts and stress-testing covering a period of 12 months from the date of sign off of the financial statements;
- Obtaining and assessing the availability of financing facilities, including the nature of facilities, repayment terms and financial covenants. We considered management's financial covenant compliance calculations through to March 2024 and concluded on the consistency of such calculations with the ratios stated in the relevant lender agreements;
- Considering the appropriateness of the Board's forecasts by testing their mathematical accuracy, assessing historical forecasting accuracy and understanding the Directors' consideration of downside sensitivity analysis;
- Re-performing sensitivities on the Board's base case and stressed case scenarios, considered the likelihood of these occurring and understood and challenged the mitigating actions the Board would take under these scenarios;
- Assessing the going concern disclosures against the requirements of the accounting standards and assessed the consistency of the disclosures with the Board's forecasts.

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

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

Overview

Coverage:	100% (2021: 100%) of Group surplus before tax 100% (2021: 100%) of Group revenue 100% (2021: 100%) of Group total assets		
Key audit matters:		2022	2021
	Carrying amount of property developed for sale and land bank sites	•	•
Materiality:	Group financial statements as a whole. £6.7m (2021: £9.1m) based on 7.5% (2021: 7.5%) of adjusted operating surplus		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Board that may have represented a risk of material misstatement.

The Group manages its operations from multiple locations within the UK however has centrally managed financial systems, processes and controls.

A full scope statutory audit was carried out for all subsidiaries within the group. Audit work on all components was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes.

We identified three components which, in our view required an audit of their complete financial information due to their size or risk characteristics and were therefore considered to be significant components.

The Guinness Partnership Limited (Parent Association), Guinness Developments Limited and City Response Limited were identified as significant components due to their size.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		Our response to the key audit matter
Carrying amount of property developed for sale and land bank sites	As described in Note 1 (Accounting Policies) and Note 16 (Stock), the Group carries property developed for sale at the lower of cost and net realisable value. As at 31 March 2022, the Group held property developed for sale of £328.4m (2021: £303.6m). For all schemes developed for sale at the balance sheet date, management has performed an assessment of their recoverable amount using external valuations, including an assessment of the actual costs incurred against budget. Due to the level of judgement involved in estimating both selling price and costs to complete we considered there to be a significant risk over the recoverable amount of property developed for sale and therefore a key audit matter.	For a sample of property developed for sale, we have: 1. For sales price: • compared anticipated selling prices to sales prices achieved after the year end, sales prices achieved for similar units in the year, valuation of properties for marketing purposes and other selling prices of similar properties in the locality. • where valuations were used, we assessed the expertise of the valuers and confirmed their work was appropriate for our use. 2. For costs to complete: • obtained the latest valuers report and assessed the construction costs against the total contract value taking into account contract variations. • obtained details of the expected costs to complete from the scheme budget for that development and agree the budgeted contracted cost of the development to the latest contract documentation. • considered Project Review Group minutes and made enquiries of managers for indications of cost overruns, contractor disputes or solvency issues in relation to the schemes tested. • compared the incurred expenditure (including costs incurred after the reporting date) to the estimated amount to ensure that the cost to complete estimate reflects actual costs. • assessed the accuracy of cost forecasting by looking at outturn costs compared to budget on schemes that completed in the year. 3. For costs to sell: • considered computations of selling costs and compared against known selling costs that have been incurred in the year. **Key observations** Based on our procedures we noted no exceptions.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial Statements		Parent Association financial statements	
	2022 £m	**2021 £m**	**2022 £m**	**2021 £m**
Materiality	6.7	9.1	6.0	6.9
Basis for determining materiality	7.5% of adjusted operating surplus*	7.5% of adjusted operating surplus*	7.5% of adjusted operating surplus*	7.5% of adjusted operating surplus*
Rationale for the benchmark applied	Management reports its performance to key stakeholders and monitors the business based on adjusted operating surplus as defined by the loan covenants. It is therefore appropriate to adjust materiality in order to respond to the risk of covenant breach.			
Performance materiality	4.3	5.6	3.9	4.1
Basis for determining performance materiality	65% (2021: 65%) of materiality This was considered appropriate based on: • cumulative knowledge of the Group. • degree of estimation in financial statements.		65% (2021: 65%) of materiality This was considered appropriate based on: • cumulative knowledge of the Association. • degree of estimation in financial statements.	

*Operating profit adjusted for depreciation, amortisation and capitalised major works.

Component materiality

A full scope statutory audit was carried out for each subsidiary. We set materiality for each component of the Group based on their size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £0.001m to £6.0m. In the audit of each component, we further applied performance materiality levels of 65% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Group Audit and Risk Committee that we would report to them all individual audit differences in excess of £0.12m (2021: £0.14m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- adequate accounting records have not been kept by the Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding and accumulated knowledge of the Group and the sector in which it operates we considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements.

We gained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice, the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022).

In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to fire safety, environmental, occupational health and safety and data protection.

All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Our audit procedures included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to impairment, useful lives of depreciable assets, the allocation of costs between tenure types and between first and subsequent shared ownership tranches, the recoverable amount of properties developed for sale (see key audit matter above) and defined benefit pension scheme obligations;
- Identifying and testing journal entries to supporting documentation, in particular any journal entries posted with unusual account combinations and specific user postings;
- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of minutes of Board meetings and papers provided to the Group Audit and Risk Committee throughout the period and to the date of approval of the financial statements for instances of non-compliance with laws and regulation and fraud; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes, papers provided to the Group Audit and Risk Committee and any correspondence received from regulatory bodies.

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

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

Use of our report

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

Phil Cliftlands

BDO LLP
Phil Cliftlands, Senior Statutory Auditor
Gatwick
United Kingdom
Date: 20 September 2022

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

Financial Statements
for the year ended 31 March 2022

Financial Statements for the year ended 31 March 2022

Group Statement of Comprehensive Income
for the year ended 31 March 2022

	Note	2022 £m	2021 £m
Turnover	3	**388.2**	**368.2**
Cost of sales	3	(29.8)	(18.9)
Operating expenditure	3	(280.4)	(275.9)
Surplus on disposals of housing property	6	18.6	94.0
Operating surplus		**96.6**	**167.4**
Surplus on disposals of other fixed assets	6	0.2	0.2
Interest receivable		0.1	0.1
Interest payable and financing costs	8	(55.2)	(99.8)
Movement in fair value of financial instruments		2.8	1.8
Surplus before taxation		**44.5**	**69.7**
Taxation	10	0.1	0.2
Surplus for the year		**44.6**	**69.9**
Other comprehensive income			
Actuarial gain/(loss) in respect of pension schemes	26	19.5	(51.7)
Change in fair value of hedged financial instrument		10.5	8.6
Total comprehensive income for the year		**74.6**	**26.8**

All amounts relate to continuing activities. The notes on pages 59 to 83 form part of these financial statements.

The Guinness Partnership Limited Statement of Comprehensive Income
for the year ended 31 March 2022

	Note	2022 £m	2021 £m
Turnover	3	**373.4**	**350.3**
Cost of sales	3	(33.2)	(18.0)
Operating expenditure	3	(260.0)	(256.7)
Surplus on disposals of housing property	6	18.3	93.5
Operating surplus		**98.5**	**169.1**
Surplus on disposals of other fixed assets	6	0.2	-
Interest receivable		5.5	3.8
Interest payable and financing costs	8	(59.9)	(103.0)
Movement in fair value of financial instruments		2.8	1.8
Surplus before taxation		**47.1**	**71.7**
Taxation	10	-	-
Surplus for the year		**47.1**	**71.7**
Other comprehensive income			
Actuarial gain/(loss) in respect of pension schemes	26	18.4	(48.3)
Change in fair value of hedged financial instrument		10.5	8.6
Total comprehensive income for the year		**76.0**	**32.0**

All amounts relate to continuing activities. The notes on pages 59 to 83 form part of these financial statements.

Group Statement of Financial Position
for the year ended 31 March 2022

	Note	2022 £m	2022 £m	2021 £m	2021 £m
Fixed assets					
Intangible assets	13		8.5		5.9
Tangible fixed assets:					
Housing properties	11	3,448.0		3,246.6	
Other fixed assets	12	27.2		58.3	
			3,483.7		**3,310.8**
Fixed asset investments	14		22.5		13.1
Investment in joint venture			1.0		0.4
			3,507.2		**3,324.3**
Current assets					
Stock	16	329.3		305.0	
Trade and other debtors	17	43.8		108.7	
Cash and cash equivalents		80.1		79.5	
		453.2		**493.2**	
Creditors: amounts falling due within one year	18	(156.9)		(152.8)	
Net current assets			**296.3**		**340.4**
Total assets less current liabilities			**3,803.5**		**3,664.7**
Creditors: amounts falling due after one year	19		(2,775.9)		(2,687.9)
Provisions for liabilities:					
Pension liability	26		(60.3)		(84.8)
Other provisions	25		(4.0)		(3.3)
Total net assets			**963.3**		**888.7**
Reserves					
Income and expenditure reserve			963.1		888.5
Restricted reserves			0.2		0.2
Total reserves			**963.3**		**888.7**

The notes on pages 59 to 83 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board on 20 July 2022 and signed on its behalf by:

Board Member

Board Member

Secretary

The Guinness Partnership Limited Statement of Financial Position
for the year ended 31 March 2022

	Note	2022 £m	2022 £m	2021 £m	2021 £m
Fixed assets					
Intangible assets	13		8.5		5.9
Tangible fixed assets					
Housing properties	11	3,385.9		3,183.8	
Other fixed assets	12	25.5		56.1	
			3,419.9		**3,245.8**
Fixed asset investments	14		12.3		13.0
Investment in subsidiaries	15		43.7		43.7
			3,475.9		**3,302.5**
Current assets					
Stock	16	102.5		53.6	
Trade and other debtors	17	255.9		347.5	
Cash and cash equivalents		55.5		48.7	
		413.9		**449.8**	
Creditors: amounts falling due within one year	18	(133.5)		(138.7)	
Net current assets			**280.4**		**311.1**
Total assets less current liabilities			**3,756.3**		**3,613.6**
Creditors: amounts falling due after one year	19		(2,745.8)		(2,657.3)
Provisions for liabilities:					
Pension provision	26		(56.2)		(79.3)
Other provisions	25		(3.9)		(2.6)
Total net assets			**950.4**		**874.4**
Reserves					
Income and expenditure reserve			950.2		874.2
Restricted reserves			0.2		0.2
Total reserves			**950.4**		**874.4**

The notes on pages 59 to 83 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board on 20 July 2022 and signed on its behalf by:

Board Member

Board Member

Secretary

Group Statement of Changes in Reserves
for the year ended 31 March 2022

	Income and expenditure reserve £m	Restricted reserves £m	Total £m
At 1 April 2021	888.5	0.2	888.7
Surplus for the year	44.6	-	44.6
Actuarial gain in respect of pension scheme	19.5	-	19.5
Change in fair value of hedged financial instrument	10.5	-	10.5
At 31 March 2022	**963.1**	**0.2**	**963.3**
At 1 April 2020	861.7	0.2	861.9
Surplus for the year	69.9	-	69.9
Actuarial loss in respect of pension scheme	(51.7)	-	(51.7)
Change in fair value of hedged financial instrument	8.6	-	8.6
At 31 March 2021	**888.5**	**0.2**	**888.7**

The notes on pages 59 to 83 form part of these financial statements.

The Guinness Partnership Limited Statement of Changes in Reserves
for the year ended 31 March 2022

	Income and expenditure reserve £m	Restricted reserves £m	Total £m
At 1 April 2021	874.2	0.2	874.4
Surplus for the year	47.1	-	47.1
Actuarial gain in respect of pension scheme	18.4	-	18.4
Change in fair value of hedged financial instrument	10.5	-	10.5
At 31 March 2022	**950.2**	**0.2**	**950.4**
At 1 April 2020	842.2	0.2	842.4
Surplus for the year	71.7	-	71.7
Actuarial loss in respect of pension scheme	(48.3)	-	(48.3)
Change in fair value of hedged financial instrument	8.6	-	8.6
At 31 March 2021	**874.2**	**0.2**	**874.4**

The notes on pages 59 to 83 form part of these financial statements.

Group Statement of Cashflows
for the year ended 31 March 2022

	Note	Group 2022 £m	Group 2021 £m
Cash flow from operating activities			
Total comprehensive income for the year		74.7	26.8
Adjustments for:			
Taxation		(0.1)	(0.2)
Interest payable		55.2	99.8
Interest receivable		(0.1)	(0.1)
Receipts from sale of housing properties		42.6	16.4
Surplus on disposal of housing properties		(18.6)	(94.0)
Receipts from sale of other fixed assets		(1.5)	0.8
(Surplus) on disposal of other fixed assets		(0.2)	(0.2)
Net fair value (gains)/losses recognised in profit and loss		(13.4)	10.4
Depreciation, impairment and write-offs		64.7	65.9
Amortisation of deferred Government grant		(16.9)	(13.9)
Movement in pension in other comprehensive income		(19.5)	51.7
Difference between net pension expense and cash contribution		(6.7)	(18.2)
Decrease/(increase) in stock		(24.3)	(96.4)
(Increase)/decrease in trade and other debtors		64.8	(12.4)
Increase/(decrease) in trade and other creditors		0.2	6.7
Taxation paid or refunded		0.1	0.3
Net cash inflow from operating activities		**201.0**	**43.4**
Cash flow from investing activities			
Acquisition and construction of housing property		(234.2)	(95.2)
Purchase of other fixed assets		(26.9)	(18.9)
Purchase of intangible assets		(4.2)	(6.0)
Receipt of Government grants		52.9	67.8
Investment in joint venture		(0.6)	0.4
Other investments		(10.1)	-
Interest received		0.1	0.1
Net cash outflow from investing activities		**(223.0)**	**(51.8)**

	Note	Group 2022 £m	Group 2021 £m
Cash flows from financing activities			
Interest paid		(64.0)	(105.4)
New loans		105.0	280.0
Debt issue costs		(0.1)	(3.5)
Repayment of loans		(18.3)	(198.2)
Net cash inflow/(outflow) from financing activities		**22.6**	**(27.1)**
Net change in cash and cash equivalents		**0.6**	**(35.5)**
Cash and cash equivalents at beginning of the year		79.5	115.0
Cash and cash equivalents at end of the year		**80.1**	**79.5**

The notes on pages 59 to 83 form part of these financial statements.

1. Company information

The Guinness Partnership Limited (TGPL) is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 (No 31693R). TGPL is an exempt charity and is registered with The Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 30 Brock Street, Regent's Place, London NW1 3FG.

2. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), the Statement of Recommended Practice: Accounting by Registered Housing Providers 2018 (SORP 2018), the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022 (the Direction) and the Co-operative and Community Benefit Societies Act 2014. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

TGPL is a public benefit entity for the purposes of FRS 102 and the financial statements have been prepared on that basis.

Basis of preparation

The financial statements have been prepared on the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies as set out below. The financial statements are presented in Sterling (£m).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies.

The principal accounting policies are set out below. These accounting policies have been consistently applied during the current and preceding period unless otherwise stated.

Parent Company disclosure exemptions

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

- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

Basis of consolidation

The consolidated financial statements incorporate the results of TGPL and all of its subsidiary undertakings as at 31 March 2022. The Group has disclosed the balances and nature of transactions with entities that form part of the Group as required by the Direction. All intra-Group transactions, balances and income are eliminated on consolidation.

Segmental Reporting

The Group's reportable segments are based on its operational divisions which offer distinguishable services, the chief operating 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 is in accordance with the Accounting Direction for Private Registered Providers of Social Housing from April 2019 and is considered appropriate.

Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group. Refer to Note 4 for further disclosed information.

Going concern

The Group has performed detailed stress testing to assess the potential impact of a range of risks crystallising, both in isolation and within multivariate and scenario analysis. These include rent collection levels, macroeconomic changes with a focus on inflation, sales assumptions and cost changes. Recovery planning is performed alongside stress testing to determine measures that would mitigate downturn impacts. TGPL retains high levels of liquidity from which to manage any risks.

The following specific activities have taken place:

- The Board reviewed and approved the Financial Plan and associated stress testing in May 2022.
- The Board considered the Group Risk Plan and approved the 2022/23 Risk Management Strategy at its meeting in March 2022.
- The Board considered liquidity levels and approved its Treasury Strategy for 2022/23 at its meeting in March 2022.
- The liquidity management policies contained within the Treasury management policy were approved by the Board in March 2022.

After making enquiries and reviewing the Financial Plan, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing of the financial statements. For this reason, it continues to adopt the going concern basis in the financial statements.

Turnover

Turnover represents rental and service charge income (net of losses from voids), fees and service income, donations receivable and grant income from public bodies.

Turnover also includes open market sales of properties developed for outright sale, and first tranche sales of shared ownership properties. The corresponding portion of the shared ownership asset is recognised in cost of sales. Turnover from these open market and first tranche shared ownership sales is recognised at the point of legal completion of the sale. Subsequent staircasing receipts relating to shared ownership properties are included not in turnover but in surplus on disposals of housing properties.

Rental income is recognised from the point when properties become available for letting, net of any losses due to voids (periods of unoccupancy). Service charge income is recognised on the accrual basis, in the same period(s) in which the related costs are incurred.

Revenue grants are recognised in income in the same period(s) as the expenditure to which they relate. Grants provided to construct social housing are amortised, and recognised in income, over the useful lives of the properties, in line with the Group's depreciation policy.

Income from gift aid and other donations is recognised when associated performance-related conditions are met; or when received or receivable where no such performance-related conditions exist.

Management and administration fees in relation to leases and shared ownership contracts are recognised when receivable. Income relating to services rendered is recognised as receivable on the delivery of services provided.

Property managed by others

The Group has a number of agreements with third parties to manage schemes on its behalf. Where a transfer of the risks and benefits attached to schemes has taken place, the transactions managed by the agents are not included in these financial statements.

Property managed for others

The Group manages some schemes on behalf of third parties. Where a transfer of the risks and benefits attached to schemes has taken place, the transactions managed by the Group are included in these financial statements.

Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax (VAT)

The majority of the Group's income, being rents, is exempt for VAT purposes and this gives rise to a partial exemption calculation for VAT recovery. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.

Pension costs

The Group participates in both defined benefit and defined contribution pension schemes.

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

The Group was a member of the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit pension scheme, until 1 April 2021 when the Group's share of the assets and liabilities within this scheme were transferred to a new Guinness Pension Scheme administered by The Pensions Trust.

For each scheme accounted for as a defined benefit scheme, the net liability (or asset) is recognised in the Group's statement of financial position. The pension scheme assets are measured at fair value and the liabilities are calculated by estimating the amount of future benefit that employees have earned and discounted to present value. The movement in the scheme surpluses/deficits is split between operating expenditure, finance costs and actuarial gains and losses.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement amongst employees which has accrued at the date of the Statement of Financial Position and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at that date.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged on a straight-line basis from the date the assets are put into use over their expected useful lives, at the following rates:

Software (including that which is cloud based)	7 years

Housing property fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and any impairment. Cost comprises purchase price and building costs together with directly attributable, incidental and administrative costs in bringing them into working condition for their intended use.

Interest on borrowings used to finance housing developments and regeneration projects is capitalised only when development activity is in progress and up to the date of practical completion or the end of the regeneration period.

Costs of replacing major components are capitalised and depreciated over their estimated useful economic lives. The net book value of components replaced is written off and disclosed as depreciation in the year of replacement.

Housing properties under construction are stated at cost and not depreciated. These are reclassified as housing properties on practical completion of construction.

Depreciation is charged so as to write down the cost of freehold housing properties, other than freehold land, to their estimated residual value on a straight-line basis over their expected useful economic lives.

Housing properties are split between land, structure and major components which require periodic replacement. Freehold land is not depreciated.

The Group depreciates freehold housing properties by component on a straight-line basis as follows:

Component	Useful economic life
Pitched roofs	60 years
Flat roofs	25 years
External doors	25 years
Windows	30 years
Electrical installation	30 years
General heating (excluding boilers)	30 years
Boilers	15 years
Lifts	25 years
Kitchens	20 years
Bathrooms	30 years
Residual structure (building)	100 years

The Group depreciates housing properties held on long leases over the shorter of the lease term or the useful economic life of the relevant component category.

Sale of tangible fixed assets

Sales of tangible fixed assets, including second and subsequent tranches of shared ownership properties are recognised at the point of completion within surplus on disposal of housing property in the statement of comprehensive income.

Social housing and other Government grants

Where developments are financed wholly or partially by Social Housing and other Grants (SHG), the amount of the grant received is included as deferred income and recognised in turnover over the estimated useful economic life of the associated asset structure in accordance with the accruals model.

Non-Government grants

Grants received from non-Government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as turnover.

Investment property

Investment property includes commercial and other properties not used directly in furtherance of the Group's social purpose. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is initially determined by external valuers and derived from the current market rents and investment property yields for comparable real estate. This is adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Fair values are determined on an annual basis and are determined by external valuers at least once every three years.

Impairment of housing properties and land held for future development

Impairment reviews are carried out for completed properties and properties under construction where there are indicators of impairment. Impairments arising from a major reduction in service potential are charged to the income and expenditure account to the extent that the carrying value exceeds the recoverable amount. The recoverable amount is the higher of its net realisable value and value in use. Value in use is the present value of future cash flows obtainable as a result of the continued use of the property.

Properties are grouped together into schemes, which are considered to be the cash generating units as defined by the SORP. At the date of each Statement of Financial Position, schemes are assessed to determine if there are indicators of impairment for each scheme. If such indicators exist, an impairment review is carried out for that scheme. If the review identifies an impairment is needed, it is recognised immediately in the Statement of Comprehensive Income.

Impairment reviews for land held for future development take into account existing plans for developing the land (holdings for social housing and shared ownership). However, if there is a high level of uncertainty over the use of the land or where internal criteria are not met then impairment would be recognised. Impairment would be recognised to the extent that market valuations are lower than the carrying value of the asset.

Stock and properties for sale

Properties developed for outright sale are included in current assets, at the lower of cost or estimated selling price less costs to complete and sell. Properties held for sale are assessed for impairment at each reporting date. If there is evidence of impairment, the impairment loss is recognised immediately in the Statement of Comprehensive Income.

Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis from the date the asset is put into use over the expected useful economic lives of the assets at the following annual rates:

Freehold office premises	1% to 2%
Leasehold office premises	over the period of the lease
Plant, vehicles and equipment	5% to 33%

Improvements to office premises are capitalised where the expenditure provides an enhancement of economic benefits in excess of the previously assessed standard of performance.

The useful economic lives of all fixed assets are reviewed annually.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses. The Group provides for bad and doubtful debts relating to rents and service charges receivable at the following rates:

- Former tenant arrears 100%
- Current tenant arrears 100% after 13 weeks

The Group provides against other debtors based on an assessment of likely recovery.

Loan interest costs

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

Loan issue costs, premium and discounts

Loan issue costs are amortised over the life of the related loan. Loans are initially recognised in the Statement of Financial Position at the amount of the net proceeds after issue and are included in creditors greater than one year. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income in the year in which the redemption took place. Where the calculated difference between the historic cost and amortised cost basis is not material these financial instruments are stated on the balance sheet at historic cost.

Premiums or discounts arising on financial instruments are similarly included in creditors greater than one year and are subsequently amortised over the life of the instrument.

Homebuy and equity loans

These represent loans to home buyers of a percentage of the cost of the property which is secured on the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentage of the proceeds is repaid. The loans are financed by an equal amount of SHG. On redemption:

- SHG is recycled,
- SHG is written off, if a loss occurs,
- The Group keeps any surplus.

Homebuy loans are treated as concessionary loans and are initially recognised at the amount paid to the purchaser and are reviewed annually for impairment. The associated Homebuy grant from the HCA is recognised as deferred income until the loan is redeemed.

Cash and cash equivalents

Cash and cash equivalents in the Group's and Association's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Derivative instruments and hedge accounting

The Group holds floating rate loans which expose the Group to interest rate risk, to mitigate against this risk the Group uses interest rate swaps. These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Group has designated each of the swaps against either existing drawn floating rate debt or against highly probable future floating rate debt. To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counter party credit risk, are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any movements in fair value relating to ineffectiveness and adjustments for our own or counter party credit risk are recognised in total comprehensive income for the year.

Amendments have been made by the Financial Reporting Council (FRC) to FRS 102 in respect of interest rate benchmark reform, with the London Interbank Offered Rate (LIBOR) being replaced by the Sterling Overnight Interbank Average Rate (SONIA) from 31 December 2021.

TGPL has a number of hedging instruments in the form of interest rate swaps, for all of which the basis has successfully been transitioned from LIBOR to SONIA during the year. TGPL has ensured that all of its interest rate swaps match the amended terms of the loan agreements which they are designed to hedge, with no mismatches between the timings of loans and the timings of swaps.

TGPL has applied the mandatory practical expedient introduced in section 11.20C of FRS 102 for changes in the basis for determining the contractual cash flows of a financial asset or liability that are required by interest rate benchmark reform. The practical expedient entails accounting for the change to the benchmark rate in the same way as for a change in variable rate. As a result of applying the practical expedient, no adjustments to the carrying amount of TGPL's financial instruments, and therefore no immediate recognition of a gain or loss, have arisen.

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund. The revaluation reserve is created from surpluses on asset revaluation.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Development expenditure is capitalised in accordance with the accounting policy on housing property fixed assets. The capitalisation requires a range of judgements, such as setting the period over which interest can be capitalised, calculating the amounts of staff time and overheads which should be capitalised and establishing when a scheme is likely to go ahead, allowing capitalisation of associated development costs, or when it is abortive and costs should be written off.
- Housing property depreciation is calculated on a component by component basis. 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.
- The cost of defined benefit pension schemes and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Assumptions used are informed by actuarial advice and through the use of pension advisors. A sensitivity analysis showing the impact of changes in assumptions on the pension liability have been included in note 26.
- The Group carries out impairment assessments and reviews as set out in the accounting policies below. In carrying out this process, management exercise judgement in determining if an indicator of impairment exists and in assessing the net book value of each scheme against net realisable value and value in use.
- The Group has a stock balance that includes properties for sale under both market and shared ownership programmes as well as work in progress for schemes producing homes for sale. The value of each asset is reviewed against its net realisable value and each scheme in progress against expected proceeds less costs yet to be incurred. Assets are written down if the cost at which they are recorded in the accounts is higher.

3 Particulars of turnover, cost of sales, operating expenditure and operating surplus

	Group 2022				
	Turnover £m	Cost of sales £m	Operating expenditure £m	Surplus on disposals of housing property £m	Operating surplus/ (deficit) £m
Social housing lettings	336.6	-	(254.3)	-	82.3
Other social housing activities:					
Surplus on disposals of housing property	-	-	-	18.6	18.6
First tranche property sales	29.9	(27.8)	-	-	2.1
Development costs not capitalised	-	-	(1.4)	-	(1.4)
Care and support services	12.9	-	(15.6)	-	(2.7)
Other	4.9	(1.3)	(5.4)	-	(1.8)
Total other social housing activities	47.7	(29.1)	(22.4)	18.6	14.8
Non-social housing activities:					
Market sales	0.4	(0.3)	-	-	0.1
Other	3.5	(0.4)	(3.7)	-	(0.6)
Total	**388.2**	**(29.8)**	**(280.4)**	**18.6**	**96.6**

	TGPL 2022				
	Turnover £m	Cost of sales £m	Operating expenditure £m	Surplus on disposals of housing property £m	Operating surplus/ (deficit) £m
Social housing lettings	328.9	-	(246.9)	-	82.0
Other social housing activities:					
Surplus on disposal of housing property	-	-	-	18.3	18.3
First tranche property sales	29.9	(27.8)	-	-	2.1
Development costs not capitalised	-	-	(1.4)	-	(1.4)
Care and support services	2.2	-	(2.1)	-	0.1
Other	5.9	-	(8.6)	-	(2.7)
Total other social housing activities	38.0	(27.8)	(12.1)	18.3	16.4
Non-social housing activities:					
Gift Aid	0.2	-	-	-	0.2
Other	6.3	(5.4)	(1.0)	-	0.1
Total	**373.4**	**(33.2)**	**(260.0)**	**18.3**	**98.5**

	Group 2021				
	Turnover £m	Cost of sales £m	Operating expenditure £m	Surplus on disposals of housing property £m	Operating surplus/ (deficit) £m
Social housing lettings	330.8	-	(248.7)	-	82.1
Other social housing activities:					
Surplus on disposals of housing property	-	-	-	94.0	94.0
First tranche property sales	14.8	(13.5)	-	-	1.3
Development costs not capitalised	-	-	(3.7)	-	(3.7)
Care and support services	12.6	-	(15.0)	-	(2.4)
Other	3.8	(0.9)	(4.3)	-	(1.4)
Total other social housing activities	31.2	(14.4)	(23.0)	94.0	87.8
Non-social housing activities:					
Market sales	1.6	(1.6)	-	-	-
Other	4.6	(2.9)	(4.2)	-	(2.5)
Total	**368.2**	**(18.9)**	**(275.9)**	**94.0**	**167.4**

	TGPL 2021				
	Turnover £m	Cost of sales £m	Operating expenditure £m	Surplus on disposals of housing property £m	Operating surplus/ (deficit) £m
Social housing lettings	322.0	-	(246.0)	-	76.0
Other social housing activities:					
Surplus on disposals of housing property		-	-	93.5	93.5
First tranche property sales	14.8	(13.5)	-	-	1.3
Development costs not capitalised	-	-	(3.7)	-	(3.7)
Care and support services	2.2	-	(1.9)		0.3
Other	5.5	-	(5.1)	-	0.4
Total other social housing activities	22.5	(13.5)	(10.7)	93.5	91.8
Non-social housing activities:					
Market sales	1.6	(1.6)	-	-	-
Other	4.2	(2.9)	-	-	1.3
Total	**350.3**	**(18.0)**	**(256.7)**	**93.5**	**169.1**

4 Particulars of turnover and operating expenditure from social housing lettings

	Group					
	General needs £m	Supported/ housing for older people £m	Care homes £m	Shared ownership £m	Total 2022 £m	Total 2021 £m
Income from social housing lettings						
Rent receivable net of identifiable service charges and voids	242.9	37.2	0.8	19.1	300.0	294.6
Service charges receivable	9.0	8.4	0.1	2.2	19.7	20.4
Net rent receivable	251.9	45.6	0.9	21.3	319.7	315.0
Amortisation of Government grants	12.34	2.7	-	1.8	16.9	14.0
Other Government grants	-	-	-	-	-	1.8
Turnover from social housing lettings	**264.3**	**48.3**	**0.9**	**23.1**	**336.6**	**330.8**
Expenditure on social housing letting activities						
Service charge costs	(10.0)	(9.7)	(0.5)	(2.4)	(22.6)	(21.3)
Management	(71.6)	(16.1)	(0.1)	(3.8)	(91.6)	(85.3)
Planned repairs	(14.6)	(3.5)	(0.1)	(0.7)	(18.9)	(18.8)
Routine repairs and maintenance	(44.1)	(9.5)	(0.1)	(2.1)	(55.8)	(49.6)
Major repairs expenditure	(6.7)	(1.3)	-	(0.3)	(8.3)	(12.2)
Rent losses from bad debts	(1.6)	(0.3)	-	(0.1)	(2.0)	(2.1)
Depreciation of housing properties	(46.2)	(6.3)	(0.1)	(0.2)	(52.8)	(56.1)
Impairment of housing properties	(2.2)	-	-	(0.1)	(2.3)	(3.3)
Operating expenditure on s social housing letting activities	**(197.0)**	**(46.7)**	**(0.9)**	**(9.7)**	**(254.3)**	**(248.7)**
Operating surplus/(deficit) on social housing lettings	**67.3**	**1.6**	**-**	**13.4**	**82.3**	**82.1**
Rent losses from voids (included in rent receivable above)	2.2	0.9	-	0.1	3.2	1.8

	TGPL					
	General needs £m	Supported/ housing for older people £m	Care homes £m	Shared ownership £m	Total 2021 £m	Total 2021 £m
Income from social housing lettings						
Rent receivable net of identifiable service charges and voids	241.7	33.1	0.6	19.1	294.5	289.0
Service charges receivable	8.9	7.1	-	2.2	18.2	18.7
Net rent receivable	250.6	40.2	0.6	21.3	312.7	307.7
Amortisation of Government grants	12.2	2.3	-	1.7	16.2	13.7
Other Government grants	-	-	-	-	-	0.6
Turnover from social housing lettings	**262.8**	**42.5**	**0.6**	**23.0**	**328.9**	**322.0**
Expenditure on social housing letting activities						
Service charge costs	(9.8)	(7.7)	-	(2.4)	(19.9)	(20.7)
Management	(71.4)	(15.4)	(0.1)	(3.8)	(90.7)	(86.5)
Planned repairs	(14.6)	(2.8)	-	(0.7)	(18.1)	(18.4)
Routine repairs and maintenance	(43.8)	(8.4)	-	(2.1)	(54.3)	(48.8)
Major repairs expenditure	(6.6)	(1.3)	-	(0.3)	(8.2)	(11.7)
Rent losses from bad debts	(1.6)	(0.3)	-	(0.1)	(2.0)	(2.1)
Depreciation of housing properties	(46.0)	(5.2)	-	(0.2)	(51.4)	(55.6)
Impairment of housing properties	(2.2)	-	-	(0.1)	(2.3)	(2.2)
Operating expenditure on social housing letting activities	**(196.0)**	**(41.1)**	**(0.1)**	**(9.7)**	**(246.9)**	**(246.0)**
Operating surplus on social housing lettings	**66.8**	**1.4**	**0.5**	**13.3**	**82.0**	**76.0**
Rent losses from voids (included in rent receivable above)	2.2	0.9	-	0.1	3.2	1.9

5 Accommodation owned and in management

The number of units of accommodation owned and/or managed for each class of accommodation at the end of the year were:

	Group						
	A1 1 April 2021	Disosal/ demolition	RTA, RTB, staircasing	New build	Stock transfer	Other	A1 31 March 2022
Social housing:							
General needs - social rent	38,406	(492)	(19)	70	364	(5)	38,324
General needs - affordable rent	6,819	(9)	(4)	65	0	6	6,877
General needs total	45,225	(501)	(23)	135	364	1	45,201
Housing for older people	7,759	(60)	-	-	101	4	7,804
Low cost (shared) ownership	6,242	(4)	(125)	271	-	(7)	6,377
Social leaseholders	3,725	(114)	(2)	-	-	73	3,682
Supported living	950	(10)	(1)	-	10	(23)	926
Care homes	72	-	-	-	-	-	72
Intermediate rent	43	-	-	-	-	(2)	41
Staff accommodation	55	(3)	-	-	-	-	52
Social housing units	64,071	(692)	(151)	406	475	46	64,155
Non-social housing:	165	-	-	-	6	-	171
Total units	**64,236**	**(692)**	**(151)**	**406**	**481**	**46**	**64,326**

	TGPL						
	A1 1 April 2021	Disosal/ demolition	RTA, RTB, staircasing	New build	Stock transfer	Other	A1 31 March 2022
Social housing:							
General needs - social rent	38,406	(492)	(19)	70	364	(5)	38,324
General needs - affordable rent	6,819	(9)	(4)	65	0	6	6,877
General needs total	45,225	(501)	(23)	135	364	1	45,201
Housing for older people	7,759	(60)	-	-	101	4	7,804
Low cost (shared) ownership	6,242	(4)	(125)	271	-	(7)	6,377
Social leaseholders	3,725	(114)	(2)	-	-	73	3,682
Supported living	900	(10)	(1)	-	10	(20)	879
Care homes	72	-	-	-	-	-	72
Intermediate rent	43	-	-	-	-	(2)	41
Staff accommodation	55	(3)	-	-	-	-	52
Social housing units	64,021	(692)	(151)	406	475	49	64,108
Non-social housing:	165	-	-	-	6	-	171
Total units	**64,186**	**(692)**	**(151)**	**406**	**481**	**49**	**64,279**

	Group		TGPL	
	2022 Number	2021 Number	2022 Number	2021 Number
Owned and managed	62,835	62,697	61,365	61,220
Owned but managed by others	1,188	1,237	1,182	1,231
Managed only	303	302	1,732	1,735
	64,326	**64,236**	**64,279**	**64,186**

6 Surplus on disposals of fixed assets

Housing properties	Right to Buy/ Acquire	Second & subsequent staircasing	Disposal of other properties	Group Total 2022	Group Total 2021
	£m	£m	£m	£m	£m
Group					
Proceeds	2.7	14.2	25.7	42.6	142.2
Disposals at cost	(2.1)	(6.2)	(35.0)	(43.3)	(1.4)
Cost of sales	-	(0.5)	(1.5)	(2.0)	(84.3)
Depreciation on disposals	0.2	0.2	20.9	21.3	37.5
Surplus on disposals of housing properties	**0.8**	**7.7**	**10.1**	**18.6**	**94.0**

Housing properties	Right to Buy/ Acquire	Second & subsequent staircasing	Disposal of other properties	Group Total 2022	Group Total 2021
	£m	£m	£m	£m	£m
TGPL					
Proceeds	2.7	14.2	25.3	42.2	141.4
Disposals at cost	(2.1)	(6.2)	(34.9)	(43.2)	(1.1)
Cost of sales	-	(0.5)	(1.5)	(2.0)	(84.3)
Depreciation on disposals	0.2	0.2	20.9	21.3	37.5
Surplus on disposals of housing properties	**0.8**	**7.7**	**9.8**	**18.3**	**93.5**

Current fixed assets	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Proceeds	1.5	1.5	0.8	-
Disposals at cost	(1.9)	(1.9)	(1.2)	-
Depreciation on disposals	0.6	0.6	0.6	-
Surplus on disposals of other fixed assets	**0.2**	**0.2**	**0.2**	**-**

7 Key management personnel and employee information

The key management personnel are defined as the members of the Board and the Executive Team. Board members received payments of £177,353 in their capacity as members of The Guinness Partnership Limited Board (2021: £150,781). TGPL Board members received payments of £3,500 (2021: £3,500) in their capacity as members of other Boards of the Group.

There was an average of seven members of the Executive Team during the year (2021: seven).

Group and TGPL	2022 £'000	2021 £'000
Aggregate emoluments payable to the Executive Team, excluding Board members:		
Emoluments	1,270	1,416
Benefits in kind	10	11
Pension contributions	60	69
Redundancy payments	-	229
	1,340	**1,725**
Aggregate emoluments payable to the Board and Executive Team:		
Emoluments	1,447	1,567
Benefits in kind	10	11
Pension contributions	60	69
Redundancy payments	-	229
	1,517	**1,876**
Highest paid director:		
Emoluments	285	145
Benefits in kind	1	2
Pension equivalents	15	9
Redundancy payments	-	229
	301	**385**

In the year to 31 March 2022, the highest paid director was the Group Chief Executive. The Group Chief Executive was not a member of any Group pension scheme, and neither TGPL nor any other member of the Group contributes to any private pension of the Group Chief Executive.

7 Key management personnel and employee information continued

	Group 2022 Number	TGPL 2022 Number	Group 2021 Number	TGPL 2021 Number
The average number of persons employed expressed in full time equivalents, whose remuneration payable including redundancy fell within the following bands:				
£60,001 to £70,000	41	39	38	30
£70,001 to £80,000	48	39	43	41
£80,001 to £90,000	34	31	29	28
£90,001 to £100,000	9	7	9	7
£100,001 to £110,000	7	5	7	5
£110,001 to £120,000	2	2	4	4
£120,001 to £130,000	6	6	3	3
£130,001 to £140,000	4	4	4	4
£140,001 to £150,000	2	2	2	2
£150,001 to £160,000	2	2	2	2
£160,001 to £170,000	1	1	-	-
£170,001 to £180,000	1	-	1	-
£180,001 to £190,000	-	-	-	-
£190,001 to £200,000	1	1	1	1
£200,001 to £210,000	2	2	2	2
£210,001 to £220,000	1	1	1	1
£290,001 to £300,000	-	-	-	-
£300,001 to £310,000	1	1	1	1
£380,000 to £390,000	-	-	1	1

Full time equivalents have been calculated on the basis that 35 working hours per week is equal to one full time equivalent. The total FTE employed by the Group in 2022 was 2,383 (2021: 2,390) and in TGPL was 1,343 (2021: 1,366). The remuneration used to allocate employees into the bands above includes redundancy payments to a number of staff as a result of changes made to structures during the year. The number of employees whose actual remuneration exceeded £100,000 was 30 (2021: 29).

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Staff costs – excluding non-executive directors				
Wages and salaries	81.8	49.3	78.6	49.6
Redundancy costs	1.5	1.5	0.4	0.4
Social security costs	7.6	4.9	7.2	4.8
Pension costs (employer's contributions)	4.7	3.4	4.5	3.2
	95.6	**59.1**	**90.7**	**58.0**
Staff costs – non-executive directors				
Wages and salaries	0.2	0.2	0.2	0.2
Pension costs (employer's contributions)	-	-	-	-
	0.2	**0.2**	**0.2**	**0.2**
Total staff costs				
Wages and salaries	82.0	49.5	78.8	49.8
Redundancy costs	1.5	1.5	0.4	0.4
Social security costs	7.6	4.9	7.2	4.8
Pension costs (employer's contributions)	4.7	3.4	4.5	3.2
	95.8	**59.3**	**90.9**	**58.2**

The Group did not receive any funding under the coronavirus Job Retention Scheme in the year (2021: Group £1,854k; TGPL £604k).

8 Interest payable and financing costs

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
On loans repayable on maturity within five years	3.1	2.9	14.5	14.4
On loans wholly or partly repayable in more than five years	57.7	57.7	55.7	55.5
Amortisation of loan issue costs	1.4	1.4	1.4	1.4
Bond redemption fees	-	-	35.4	35.4
Pension interest costs charged in respect of FRS 102 (note 26)	1.8	1.6	0.1	0.1
	64.0	**63.6**	**107.1**	**106.8**
Interest capitalised in respect of housing properties	(8.8)	(3.7)	(7.3)	(3.8)
Total interest payable and similar charges	**55.2**	**59.9**	**99.8**	**103.0**

The rate of interest in respect of capitalised interest for the Group and for TGPL is based on the weighted average interest cost of debt calculated on a monthly basis. The average rate used across the year is 4.4% (2021: 4.5%).

On the 31 March 2021 TGPL redeemed a £110m Bond which was due to mature in 2025. This transaction resulted in an early redemption penalty of £35.4m which was included in interest costs for that year.

9 Surplus before taxation

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Surplus for the year is stated after charging/(crediting):				
Depreciation of housing properties	53.5	52.0	56.0	54.4
Depreciation of other fixed assets	7.5	7.0	6.1	5.8
Amortisation of intangible fixed assets	1.6	1.6	0.2	0.2
Amortisation of Government grants	(16.9)	(16.5)	(13.6)	(13.6)
Impairment of housing properties and other fixed assets	2.1	2.1	4.1	4.1
Auditor's remuneration in their capacity as auditors, excluding VAT, including expenses	0.2	0.1	0.2	0.1
Auditor's remuneration in respect of other services, excluding VAT, including expenses	0.1	0.1	0.1	0.1
Surplus on disposal of tangible fixed assets	(18.8)	(18.5)	(94.0)	(93.5)
Rent payable under operating leases	3.0	1.7	3.7	1.8

10 Taxation on surplus for year

The Guinness Partnership Limited and Guinness Care and Support Limited have charitable status and are not subject to corporation tax on surpluses derived from their charitable activities.

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Current tax:				
UK corporation tax on surplus for the year	-	-	(0.2)	-
Adjustments in respect of previous years	(0.1)	-	-	-
Total tax charge/(credit) on surplus on ordinary activities	**(0.1)**	**-**	**(0.2)**	**-**
Factors affecting tax charge for the year:				
Surplus before taxation	46.4	48.4	69.7	71.7
Adjustment for surpluses not subject to tax	(46.4)	(48.4)	(70.3)	71.5
Surplus/(loss) on ordinary activities before tax in taxable entities	-	-	(0.6)	0.2
Surplus/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 20%)	-	-	(0.1)	-
Deferred tax not recognised	-	-	(0.1)	-
Adjustments in respect of previous years	(0.1)	-	-	-
Total tax charge/(credit) for the year	**(0.1)**	**-**	**(0.2)**	**-**

11 Tangible fixed assets – Housing properties

	Group				
	Completed rented £m	Care & Supported £m	Leasehold & shared ownership £m	Under construction £m	Total £m
Cost					
At 1 April 2021	3,419.3	49.4	311.7	193.0	3,973.4
Reclassification of opening balances	(47.8)	47.8	-	-	-
At 1 April 2021 (restated)	3,371.5	97.2	311.7	193.0	3,973.4
Additions – components capitalised	37.3	-	-	-	37.3
Additions – properties under construction	0.1	1.4	-	167.3	168.8
Additions – transferred from other RP	36.4	0.6	-	-	37.0
Transferred from other fixed assets (note 12)	54.5	1.0	1.8	-	57.3
Schemes completed	26.5	-	41.6	(68.1)	-
Disposals – transferred to other RP	(28.7)	-	(0.2)	-	(28.9)
Disposals – Components	(9.6)	(0.2)	(0.1)	-	(9.9)
Disposals – Property	(5.7)	(0.1)	(6.6)	-	(12.4)
At 31 March 2022	3,482.3	99.9	348.2	292.2	4,222.6
Depreciation and leasehold amortisation					
At 1 April 2021	(693.6)	(8.6)	(16.7)	-	(718.9)
Reclassification of opening balances	12.1	(12.1)	-	-	-
At 1 April 2021 (restated)	(681.5)	(20.7)	(16.7)	-	(718.9)
Depreciation charge for year	(51.4)	(1.4)	(0.7)	-	(53.5)
Transferred from other fixed assets (note 12)	(8.6)	(0.2)	(0.4)	-	(9.2)
Disposals – transferred to other RP	5.3	-	0.1	-	5.4
Disposals – Components	9.7	0.1	-	-	9.8
Disposals – Property	0.8	-	0.4	-	1.2
At 31 March 2022	(725.7)	(22.2)	(17.3)	-	(765.2)
Impairment					
At 1 April 2021	(1.8)	(1.0)	(2.0)	(3.1)	(7.9)
Charge for the year	-	-	(0.4)	(1.9)	(2.3)
Disposals	0.8	-	-	-	0.8
At 31 March 2022	**(1.0)**	**(1.0)**	**(2.4)**	**(5.0)**	**(9.4)**
Net book value					
At 31 March 2022	2,755.6	76.7	328.5	287.2	3,448.0
At 31 March 2021 (restated)	2,688.2	75.5	293.0	189.9	3,246.6

	TGPL				
	Completed rented £m	Care & Supported £m	Leasehold & shared ownership £m	Under construction £m	Total £m
Cost					
At 1 April 2021	3,339.6	49.3	310.2	192.9	3,892.0
Additions – components capitalised	37.3	-	-	-	37.3
Additions – properties under construction	-	-	-	168.9	168.9
Additions – transferred from another RP	36.4	0.6	-	-	37.0
Transferred from other fixed assets (note 12)	53.2	1.0	1.7	-	55.9
Schemes completed	26.5	-	41.5	(68.0)	-
Disposals – transferred to another RP	(28.7)	-	(0.2)	-	(28.9)
Disposals – Components	(9.6)	(0.1)	-	-	(9.7)
Disposals – Property	(5.7)	(0.1)	(6.6)	-	(12.4)
At 31 March 2022	3,449.0	50.7	346.6	293.8	4,140.1
Depreciation and leasehold amortisation					
At 1 April 2021	(676.0)	(8.5)	(15.9)	-	(700.4)
Depreciation charge for year	(50.8)	(0.5)	(0.7)	-	(52.0)
Transferred from other fixed assets (note 12)	(8.3)	(0.2)	(0.3)	-	(8.8)
Disposals – transferred to other RP	5.3	-	-	-	5.3
Disposals – Components	9.6	0.1	-	-	9.7
Disposals – Property	0.8	-	0.5	-	1.3
At 31 March 2022	(719.4)	(9.0)	(16.4)	-	(744.9)
Impairment					
At 1 April 2021	(1.8)	(0.9)	(2.0)	(3.1)	(7.8)
Charge for the year	-	-	(0.4)	(1.9)	(2.3)
Disposals	0.8	-	-	-	0.8
At 31 March 2022	**(1.0)**	**(0.9)**	**(2.4)**	**(5.0)**	**(9.3)**
Net book value					
At 31 March 2022	2,728.6	40.7	327.8	288.8	3,385.9
At 31 March 2021	2,661.8	39.9	292.3	189.8	3,183.8

The restatement of Group balances as at 1 April 2021 relates to the reclassification of housing properties between the Completed rented and Care & Supported categories. Housing properties with a cost of £47.8m and accumulated depreciation of £12.1m had been classified in error as Completed rented in 2021 and are now classified correctly under the Care & Supported category.

11 Tangible fixed assets – Housing properties continued

	Group	
	2022 £m	2021 £m
Expenditure on completed housing properties comprises the following:		
Capitalised costs in respect of existing properties	60.9	37.2
Costs charged to Statement of Comprehensive Income	82.2	80.8
Total costs in year incurred on existing properties	**143.1**	**118.0**
The following amounts have been included within the fixed asset table opposite:		
Capitalised development administration costs included in additions in the year	6.0	7.4

	TGPL	
	2022 £m	2021 £m
Expenditure on completed housing properties comprises the following:		
Capitalised costs in respect of existing properties	59.6	37.7
Costs charged to Statement of Comprehensive Income	80.6	78.9
Total costs in year incurred on existing properties	140.2	116.6
The following amounts have been included within the fixed asset table opposite:		
Capitalised development administration costs included in additions in the year	6.0	7.4

Capitalised costs in respect of existing properties include capitalised communal assets of £22.3m (£14.4m). These communal assets include equipment such as sprinkler and fire alarm systems which relate to multiple rather than individual dwellings. During the year this type of asset was reclassified from other tangible fixed assets (note 12) to housing properties (note 11). This transfer reflects an accounting judgement that communal assets are more appropriately classified as housing property assets, given that they are integral to the housing stock.

12 Other tangible fixed assets (Group)

	Group		
	Freehold & leasehold offices £m	Plant, vehicles & equipment £m	Total £m
Cost			
At 1 April 2021	37.3	84.3	121.6
Additions	0.7	26.2	26.9
Transfer to housing properties (note 11)	-	(57.3)	(57.3)
Transfer to investment properties	(0.5)	-	(0.5)
Disposals at cost	(2.6)	(1.0)	(3.6)
At 31 March 2022	34.9	52.2	87.1
Depreciation, impairment and leasehold amortisation			
At 1 April 2021	(16.2)	(47.1)	(63.3)
Depreciation charge for year	(1.2)	(6.3)	(7.5)
Impairment	0.2	-	0.2
Transfer to housing properties (note 11)	-	9.3	9.3
Disposals	1.1	0.3	1.4
At 31 March 2022	(16.1)	(43.8)	(59.9)
Net book value			
At 31 March 2022	**18.8**	**8.4**	**27.2**
At 31 March 2021	21.1	37.2	58.3

12 Other tangible fixed assets (TGPL) continued

	TGPL Freehold & leasehold offices £m	TGPL Plant, vehicles & equipment £m	TGPL Total £m
Cost			
At 1 April 2021	35.3	81.9	117.2
Additions	0.6	25.4	26.1
Transfer to housing properties (note 11)	-	(55.8)	(55.8)
Transfer to investment properties	(0.5)	-	(0.5)
Disposals at cost	(2.6)	(1.0)	(3.6)
At 31 March 2022	32.8	50.5	83.3
Depreciation, impairment and leasehold amortisation			
At 1 April 2021	(15.5)	(45.6)	(61.1)
Depreciation charge for year	(1.1)	(5.9)	(7.0)
Impairment	0.2	-	0.2
Transfer to housing properties (note 11)	-	8.8	8.8
Disposals	1.1	0.3	1.4
At 31 March 2022	(15.4)	(42.4)	(57.8)
Net book value			
At 31 March 2022	**17.4**	**8.1**	**25.5**
At 31 March 2021	19.8	36.3	56.1

13 Intangible fixed assets

	Group £m	TGPL £m
Cost		
At 1 April 2021	6.1	6.1
Additions	4.2	4.2
At 31 March 2022	10.3	10.3
Amortisation		
At 1 April 2021	(0.2)	(0.2)
Amortisation charge for year	(1.6)	(1.6)
At 31 March 2022	(1.8)	(1.8)
Net book value		
At 31 March 2022	8.5	8.5
At 31 March 2021	5.9	5.9

Intangible fixed assets comprise costs of software including cloud-based applications.

14 Fixed asset investments

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Homebuy and equity loans	7.8	7.8	9.0	9.0
Investment properties	0.7	0.5	0.1	-
Other investments	14.0	4.0	4.0	4.0
	22.5	**12.3**	**13.1**	**13.0**

Investment properties include commercial premises and offices belonging to the Group which are leased out on commercial terms. Included in other investments is an investment of £10.0m made during the year by Guinness Developments Limited to acquire a minority shareholding in Ilke Homes Holdings Limited.

15 Investment in subsidiaries

	TGPL 2022 £m	TGPL 2021 £m
City Response Limited	2.0	2.0
Guinness Developments Limited	15.0	15.0
Guinness Homes Limited	25.0	25.0
Guinness Housing Association Limited	0.1	0.1
Hallco 1397 Limited	1.6	1.6
	43.7	**43.7**

16 Stock

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Properties completed for outright sale	-	-	1.0	-
Properties completed for shared ownership	15.2	15.2	8.2	8.2
Properties under development for outright sale	139.2	-	127.6	0.5
Properties under development for shared ownership	95.8	87.2	131.9	44.9
Properties under development for rental purposes	78.2	-	34.9	-
Stocks of maintenance materials	0.9	0.1	1.4	-
Total stock	**329.3**	**102.5**	**305.0**	**53.6**

17 Debtors

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Amounts falling due within one year				
Rents and service charges receivable	18.2	18.0	15.8	15.7
Less: provision for bad and doubtful debts	(8.5)	(8.4)	(8.2)	(8.0)
	9.7	**9.6**	**7.6**	**7.7**
Social housing grant receivable	-	-	0.1	0.1
Amounts due from group companies	-	222.0	-	243.3
Other debtors and prepayments	21.1	11.8	16.4	11.8
Debt service reserves	-	-	72.2	72.2
	30.8	**243.4**	**96.3**	**335.1**
Amounts falling due after one year				
Debt service reserves	12.5	12.5	12.4	12.4
Other	0.5	-	-	-
	43.8	**255.9**	**108.7**	**347.5**

18 Creditors: amounts falling due within one year

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Loans repayable within one year (note 20)	21.1	21.1	18.5	18.2
Trade creditors	21.0	5.2	11.4	3.6
Taxation and social security	2.1	1.4	2.4	1.7
Corporation tax	-	-	0.1	-
Amounts due to subsidiary undertakings	-	6.6	-	6.1
Social housing grant repayable	-	-	0.4	0.4
Other creditors	41.8	39.0	38.6	37.8
Accruals and deferred income	56.0	45.7	67.5	57.4
Government grants - deferred income (note 22)	14.8	14.4	13.4	13.0
Disposal Proceeds Fund	-	-	0.2	0.2
Recycled Capital Grant Fund (note 23)	0.1	0.1	0.3	0.3
	156.9	**133.5**	**152.8**	**138.7**

As at 31 March 2022, the Group and TGPL held £25.8m (2021: £24.0m) relating to tenants' and leaseholders' sinking funds included within other creditors. These funds are held as cash.

19 Creditors: amounts falling due after more than one year

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Loans & borrowings (note 21)	1,494.4	1,490.9	1,425.6	1,421.8
Government grants - deferred income (note 22)	1,264.5	1,237.9	1,239.0	1,211.9
Recycled Capital Grant Fund (note 23)	17.0	17.0	23.3	23.3
	2,775.9	**2,745.8**	**2,687.9**	**2,657.0**

20 Loans & borrowings

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Loans repayable by annual instalments:				
Within one year	21.1	21.1	18.5	18.2
One to two years	41.8	41.7	21.2	21.1
Two to five years	82.8	82.6	86.3	86.1
More than five years	555.6	552.4	593.5	590.2
Fair value adjustments	52.7	52.7	55.0	55.0
Derivatives	28.7	28.7	42.1	42.1
	782.7	**779.2**	**816.6**	**812.7**
Loans repayable by maturity:				
Two to five years	72.5	72.5	10.0	10.0
More than five years	647.5	647.5	605.0	605.0
	720.0	**720.0**	**615.0**	**615.0**
Other loans	0.1	0.1	-	-
Bond issue premium	24.8	24.8	26.0	26.0
Bond issue discount	(1.8)	(1.8)	(1.9)	(1.9)
Loan issue costs	(10.3)	(10.3)	(11.6)	(11.7)
	12.8	**12.8**	**12.5**	**12.4**
	1,515.5	**1,512.0**	**1,444.1**	**1,440.1**

Loan portfolio: During the year, the Group increased its borrowing by £71.1m and TGPL increased its borrowing by £71.9m (2021: Group: £69.0m increase, TGPL: £70.1m increase). At 31 March 2022, total borrowing for the Group was £1,515.5m and for TGPL was £1,512.0m (2021: Group: £1,441.1m, TGPL: £1,440.1m). The loans repayable by instalments after five years are due for repayment within 25 years and include £81.4m in fair value adjustments (2021: £96.6m). The loans repayable on maturity after five years are due for repayment within 33 years. Loans are secured by specific charges on the Group's housing properties.

20 Loans & borrowings continued

Borrowings include:

- The Guinness Trust First Mortgage Debenture Stock of £100 million, issued in two tranches of £60 million in November 1997 and £40 million in February 2001. The term of the Bond is 40 years from issue, interest is payable at a fixed coupon of 7.5% and capital repayments commenced in November 2008. TGPL maintains a Debt Service Reserve in a charged account equivalent to one year's interest and capital payments.
- The Harbour (Hermitage Housing Association) First Mortgage Debenture Stock of £45 million raised in August 2003. The term of the Bond is 30 years from issue, interest is payable at a fixed coupon of 5.28% and the capital is repayable in full at the end of the term. TGPL maintains a debt service reserve in a charged account equivalent to fifteen months' interest payments.
- The Guinness Partnership Limited £250 million Secured Bonds issued in 2014, of which £100 million of retained bonds were sold in January 2020. The term of the Bond is 30 years from issue, interest is payable at a fixed coupon of 4.00%.
- The Guinness Partnership Limited £400 million Secured Bonds issued in 2020, of which £150 million is retained. The term of the Bond is 35 years from issue, interest is payable at a fixed coupon of 2.00%.

Balances on Debt Service Reserves are shown within debtors (See note 17).

The maturity profile of the Group's loan facilities, drawn and undrawn, over the period (excluding other loans and fair value adjustments on acquisition of debt) as at 31 March 2022 is as follows:

	Loans & borrowings £m	Undrawn facilities £m	Total facilities £m
As at 31 March 2022			
Less than one year	21.1	-	21.1
Within one to two years	51.8	100.0	151.8
Within two to five years	145.3	510.0	655.3
In five years or more	1,203.2	226.0	1,429.2
	1,421.4	**836.0**	**2,257.4**
As at 31 March 2021			
Less than one year	18.5	-	18.5
Within one to two years	21.2	-	21.2
Within two to five years	96.3	530.0	626.3
In five years or more	1,198.5	411.0	1,609.5
	1,334.5	**941.0**	**2,275.5**

20 Loans & borrowings continued

	Fixed rate maturities £m	Average interest %
As at 31 March 2022		
Less than one year	28.2	6.7%
Within one to two years	70.4	6.4%
Within two to five years	77.2	7.0%
In five years or more	984.3	4.5%
	1,160.1	**4.8%**
As at 31 March 2021		
Less than one year	6.6	5.8%
Within one to two years	64.5	6.9%
Within two to five years	86.4	6.6%
In five years or more	1,002.1	4.5%
	1,159.6	**4.8%**

At 31 March 2022, 81.6% (2021: 86.9%) of the Group's borrowing was at fixed rates of interest. TGPL's borrowing at fixed rates of interest was 81.8% (2021: 87.1%). The period for which interest rates are fixed is up to 33 years (TGPL: 33 years).

At 31 March 2022, 18.4% (TGPL: 18.2%) of the Group's borrowing was at variable rates of interest. The weighted average interest rate for all loans at 31 March 2022 including margin was 4.3% (TGPL: 4.5%).

Hedging instruments: The Group and TGPL utilise a range of hedging instruments embedded and transacted under ISDA Agreements and including term fixes and cancellable options. Cancellable options as at 31 March 2022 totalled £80.6m (2021: £80.7m) covering terms of between 4 and 23 years and option periods from three months to five years.

At 31 March 2022 transactions under ISDA Agreements totalled £105.9m (2021: £107.2m). The mark-to-market exposure on these was adverse to the value of £28.7m (2021: £42.1m adverse). Positions in excess of unsecured threshold levels are secured by property.

Fair value: The Guinness Trust £100m debenture stock has a market value at 31 March 2022 of £107.0m (2021: £118.2m). The Harbour (Hermitage) £45m debenture stock has a market value at 31 March 2022 of £54.8m (2021: £59.3m). The Guinness Partnership Ltd £250m secured bond issued on 24 October 2014 has a market value at 31 March 2022 of £298.2m (2021: £335.8m). The Guinness Partnership Ltd £400m secured bond due 2055 was issued on 22 April 2020 and has a market value at 31 March 2022 of £209.7m (2021: £241.7m), both values excluding £150m of retained bonds. The Northern Counties £110m debenture was redeemed in full on 31 March 2021.

The fair value of the liability in respect of fixed interest rate loans is equivalent to the sum of principal and net notional breakage costs that would be payable by the Group if, theoretically, the fixed interest rate agreements were terminated or redeemed at the year end. The fair value of the Group's liability in respect of fixed and callable fixed interest rate loans excluding The Guinness Trust Bond, Harbour Bond and Northern Counties Bond and the two Guinness Partnership Ltd bonds detailed above, as at 31 March 2022, is estimated at £901.9m (2021: £1,003.2m).

21 Financial assets and liabilities

The Group and TGPL hold a range of financial assets and liabilities where there is a contractual obligation to receive or deliver cash or cash equivalents. A summary of these assets and liabilities is set out below:

	Group 2022 £m	TGPL 2022 £m	Group 2021 (restated) £m	TGPL 2021 (restated) £m
Financial assets measured at fair value				
Homebuy and equity loans	7.8	7.8	8.9	8.9
	7.8	**7.8**	**8.9**	**8.9**
Financial assets measured at amortised cost				
Debt service reserve investments	12.5	12.5	84.6	84.6
Rent and service charges receivable	18.2	18.0	15.8	15.7
Other debtors	11.7	5.3	13.1	9.0
Cash and cash equivalents	80.1	55.5	79.5	48.7
	122.5	**91.3**	**193.0**	**158.0**
Financial liabilities measured at fair value				
Standalone hedges	(28.7)	(28.7)	(42.1)	(42.1)
	(28.7)	**(28.7)**	**(42.1)**	**(42.1)**
Financial liabilities measured at amortised cost				
Bank overdraft	-	-	-	-
Trade creditors	(21.0)	(5.2)	(11.4)	(5.4)
Other creditors	(41.7)	(39.0)	(38.7)	(37.4)
Amounts owed to subsidiary entities	-	(6.6)	-	(6.1)
Loans repayable within one year	(21.1)	(21.1)	(18.5)	(18.2)
Loans repayable after one year	(1,465.8)	(1,462.2)	(1,383.5)	(1,379.7)
	(1,549.6)	**(1,534.1)**	**(1,452.1)**	**(1,446.8)**

The Group's financial instruments comprise cash and cash equivalents, bank borrowings and items such as trade creditors and trade debtors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

22 Government grants – deferred income

The Group and TGPL have received Government grants in order to provide social housing. The majority of these grants are Social Housing Grant, but the Group and TGPL have also received grants from Local Authorities and other Government bodies.

The grants have no explicit requirements to be repaid, but on disposal of properties to which they relate, there is an obligation to either recycle or repay the grant received in relation to the property.

	Group		
	Completed properties & equity loans £m	Properties under construction £m	Total £m
Social Housing Grant			
At 1 April 2021	1,246.1	212.9	1,459.0
Grant receivable	-	51.7	51.7
Grant recycled from Recycled Capital Grant Fund (note 23)	-	9.9	9.9
Grant transferred at completion	18.3	(18.3)	-
Grants transferred to other Registered Providers	(18.0)	-	(18.0)
Grant transferred on disposals	(4.4)	-	(4.4)
At 31 March 2022	**1,242.0**	**256.2**	**1,498.2**
Other capital grants			
At 1 April 2021	115.4	-	115.4
Grant receivable	-	-	-
Grant reclassified to Social Housing Grant	-	-	-
At 31 March 2022	**115.4**	**-**	**115.4**
Amortisation			
At 1 April 2021	(322.0)	-	(322.0)
Released to income during the year	(16.9)	-	(16.9)
Grants transferred to other Registered Providers	3.8	-	3.8
Transferred on disposals	0.8	-	0.8
At 31 March 2022	**(334.3)**	**-**	**(334.3)**
Net deferred income at 31 March 2022			
Deferred income to be released in less than one year	14.8	-	14.8
Deferred income to be released in more than one year	1,008.3	256.2	1,264.5
At 31 March 2022	**1,023.1**	**256.2**	**1,279.3**
Net deferred income at 31 March 2021			
Deferred income to be released in less than one year	13.4	-	13.4
Deferred income to be released in more than one year	1,026.1	212.9	1,239.0
At 31 March 2021	**1,039.5**	**212.9**	**1,252.4**

	TGPL		
	Completed properties & equity loans £m	Properties under construction £m	Total £m
Social Housing Grant			
At 1 April 2021	1,210.6	212.9	1,423.5
Grant receivable	-	51.7	51.7
Grant recycled from Recycled Capital Grant Fund (note 24)	-	9.9	9.9
Grant transferred at completion	18.3	(18.3)	-
Grants transferred to other Registered Providers	(18.0)	-	(18.0)
Grant transferred on disposals	(4.4)	-	(4.4)
At 31 March 2022	**1,206.5**	**256.2**	**1,462.7**
Other capital grants			
At 1 April 2021	115.4	-	115.4
Grant receivable	-	-	-
Grant reclassified to Social Housing Grant	-	-	-
At 31 March 2022	**115.4**	**-**	**115.4**
Amortisation			
At 1 April 2021	(314.0)	-	(314.0)
Released to income during the year	(16.5)	-	(16.5)
Grants transferred to other Registered Providers	3.8	-	3.8
Transferred on disposals	0.8	-	0.8
At 31 March 2022	**(325.9)**	**-**	**(325.9)**
Net deferred income at 31 March 2022			
Deferred income to be released in less than one year	14.4		14.4
Deferred income to be released in more than one year	981.7	256.2	1,237.9
At 31 March 2022	**996.1**	**256.2**	**1,252.3**
Net deferred income at 31 March 2021			
Deferred income to be released in less than one year 1	3.0	-	13.0
Deferred income to be released in more than one year	999.0	212.9	1,211.9
At 31 March 2021	**1,012.0**	**212.9**	**1,224.9**

23 Recycled Capital Grant Fund

Recycled Capital Grant Fund	Group £m	TGPL £m
At 1 April 2021	23.6	23.6
Inputs to fund:		
Grants recycled during the year	3.3	3.3
Recycling of grant:		
New build	(9.9)	(9.9)
At 31 March 2022	**17.0**	**17.0**
Amounts three years or older where repayment may be required	-	-

24 Share capital

Allotted, called up and fully paid	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
At 1 April	12	12	10	10
Issued during the year	-	-	3	3
Cancelled during the year	-	-	(1)	(1)
At 31 March	**12**	**12**	**12**	**12**

The share capital of 12 ordinary shares of £1 each represents the nominal value of the shares. These shares carry no dividend rights and are cancelled on cessation of membership of the Group. Each member has the right to vote at members' meetings.

25 Other provisions for liabilities

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Other provisions	4.0	3.9	3.1	2.4
Growth plan pension scheme	-	-	0.2	0.2
At 31 March	**4.0**	**3.9**	**3.3**	**2.6**
Other provisions:				
At 1 April	3.1	2.6	2.7	2.4
Provided during the year	2.2	2.1	0.7	0.1
Released during the year	(1.3)	(0.8)	(0.3)	(0.1)
At 31 March	**4.0**	**3.9**	**3.1**	**2.4**

26 Pension obligations

The Group and TGPL contribute to a number of defined benefit pension schemes for staff, the assets of which are held in separate trustee administered funds. The total contributions to these schemes by the Group for the year ended 31 March 2022 amounted to £12.3 (2021: £13.0m).

A summary of the Group pension obligations from the Guinness Partnership Pension Scheme (GPPS) and the liability from other defined benefit schemes is included below:

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
GPPS (formerly, SHPS)	56.9	52.8	78.3	72.9
LPFA	3.3	3.3	6.3	6.3
Unfunded scheme	0.1	0.1	0.2	0.2
Cheshire Pension Fund	-	-	-	-
At 31 March	**60.3**	**56.2**	**84.8**	**79.4**

Guinness Partnership Pension Scheme (GPPS)

On 1 April 2021 the Group transferred its share of the assets and liabilities of the Social Housing Pension Scheme (SHPS) multi-employer scheme to our own name pension scheme, The Guinness Partnership Pension Scheme under the Trusteeship of TPT Retirement Solutions. This is a multi-employer scheme between group entities The Guinness Partnership Limited, City Response Limited and Guinness Care and Support Limited. There are no participating employers outside of the Guinness Partnership Group. As part of the exit from SHPS a covenant loss premium payment of £614,977 was made by the Guinness Partnership Limited. The scheme assets and liabilities transferred are recorded in the Statement of Financial Position at their FRS 102 valuation as at 31 March 2022.

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

The first triennial valuation of the scheme for funding purposes will value the scheme assets and liabilities as at 30 September 2021 and will require the Group to agree to a deficit reduction plan with the pension Trustee based on this valuation result. Until the results of this valuation are known the Group has agreed to continue to pay the deficit contributions of £8.3m p.a. that were being paid to SHPS, increasing by 2% from 1 April 2022 and currently payable until 2026 until superseded by a new Recovery Plan, likely to be in mid to late 2022.

The Group currently operates a 1/120th defined benefit career average revalued earnings (CARE) scheme for new and existing employees and a 1/80th CARE, 1/60th CARE and 1/60th final salary scheme for some existing employees, but closed to new employees. For these schemes employer contributions range between 4% and 10.5% of pensionable salaries.

26 Pension obligations continued

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Fair value of plan assets	293.4	272.8	287.8	268.7
Present value of defined benefit obligation	(350.1)	(325.6)	(366.1)	(341.6)
Defined benefit liability	(56.7)	(52.8)	(78.3)	(72.9)

Reconciliation of fair value of employer assets

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Fair value of plan assets at start of period	287.8	268.7	256.0	239.3
Interest income	6.4	5.9	6.1	5.7
Expenses	(0.3)	(0.2)	-	-
Experience on plan assets	(6.7)	(7.2)	21.0	19.4
Contributions by the employer	11.9	11.0	12.1	11.2
Contributions by plan participants	0.2	0.1	0.2	0.2
Benefits paid and expenses	(5.9)	(5.5)	(7.6)	(7.1)
Fair value of plan assets at end of period	**293.4**	**272.8**	**287.8**	**268.7**

Reconciliation of defined benefit obligation

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Defined benefit obligation at start of period	366.1	341.6	292.5	273.2
Current service cost	4.5	4.0	4.0	3.6
Expenses	-	-	0.3	0.2
Interest Expense	8.0	7.5	6.9	6.4
Contributions by plan participants	0.2	0.1	0.2	0.2
Actuarial (gains) / losses due to scheme experience	(4.2)	(4.7)	(4.8)	(4.5)
Actuarial losses / (gains) due to changes in demographic assumptions	12.5	11.7	1.3	1.2
Actuarial losses / (gains) due to changes in financial assumptions	(31.1)	(29.0)	73.3	68.3
Benefits paid and expenses	(5.9)	(5.5)	(7.6)	(7.0)
Defined benefit obligation at end of period	**350.0**	**325.7**	**366.1**	**341.6**

Defined benefit costs recognised in Statement of Comprehensive Income

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Current Service cost	4.4	4.0	4.0	3.6
Expenses	0.3	0.2	0.3	0.2
Net interest expense	1.6	1.5	0.8	0.7
Defined benefit costs recognised in SoCI	**6.3**	**5.7**	**5.1**	**4.5**

Defined benefit costs recognised in Other Comprehensive Income

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Experience on plan assets	(6.7)	(7.2)	21.0	19.4
Experience gain / (loss) arising on the plan liabilities	4.2	4.7	4.8	4.5
Effects of changes in demographic assumptions	(12.5)	(11.7)	(1.3)	(1.2)
Effects of changes in financial assumptions	31.1	29.0	(73.3)	(68.3)
Defined benefit costs recognised in OCI	**16.1**	**14.8**	**(48.8)**	**(45.6)**

Key Assumptions

	2022 p.a	2021 p.a
Group		
Inflation (RPI)	3.48%	3.3%
Inflation (CPI)	3.08%	2.9%
Salary growth	4.08%	3.9%
Discount rate	2.77%	2.2%
The mortality assumptions adopted imply the following life expectancies:		
Male pensioners (current age 65)	21.5 years	21.6 years
Female pensioners (current age 65)	23.7 years	23.5 years
Male non-pensioners (current age 45)	23.1 years	22.9 years
Female non-pensioners (current age 45)	25.2 years	24.1 years

26 Pension obligations continued

Assets

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Equity	67.6	62.9	45.9	42.8
Bonds	14.3	13.2	49.2	46.0
Property	11.5	10.7	11.6	10.8
Cash	6.1	5.7	5.1	4.8
Other	89.1	82.9	102.8	96.0
Liability Driven Investment	104.7	97.4	73.1	68.3
Total assets	**293.3**	**272.8**	**287.7**	**268.7**

Other defined benefit pension schedules

The Group and TGPL also contributes to two other defined benefit pension scheme, where the share of the assets and liabilities can be identified. The pension costs are assessed in accordance with the advice of a qualified actuary. The latest full actuarial valuations for the schemes were carried out as at 31 March 2019 and have been approximately updated by the actuaries to 31 March 2022 on an FRS 102 basis.

TGPL is a member of a pension scheme with Cheshire West and Chester Council ("the Cheshire Pension fund"). The scheme is reporting a assets of £55.5m and obligations of £46.6m, resulting in a net pension asset of £8.9m as at 31 March 2022 (2021: £2.6m).

However, there is uncertainty whether TGPL will be able to recover the asset either through reduced contributions in the future or through refunds from the scheme and as a result the asset has not been recognised in the financial statements.

The defined benefit pension liability comprises the following schemes:

The Cheshire Pension Fund

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Fair value of plan assets	55.5	55.5	52.4	52.4
Present value of defined benefit obligation	(46.6)	(46.6)	(49.7)	(49.7)
Scheme surplus	8.9	8.9	2.6	2.6
Asset ceiling adjustment	(8.9)	(8.9)	(2.6)	(2.6)
Defined benefit asset at end of period	**-**	**-**	**-**	**-**

Reconciliation of fair value of employer assets

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Fair value of plan assets at start of period	52.4	52.4	45..5	45.5
Return on assets excluding amounts included in net interest	2.7	2.7	6.4	6.4
*All other movements impacting fair value of employer assets	0.4	0.4	0.5	0.5
Fair value of plan assets at end of period	**55.5**	**55.5**	**52.4**	**52.4**

*Figures are an aggregate of the following items - actuarial gains/(losses), interest income on plan assets, expenses, benefits paid and employer and participant contributions.

Figures denoted * are immaterial movements aggregated for presentation purposes.

Reconciliation of defined benefit obligation

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Defined benefit obligation at start of period	49.7	49.7	38.2	38.2
*Current service cost & other movements impacting the defined benefit obligation valuation	0.7	0.7	0.4	0.4
Actuarial losses / (gains) due to changes in financial assumptions	(3.8)	(3.8)	11.1	11.1
Defined benefit obligation at end of period	**46.6**	**46.6**	**49.7**	**49.7**

*Figures are an aggregate of the following items - current service cost, interest cost, change in demographic assumptions, experience loss/(gain), estimated benefits paid net of transfers in and employer contributions.

Figures denoted * are immaterial movements aggregated for presentation purposes

26 Pension obligations continued

Key Assumptions

	2022 p.a	2021 p.a
Group		
Inflation (CPI)	3.20%	2.85%
Salary growth	3.90%	3.55%
Discount rate	2.70%	2.00%
The mortality assumptions adopted imply the following life expectancies:		
Current pensioners - Male	21.2 years	21.5 years
Current pensioners - Female	23.8 years	23.6 years
Future pensioners - Male	22.1 years	22.6 years
Future pensioners - Female	25.5 years	26.2 years

Assets

	Group 2022 %	TGPL 2022 %	Group 2021 %	TGPL 2021 %
Equity	42	42	45	45
Bonds	41	41	41	41
Property	11	11	10	10
Cash	6	6	4	4
Total assets	**100**	**100**	**100**	**100**

London Pensions Fund Authority (LPFA)

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Fair value of plan assets	17.7	17.7	15.3	15.3
Present value of defined benefit obligation	(21.0)	(21.0)	(21.6)	(21.6)
Net defined benefit balance at end of period	**(3.3)**	**(3.3)**	**(6.3)**	**(6.3)**

Reconciliation of fair value of employer assets

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Fair value of plan assets at start of period	15.3	52.4	13.2	13.2
Return on assets excluding amounts included in net interest	2.2	2.7	2.0	2.0
*All other movements impacting fair value of employer assets	0.2	0.4	0.1	0.1
Fair value of plan assets at end of period	**17.7**	**17.7**	**15.3**	**15.3**

*Figures are an aggregate of the following items - interest on assets, administration expenses, contributions by employer including unfunded, contributions by scheme participants and other employers and estimated benefits paid plus unfunded net of transfers in

Figures denoted * are immaterial movements aggregated for presentation purposes.

Reconciliation of defined benefit obligation

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Defined benefit obligation at start of period	21.7	21.7	16.5	16.5
*Current service cost & other movements impacting the defined benefit obligation valuation	0.6	0.6	0.0	0.0
Actuarial losses / (gains) due to changes in financial assumptions	(1.3)	(1.3)	5.1	5.1
Defined benefit obligation at end of period	21.0	21.0	21.6	21.6

*Figures are an aggregate of the following items - current service cost, interest cost, changes in demographic assumptions, experience loss/(gain) on defined benefit obligation, estimated benefits paid net of transfers in and contributions by scheme participants and other employers.

Figures denoted * are immaterial movements aggregated for presentation purposes.

Defined benefit costs recognised in Statement of Comprehensive Income

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Current Service cost	0.4	0.4	0.2	0.2
Expenses	0.0	0.1	0.1	0.1
Net interest expense	0.1	0.1	0.0	0.0
Defined benefit costs recognised in SoCI	**0.5**	**0.5**	**0.3**	**0.3**

26 Pension obligations continued

Defined benefit costs recognised in Other Comprehensive Income

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Return on plan assets	2.2	2.2	2.0	2.0
Experience gain / (loss) arising on the plan liabilities	(0.0)	(0.0)	0.2	0.2
Effects of changes in financial and demographic assumptions	1.3	1.3	(4.9)	(4.9)
Defined benefit costs recognised in OCI	**3.5**	**3.5**	**(2.7)**	**(2.7)**

Key Assumptions

	2022 p.a	2021 p.a
Group		
Inflation (CPI)	3.20%	2..85%
Salary growth	4.2 %	3.85%
Discount rate	2.60%	2.00%
The mortality assumptions adopted imply the following life expectancies:		
Male retiring today	21.5 years	21.5 years
Female retiring today	23.7 years	23.6 years
Male retiring in 20 years	22.7 years	22.6 years
Female retiring in 20 years	26.3 years	26.2 years

Assets

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Equity	10.1	10.1	8.3	8.3
Property	1.6	1.6	1.4	1.4
Cash	0.4	0.4	1.0	1.0
Other (infrastructure & target return)	5.6	5.6	4.9	4.9
Total assets	**17.7**	**17.7**	**15.6**	**15.6**

Unfunded

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Present value of defined benefit obligation	0.1	0.1	0.2	0.2
Net pension obligation at end of period	**0.1**	**0.1**	**0.2**	**0.2**

Reconciliation of defined benefit obligation

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Defined benefit obligation at start of period	0.2	0.2	0.2	0.2
*Sundry movements impacting the defined benefit obligation valuation	(0.1)	(0.1)	(0.0)	(0.0)
Defined benefit obligation at end of period	**0.1**	**0.1**	**0.2**	**0.2**

*Figures are an aggregate of the following items - Interest cost, change in financial assumptions, experience loss/(gain) and unfunded benefit payments.

Figures denoted * are immaterial movements aggregated for presentation purposes.

Defined benefit costs recognised in the Statement of Comprehensive Income fall below the rounding level of accuracy within these accounts.

Defined benefit costs recognised in Other Comprehensive Income fall below the rounding level of accuracy within these accounts.

Key Assumptions

	2022 p.a	2021 p.a
Group		
Discount rate	2.6%	1.4%
Inflation (RPI)	4.5%	3.7%
The mortality assumptions adopted imply the following life expectancies:		
Male currently aged 65	22.0 years	21.9 years
Female currently aged 65	24.3 years	24.2 years

27 Analysis of changes in net debt

Group	At 1 Apr 2021	Cashflows	Other Non cash changes	At 31 Mar 2022
Cash and cash equivalents				
Cash	79.5	0.6	-	80.1
Borrowings				
Debt due within one year (note 18)	(18.5)	(2.6)	-	(21.1)
Debt due after one year (note 19)	(1,425.6)	(84.0)	-	(1,494.4)
Total	**(1,444.1)**	**(71.4)**	**-**	**(1,515.5)**

Non-cash changes primarily relates to movements in fair values of loans and derivates.

28 Capital commitments

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Capital expenditure that has been contracted for but has not been provided for in these financial statements	686.2	645.3	408.1	339.3
Capital expenditure that has been authorised by the Board but has not been contracted for	70.8	70.8	57.0	57.0
	757.0	**716.1**	**465.1**	**396.3**

The financing of capital expenditure that has been contracted for but has not been provided for in these financial statements will be provided through a combination of:

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Social Housing Grant	-	-	19.4	19.4
Loan finance	300.8	439.8	86.1	191.7
First tranche sales/outright sales	385.4	205.5	302.7	128.2
	686.2	**645.3**	**408.2**	**339.3**

29 Contingent liabilities

The Group occasionally enters into stock swaps with other registered housing providers, which involve the transfer to the Group of housing properties which had originally been financed partly by government funding. On acquiring the housing stock, the Group assumes the obligation to recycle the grant funding in accordance with the original grant terms and conditions.

A contingent liability of £61.3m (2021: £55.2m) is disclosed in relation to the possibility that the Group is obligated to repay this grant funding to the public bodies which originally granted it. The amount and timing of any future repayment is uncertain, though at the reporting date there is no expectation that any of the amount disclosed will need to be reimbursed.

During the year, the Group acquired housing properties from other housing providers that have a total of £6.1m of social housing grant funding attached (2021: £26.1m).

There is an ongoing legal case in which The Trustee of the Social Housing Pension Scheme (SHPS) is going to court for a ruling on whether the correct benefits have been paid to members. There is a risk that the ruling could result in additional benefits being due to members. This will affect employers that have bulk transferred away from SHPS as well as employers who remain in SHPS. The degree of uncertainty around the outcome of the ruling is such that any potential liability that might result for the Group cannot be reliably estimated. We will provide updates in future reports as more information becomes available.

30 Operating leases

The Group leases some of its office accommodation on non-cancellable operating leases.

At 31 March 2022, the Group had minimum lease payments under such leases as set out below:

	Group 2022 £m	TGPL 2022 £m	Group 2021 £m	TGPL 2021 £m
Operating leases which expire:				
Within one year	1.6	1.4	2.8	1.5
Within one to five years	11.0	5.8	10.5	6.9
After five years	3.1	3.1	1.3	1.2
	15.7	**10.3**	**14.6**	**9.6**

31 Managing agents

Certain accommodation owned by the Group is managed on its behalf under management agreements or short-term leases by other bodies. The principal agencies are listed below:

	Units/bed spaces Group		Units/bed spaces TGPL	
	2022 Number	2021 Number	2022 Numbe	2021 Number
Agency:				
Homes for Change	75	75	75	75
Turning Point	57	55	57	56
MENCAP	54	55	54	55
Bangla	42	42	42	42
Community Integrated Care	39	39	39	39
Creative Support	38	66	38	66
Riverside	36	36	36	36
Derby City Homes	33	33	33	33
Metropolitan Thames Valley	31	-	31	-
Comfort Care Services	30	40	30	40
HumanKind	30	30	30	30
Lifeways	29	29	29	29
London Borough of Hillingdon	25	25	25	25
Making Space	23	23	23	23
Karin	20	20	20	20
Rooftop	20	20	20	20
Sheffield Health & Social Care	18	18	18	18
Southdown	18	18	18	18
Home Group	16	10	16	10
Look Ahead	16	16	16	16
Others	538	563	532	557
	1,188	**1,213**	**1,182**	**1,208**

32 Subsidiary undertakings

Subsidiary	Note	Status	Activity
City Response Limited	a	Registered under the Companies Act 2006	Property Maintenance Services
Devon Sheltered Homes Trust	c	Registered Charity	Provision of Care and Support Services
Guinness Care and Support Limited		Registered Provider	Provision of Care and Support Services
Guinness Developments Limited	a	Registered under the Companies Act 2006	Property Development
Guinness Homes Limited	a	Registered under the Companies Act 2006	Property Development
Guinness Housing Association Limited		Registered Provider	Supplier of Social Housing
Guinness Platform Limited	a	Registered under the Companies Act 2006	Property Development
Hallco 1397 Limited	a	Registered under the Companies Act 2006	Property Development
Live Well at Home Limited	b	Registered under the Companies Act 2006	Dormant
The Guinness Trust	d	Registered Charity	Dormant
Forge New Homes LLP	e	Limited Liability Partnership	Property Development

a) City Response Limited, Guinness Homes Limited, Guinness Developments Limited, Guinness Platform Limited and Hallco 1397 Limited are private companies limited by shares and of whom The Guinness Partnership Limited is the parent entity and sole shareholder. Registered office: 30 Brock Street, London, NW1 3FG.

b) Live Well at Home Limited is a dormant wholly owned subsidiary of Guinness Care and Support Limited. Registered office: 30 Brock Street, London, NW1 3FG.

c) Guinness Care and Support Limited is the Corporate Trustee of Devon Sheltered Homes Trust. The Charity was removed from the charity register in October 2020. Registered office: 30 Brock Street, London, NW1 3FG.

d) TGPL is the Corporate Trustee of The Guinness Trust. Registered office: 30 Brock Street, London, NW1 3FG.

e) Guinness Homes Limited is part of a joint venture arrangement called Forge New Homes for the development of new homes in the Sheffield City region. Registered office: Bull Green House, Bull Green, Halifax, England, HX1 2EB.

33 Related party transactions

During the year there were no members (2021: none) of Committees within the Group who had tenancy agreements with the Group and one member who is a leaseholder (2021: one). The tenancy agreements and lease were granted on the same terms as for all other tenants/leaseholders and the housing management procedures, including those relating to the management of arrears if applicable, have been applied consistently to those tenants. Transactions between TGPL and other members and related parties of The Guinness Partnership Limited Group are set out below:

	Services received 2021/22 £'000	Services provided 2021/22 £'000	Debtor/(Creditor) balances as at 31 March 2022 £'000
Regulated			
Guinness Care and Support Limited	4,317	684	-
Guinness Housing Association Limited	-	279	-
Non-Regulated			
Guinness Developments Limited	170,608	266	-
Guinness Homes Limited	-	45	-
Guinness Platform Limited	-	-	-
Hallco 1397 Limited	-	-	-
City Response Limited	56,506	905	-
Forge New Homes LLP	-	-	460

During the year, Forge New Homes drew down £460k under a loan agreement with Guinness Homes Limited. Guinness Homes Limited also subscribed to an additional £500k of shares in Forge New Homes.

The equity investments in Group undertakings are disclosed in Note 16. At the year-end TGPL has loan balances with other Group undertakings. These loans are on "arm's length" terms.

	Facility £m	Drawn 2021 £m	Drawn 2020 £m
Guinness Developments Limited (*)	218.6	11.0	-
Guinness Homes Limited (*)	218.6	133.0	106.0
Hallco 1397 Limited (*)	218.6	-	-
Guinness Care & Support Limited	10.0	-	-
City Response Limited	10.0	-	-

Under the Group's lending covenants, total lending from TGPL to its subsidiaries is limited to whichever is the lower figure of 25% of TGPL reserves, or 30% of TGPL reserves less equity investment in subsidiaries.

Where possible, services are recharged between entities at the cost at which they were originally incurred. Back office costs and other management costs are charged on a range of apportionment bases such as number of FTEs, number of units in management and total loan facilities.

Registered Office, Principle Advisors and Lenders

Registered Office

The Guinness Partnership Limited
30 Brock Street
Regent's Place
London
NW1 3FG

Statutory Auditor

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

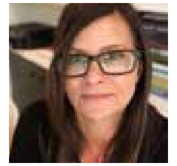
Bankers

National Westminster Bank plc
Barclays Bank plc
Lloyds Bank plc

Lenders

Aviva Life & Pensions UK Ltd
BAE Systems plc
Barclays Bank plc
Dexia Public Finance Bank
Lloyds Banking Group
MUFG Bank Ltd
Nationwide Building Society
Orchardbrook Limited
The Royal Bank of Scotland plc
Santander UK plc
Sumitomo Mitsui Banking Corporation
Warrington Borough Council
Yorkshire Building Society

Our Executive Team



Catriona Simons
Group Chief Executive
Appointed: **December 2009**
Appointed Group Chief Executive: **July 2015**

Philip Day
Group Finance Director
Appointed: **July 2017**

Paul Watson
Managing Director Guinness Care
Appointed: **December 2007**

Kevin Williams
Executive Director of Commercial Services
Appointed: **January 2021**

Jon Milburn
Group Development Director
Appointed: **June 2016**

Ian Joynson
Executive Director of Asset Management
Appointed: **November 2014**

Trafford Wilson
Executive Director of Customer Services
Appointed: **August 2019**

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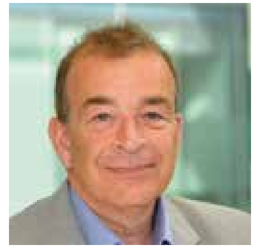
Our Board



Neil Braithwaite, Chair
Appointed: **17.10.13**
Effective from: **01.11.13**

Neil is Chair of The Guinness Partnership Limited, a member of the Remuneration and Nominations Committee and a board member of Guinness Housing Association Limited. He is also a director of the Co-Operative Academies Trust, a school governor, a Governor of York St. John University and a former Managing Director of the specialist retail businesses of the Co-Operative Group.

Catriona Simons
Appointed: **01.10.12**
Effective from: **01.10.12**

Catriona is the Group Chief Executive of The Guinness Partnership Limited and an executive board member. She is also a board member for Guinness Homes Limited; Guinness Housing Association Limited; City Response Limited; Guinness Developments Limited; Guinness Platform Limited; Hallco 1397 Limited; Guinness Care and Support Limited and a member of the Health and Safety & Environmental Committee.

Amanda Calvert
Appointed: **31.01.17**
Effective from: **31.01.17**

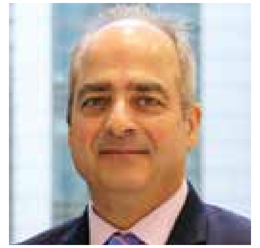
Amanda is a board member of The Guinness Partnership Limited, a member of the Group Audit and Risk Committee, Chair of the Health and Safety Committee, and a board member of Guinness Housing Association Limited. She joined the board from Wulvern Housing Limited and is a board member at the Medicines & Healthcare Products Regulatory Agency; a member of the advisory board of Cambridge Judge Business School; a Chartered Engineer; a former Vice President of IT risk and compliance at AstraZeneca; and the founder of Quince Consultancy.

Phil Morgan
Appointed: **31.01.17**
Effective from: **31.01.17**

Phil is a board member of The Guinness Partnership Limited, Chair of the Remuneration and Nominations Committee, a member of the Group Audit and Risk Committee and a board member of Guinness Housing Association Limited and Guinness Care and Support Limited. He is a Director of Phil Morgan Ltd; the Chair of Health Watch Salford; a member of the Greater Manchester Health and Care Board; a member of the Greater Manchester Population Health Delivery Board; a member of the Housing Ombudsman's Sector Expert Panel; a member of the HSE Interim Resident Panel; a Parish Councillor at Scales Parish Council and former Executive Director of Tenant Services at the Tenant Services Authority and former Chief Executive of TPAS.

Chris Wilson
Appointed: **26.09.18**
Effective from: **01.10.18**

Chris is Deputy Chair of The Guinness Partnership Limited, Chair of Guinness Care and Support Limited, a member of the Group Audit and Risk Committee, Chair of Guinness Housing Association Limited and a member of Guinness Care's Quality Assurance and Safety Committee. He is a retired professional services partner (from KPMG) with extensive audit and advisory experience in the public sector. He is a board member and Chair of the Audit and Assurance Committee for Curo Housing Association.



Chris Stevens
Appointed: **12.12.18**
Effective from: **01.02.19**

Chris is a board member of The Guinness Partnership Limited, a member of the Health and Safety Committee and a board member of Guinness Housing Association Limited. He is a full time employed Director of Kier Construction Limited and has over 30 years' experience in the construction industry. A Chartered Engineer, he has held Executive Board positions in two other organisations.

Samantha Pitt
Appointed: **12.02.15**
Effective from: **01.03.15**

Samantha is a board member of The Guinness Partnership Limited, Chair of the Group Audit and Risk Committee, a member of the Remuneration and Nominations Committee, and a board member of Guinness Housing Association Limited. She is a qualified accountant and pension trustee. She has a background in Treasury, Debt Financing, Investor Relations and Corporate Finance and works at Law Debenture as a Pension Trustee Director. Previous roles have been in the power and telecoms sectors.

Linda Sanders
Appointed: **01.04.19**
Effective from: **01.04.19**

Linda is a board member of The Guinness Partnership Limited, a member of the Group Audit and Risk Committee, a board member of Guinness Care Limited, Chair of Guinness Care's Quality Assurance and Safety Committee and a board member of Guinness Housing Association Limited. She was a Local Authority Corporate Director in the West Midlands and London for some 15 years holding Statutory Adults, Children's Social Care and Housing responsibilities. She was formerly the ADASS Vice President and Co-chair of its disability network. She has undertaken consultancy work on integrating health and social care, led the creation of an all age disability service and is a mentor.

Gina Amoh
Appointed: **14.08.20**
Effective from: **01.09.20**

Gina is a a board member of The Guinness Partnership Limited and Guinness Housing Association Limited and a member of the Group Audit and Risk Committee. Gina has over 30 years' experience in the Housing Sector and is currently Chief Executive of Inquilab Housing Association. Gina has chaired the BME London Landlords and is the founder of the Leadership 2025 project and chairs its Steering and Advisory Group. A Fellow of the Chartered Institute of Housing, Gina also holds an MBA and has previously been a board member on a number of Registered Provider Boards along with sitting on the Board of Homes for London.

Lee Bolton
Appointed: **14.08.20**
Effective from: **01.09.20**

Lee is a board member of The Guinness Partnership Limited and Guinness Housing Association Limited and has 16 years' experience working in social/supported housing and the National Justice System. Lee currently works for Petrus which is part of the Regenda Group.

Ben Laryea
Appointed: **14.08.20**
Effective from: **01.09.20**

Ben is a board member of The Guinness Partnership Limited and Guinness Housing Association Limited and a member of the Health, Safety and Environmental Committee. Ben has over 30 years housing experience and is Chief Executive of Ekaya Housing Association, prior to which he was the Deputy Chief Executive of Westway Housing Association. Ben has acted as a mentor on programmes developed to address the lack of diversity at a senior management level within the Housing sector. Ben is also a board member of Dolphin Living and sits on the Audit and Risk Committee of the Dolphin Square Foundation.

The Guinness Partnership Financial Statements 2021-22

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The Guinness Partnership Ltd is a charitable
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Registered in England and is Registered
Provider of Social Housing No. 4729

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