

# Financial Statements

2022/2023





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## Guinness – an overview of the year

Financial, property and development, and operational highlights



### Financial

**£1,046.9m**

Total net assets

**£540.3m**

Group turnover

**£98.5m**

Group operating surplus

**£5,130**

Group Social Housing cost per home

**£46.4m**

Group overall surplus

Credit ratings:

**Standard & Poor’s**

**A-** (stable)

**Moody’s**

**A3** (negative)



### Property and development

**4,113**

Homes under construction

**1,093**

New homes started on site

**814**

New homes completed

**3,926**

New homes pipeline

**27.0**

Average number of days to complete a routine responsive repair

**£177.5m**

Investment in and maintenance of existing homes



### Operational

**64,709**

Homes in management at 31 March

**71%**

Tenant satisfaction

**83%**

Employee engagement TGPL

**100%**

Safety compliance checks carried out

**G1 V2**

RSH regulatory gradings

over **7,000**

Weekly care hours delivered



Chair and Chief Executive’s statement

The last 12 months have continued to be a challenging period for the social housing sector, including for Guinness, with extraordinary political and economic volatility. The cost of living crisis disproportionately affects the people we are here to serve, placing huge pressure on our residents and communities, and significant demands on the support we provide. It has also greatly increased the cost of providing homes and services, and the everyday costs of living faced by Guinness colleagues. Some of the pressures we had expected to see falling away by now are still with us – CPI is lower than it was, but hasn’t fallen as rapidly as forecast, and interest rates are expected to remain higher for longer.

It is in this context that we continue to support individuals and communities. In 2022/23 we invested £2.8m in activities and partnerships that made a difference for over 28,000 people in our communities, and we helped 12,500 Guinness residents claim £14m of additional welfare benefits to which they were entitled – of which £9.8m helped pay rent and £4.2m was personal income. For those most in need, our £750k hardship fund helped 2,400 residents with basic essentials like food, energy costs and furniture.

A defining moment for the sector last autumn was the publication of the coroner’s verdict on the death of Awaab Ishak. It highlighted significant failings in the way his family were treated due to their ethnicity, with incorrect assumptions being made about “lifestyle”. It shone a spotlight on wider issues of quality in some of the homes and services provided across our sector, as well as raising the question of whether landlords are sufficiently responsive and sensitive to the needs of our residents.

It has prompted a time of real reflection and learning across the sector, and continued scrutiny on the quality of social housing – and all rented homes – across England, and how we act when we provide services, particularly repairs. We welcome the publication of the Better Social Housing Review and are committed to delivering against the action plan. We also welcome the Social Housing Regulation Act – including Awaab’s Law - and new, proactive consumer regulation.

As customer contact in relation to damp and mould peaked over the winter of 2022/23, we decided to prioritise dealing with these alongside emergency repairs. This was the right thing to do, but proved challenging given the labour market’s, and our, finite capacity. We are now focused on working our way through other routine repairs that accumulated in consequence. 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 continued patience they have shown during this time.

We made strong progress with our programme of building safety (including fire safety) work. However, there remain structural challenges in relation to engineers and allied professions that are needed to identify and deal with the challenges presented by the complex buildings built over the last 20 years, to ensure they are and continue to be safe. We continue to grow our capacity in this regard.

During the year we completed the highest number of homes for some years and we are on track to deliver our commitments under our Homes England and Greater London Authority Strategic Partnerships. Despite the significant housing market uncertainty during the autumn, our programme of sales (both market and shared ownership) generated income to cross-subsidise building social rented homes.

We have also reviewed our future plans and we are allocating additional financial capacity to investment in our existing homes. Last year we spent more than ever before on improving and maintaining our homes - £178m in total, including £90m on major works, which means we spent every pound we made on our existing homes. We will continue to do this in years to come, responding to the needs of an ageing housing stock, although this inevitably constrains our ability to develop as many new homes as we would like, and as are needed in this country.

One component of future investment needs is the huge long-term national challenge of decarbonising existing homes. During the year we progressed delivery of 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. This included our Wave 1 and Wave 2 Social Housing Decarbonisation Fund programme. We are completing a carbon baseline for our homes, organisation and operations which we will use to measure our progress going forward.

The Regulator of Social Housing recognised these pressures, and our resilience to them – including strong governance – in our recent In-Depth Assessment which confirmed our G1 / V2 grades.

Together with our Tenant Scrutiny Panel, over the last 12 months we looked hard at our emergency repairs service, our approach to ASB and the way we engage with residents. We are grateful for the Scrutiny Panel’s contribution to improving our services.

As part of our work during the year, we consulted our tenants on their involvement in governance and scrutiny of housing management services.

Following that work, we have constituted a Customer Committee formed of tenants and non-executive directors, giving residents more voice and influence. This will succeed the Tenant Scrutiny Panel in 2023/24 and will be supported by new regional arrangements that are aligned to our geography and how we organise and deliver our services to tenants.

We also conducted significant pieces of customer engagement with some of our 26,000 customers, on how we resolve complaints, how we communicate in relation to damp and mould, our services to leaseholders, and how our residents see neighbourhoods and the local services we provide. This is underpinning work to ensure that we provide as much local, visible presence as we can in our communities.

That increased visible presence will be enabled by our continuing investment in technology, particularly mobile technology, and streamlining our business processes so that our colleagues who work in people’s homes, on estates and in communities can spend as much time as possible doing that.

During the year, we took the decision to focus the majority of our Care operations on accommodation-based services, and therefore exited from domiciliary care in other settings. We are pleased to have achieved this smoothly, and subsequently integrated our care and housing activities more closely through a Transfer of Engagements from Guinness Care into TGPL. The financial performance of our care services is now on a significantly more sustainable footing while operational performance, compliance and customer satisfaction remain strong.

We continue to be committed to being an inclusive employer and one that is committed to the development and success of our people. We are proud of their professionalism and dedication to what we do. Receiving the Investors in People award for Diversity and Inclusion in 2022, for the third consecutive year, was a very special moment for us, as was our liP Gold reaccreditation.

We have reflected further on our Guinness Strategy and brought it up to date for the world we are in now and the two years ahead to 2025. Despite the pressures faced by our sector, we are optimistic and confident about the future 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. We are realistic about the challenges we face, but excited about what we can achieve to deliver our social purpose.

During the year, Neil Braithwaite, who had been Chair of the Guinness Board for 6 years, stepped down at the end of his term of office. We would like to thank Neil for his leadership and wise counsel through his time at Guinness, and we wish him well for the future.

Finally, 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.



*Chris Wilson*  
Chris Wilson (Chair)



*Catriona Simons*  
Catriona Simons (CEO)

Strategic Report

Who we are

The Guinness Partnership is one of the largest housing providers in England, with a history of more than 130 years. We were founded in 1890 to improve people's lives and create possibilities for them. What we're here for hasn't changed. We fulfil that purpose, our social purpose, by providing great homes and services to over 140,000 residents across the country.

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

What we do

The Guinness Partnership Limited 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 – primarily Shared Ownership – and housing for older people, supported housing and extra care housing. We are regulated by the Regulator of Social Housing (RSH) and by the Care Quality Commission (CQC).

We are addressing the need to increase housing supply, through building 5,500 new homes by March 2025. 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.

Everything we do is about our residents<sup>[1]</sup>, our neighbourhoods, our communities and our people, and the surplus we make each year is invested in achieving this purpose.

<sup>[1]</sup> We talk about customer service because that's part of our ethos. But we tend to refer to the people who live in our homes as residents, because that's what they've told us they prefer.

Where we operate

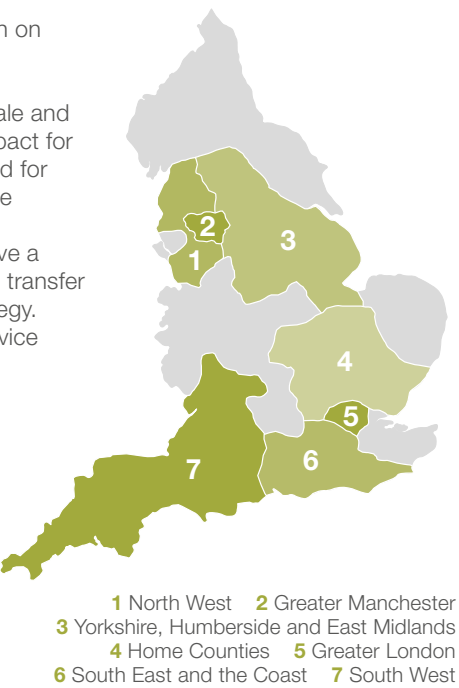
We are a national housing association, with over 64,700 homes in 148 Local Authority areas across England. Our areas of greatest presence are shown in the table below.

Top 10 Local Authorities	Number of Homes	% total
London (total)	7,098	11%
Cheshire East	5,670	9%
Milton Keynes	4,565	7%
Havant	3,886	6%
Manchester	3,757	6%
Sheffield	2,532	4%
Rochdale	2,178	3%
Stockport	1,569	2%
Gloucester	1,423	2%
Oldham	1,340	2%

We have seven geographical operating regions as shown on the map to the right.

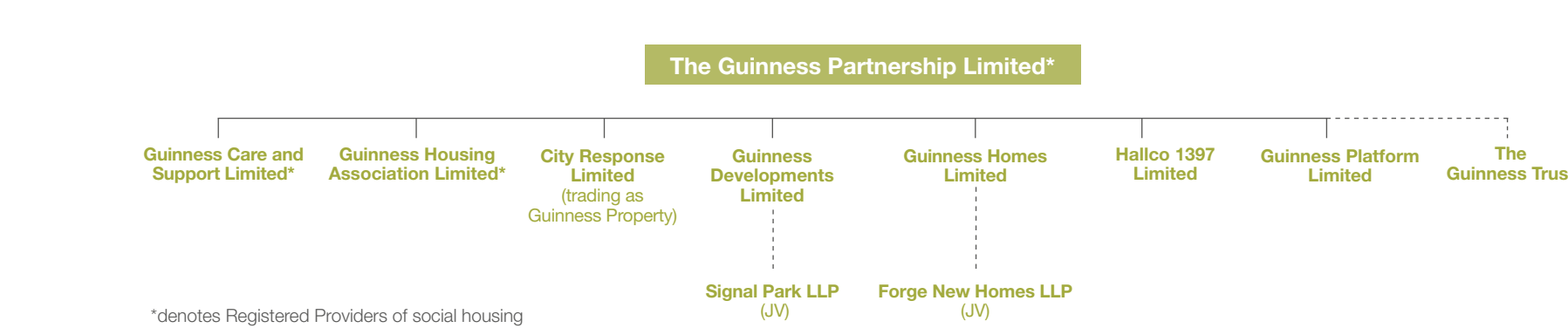
We build and acquire homes in areas where we have scale and a strong local presence, where we can maximise our impact for residents and communities. Where there is lower demand for our homes or empty homes are uneconomic to repair, we actively consider disposal. Where others have a greater concentration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

In April 2023 we announced that we have commenced partnership discussions with Shepherds Bush Housing Association (SBHA), a 5,000 home Registered Provider of social housing based in West London, with the aim of SBHA joining the Guinness Group towards the end of this year. The values of Guinness and SBHA are closely aligned and the partnership, if it proceeds, will strengthen our presence in London and deliver more for the residents of both organisations.



Our Structure

The Guinness Partnership Limited (TGPL) is the Group parent. TGPL undertakes the majority of our social housing activity. The wider Guinness Group is shown below. In December 2022 the assets and liabilities of Guinness Care and Support Limited were transferred into TGPL under a Transfer of Engagements.



- Guinness Care and Support Limited – Assets and liabilities were transferred into TGPL in December 2022.
- Guinness Housing Association Limited – non-charitable, not-for-profit Registered Provider of social housing.
- City Response Limited (trading as Guinness Property) – undertakes responsive repairs and planned maintenance works for the Group.
- Guinness Developments Limited – undertakes design and build services in respect of the Group's development programme. Participant in Signal Park LLP joint venture.
- Guinness Homes Limited – provides housing for sale and some leasehold management services. Participant in Forge New Homes joint venture.
- Hallco 1397 Limited – a company which is not actively trading.
- Guinness Platform Limited – a company 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 city region.
- Signal Park LLP – a 50/50 joint venture between Guinness Developments Limited and developer Countryside Properties UK Limited to develop Phase Two of our development scheme at Signal Park (Tolworth).

Our Vision and Strategy

We are here to improve people's lives and create possibilities for them. This vision, and our social purpose, remain relevant and, in the current economic climate, delivering them is more important than ever. The quality of our services and homes is at the heart of our vision. So are our people and our commitment to being a good and reliable organisation, because these things underpin our ability to succeed. Our vision and our strategic objectives are for Guinness to:

- Deliver **great service** – to be one of the best service providers in the housing sector.
  - 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.



# Strategic Report and Report of the Board

Our headline targets balance what we aspire to as a good service provider with the practical realities of our current environment. Our targets are:

- Great Service: **tenant satisfaction of at least 80% by March 2025.**
- Great Homes: **5,500 new homes completed by March 2025, including 5,000 affordable homes under our Strategic Partnerships. 100% of our existing homes maintained to the Decent Homes Standard.**
- A Great Place to Work: **employee engagement of 85% by March 2025.**
- A Great Business: **operating margin of 25% by March 2025.**

## Our Operating Environment

The economic environment and the cost-of-living crisis are significantly affecting residents, colleagues and organisations, including ours. Stressed supply chains, skilled labour shortages, rising energy prices and wider cost inflation have put pressure on every aspect of what we do. The uncertain political and economic policy environment caused shocks in the housing market, and to consumer confidence, that affect organisations in our sector and beyond.

These challenges come at exactly the time when the sector is under most scrutiny – from politicians, the media, regulators and of course our residents.

We are well positioned to respond and we continue to invest in services, homes, our people and our organisation. We will keep building new homes to help meet housing need (including overcrowding). We will keep ensuring homes are safe, warm, affordable to heat, and decent. We are committed to bringing our homes up to EPC-C or better by 2030, and to making progress towards net zero carbon. We will continue investing in services for residents and communities – including supporting those most in need during the cost of living crisis.

The Social Housing Regulation Bill made progress through Parliament and, at the point of writing, is expected to pass into law imminently. It introduces the most fundamental reform of the sector’s regulation and oversight in over 10 years. Strengthened consumer regulation will bring much greater focus on quality of homes and services, customer voice and resident engagement. It will bring proactive regulatory inspection of more of what we do. It promotes professionalisation of the sector through a requirement for those in many manager roles to hold a housing qualification. The Government also commenced consultation on a fundamental, and welcome, review of the Decent Homes Standard.

The Better Social Housing Review (BSHR) was commissioned last summer by the National Housing Federation (NHF) and the Chartered Institute for Housing (CIH) in response to the challenges facing the sector, including those that came to great prominence following the death of Awaab Ishak. The Review, which was published in December 2022, made seven recommendations for the sector, as well as highlighting a cross cutting theme - structural inequalities - particularly in respect of race and disability. We recognise many of these things as consistent with the things our residents and our colleagues tell us. The sector has published an

action plan to implement the recommendations, and Guinness is acting upon them. We also know that for most of our residents, most of the time, we get things right. We make a huge difference to people’s lives. In the current environment, what we do is as important as ever – like all housing associations we have a vital role to play in supporting residents and communities.

## Our Key Priorities

### Resident Engagement and Support

We are committed to delivering good service for all our residents and doing so in a way that is fair, sensitive and responsive, and that leads to outcomes that meet people’s needs. We systematically use resident feedback and views to improve and shape what we do. We have a Customer Engagement Strategy that sets out how and about what we engage with our residents, and how we measure and report our progress.

During 2022/23 nearly 1,800 customers gave us their views and input across a range of topics including:

- The reviews carried out by our Tenant Scrutiny Panel, helping us improve how we handle complaints and anti-social behaviour and how we deliver emergency repairs.
- In-depth resident engagement to understand how residents see their neighbourhood and what is important to them in the area where they live, to inform how we interpret the new Tenant Satisfaction Measures and to help us formulate our Neighbourhood and Estates Strategy and service model.
- Consulting residents on our Damp and Mould Policy, including how we communicate with residents and what they can expect from us.
- Consulting residents on our approach to parking on Guinness estates, and how we should take decisions about whether to put in place an enforcement regime in each case.
- Using resident input to review our “Welcome to your Guinness Home” handbook for new tenants.

Our three yearly consultation on tenant involvement in governance and scrutiny, has led to us setting up a Customer Committee to succeed our Tenant Scrutiny Panel. This committee of residents and Board Members will give residents greater influence and amplify resident voice. It will be supported by regional resident panels to improve local accountability. We will be establishing our first regional panels in 2023/24.

We migrated to the Tenant Satisfaction Measures in Q3 2022 and are ready to report these publicly in 2023/24 as part of the new RSH consumer regulation framework. We also continue to use transaction surveys to give us opportunities to get immediate feedback from residents and identify and address instances where we have not got things right. Over 30,600 responses were gathered from transactional surveys this year. This enables us to resolve problems quickly and to learn and improve the way we deliver services.

We continued to invest in our CRM system this year, to ensure all customer contact is recorded consistently and comprehensively in one place and is visible to all colleagues delivering services so we are as efficient and effective as possible. While we see digital services as key to providing more choice and efficiency, we understand the importance to residents of being able to see and speak to us, so being accessible to residents in these ways is part of our service delivery operating model.

We also continued to invest in Great Service training, providing this to a further 450 of our customer-facing colleagues this year. We delivered enhanced damp and mould training to over 1,300 field-based colleagues to ensure we effectively deal with cases as they arise.

Supporting our residents through the cost of living crisis has been a priority this year. Our Customer Support Team has supported over 12,000 residents to secure £14.1m of benefits that they are entitled to. We increased our hardship fund from £500k to £750k to provide residents in extreme hardship or crisis with support such as emergency food, heating and furniture. Our Energy Advice Officers offer our residents practical support to reduce fuel bills and access financial assistance.

## Investing in Existing Homes

Ensuring our homes and residents continue to be safe remains our first priority and we continue to improve the condition and energy performance of our existing homes through our planned investment programme and, in the longer term, achieving net zero carbon. During the year we invested £177.5m in our existing homes which included responsive and planned maintenance, building safety improvements, and major repairs. Over the next 10 years we have earmarked £1.2bn for further investment in our existing homes (excluding reactive maintenance).

We have a comprehensive Building Safety Action Plan and our Financial Plan has allocated investment capacity to deliver this. We have continued to ensure our policies and working practices meet all relevant Government advice and legislation, and we adopt new requirements early where appropriate.

We are working with our fire risk assessors to create an assessment process to identify any buildings that require remediation or further investigation according to the new PAS9980 technical guidance. This process is targeted to be complete by mid-2024.

We have gone beyond legislative requirements in retaining the Building Safety Manager role for our High Risk Residential Buildings (HRRBs) and are retrofitting sprinklers and evacuation alert systems to these and some other buildings that we determine would benefit from these systems. During the year we installed sprinklers systems in 13 buildings and evacuation alert systems in 15 buildings.

During the year we received confirmation that we had secured £28m from the Government’s Building Safety Fund for four HRRBs at our Suttons Wharf leaseholder scheme in East London, where the external wall systems require remediation. Works started in January 2023 and are scheduled to complete in early 2026.

We were already compliant with most of the updated Fire Safety Regulations that came into force in early 2023 such as the requirements for inspection of fire and flat entrance doors and were fully compliant from the date the regulations came into force. We are prepared for the new Building Safety Act 2022 which comes into force in October 2023 and have a Building Safety Resident Engagement Strategy.

Specific actions delivered during the year include:

- Tagging all communal fire doors and flat front entrance doors in buildings over 11m in height with QR codes. This will enable our rolling programme of fire door inspections to be recorded digitally.
- Introducing visits to new residents as part of our programme of inspections at our HRRBs. This ensures residents know who their Building Safety Manager is and understand the fire safety measures relevant to their building.
- Completing 1,250 fire risk inspections.
- Using a Photo Capture System to create digital maps of our new developments.

## Investing in New Homes

Our 2025 strategy target is to build 5,500 new homes, including 5,000 under our Homes England and GLA Strategic Partnerships. By 31 March 2023 we had delivered 2,430 of these. During the year we invested £316m in the development of new homes, completing 814 and starting on site with a further 1,093. Of the 814 homes that completed during the year, 295 were for shared ownership, 222 were for Affordable or Social Rent and 297 were for open market sale.

Our development programme is discussed further on pages 12 and 32.

We are committed to continuing to develop new homes under our Strategic Partnerships with Homes England and the Greater London Authority (GLA). We have secured total grant of £422.7m to fund our affordable homes development activity across our Homes England and GLA programmes to 2029.

# Strategic Report and Report of the Board

Information on our larger schemes is provided below:

### Leaside Lock – Tower Hamlets (London)

Leaside Lock will provide 965 homes across a range of tenures. All 500 homes in Phase 1 have been completed. Phase 2 consisting of 144 affordable homes is nearing completion and Phase 3 (321 homes) has recently started on site.

### Silvertown Quays – Newham (London)

We are the Registered Provider for 721 affordable homes being delivered as part of this major regeneration at Silvertown, East London, led by The Silvertown Partnership, a joint venture between Lendlease and Starwood Capital. Work commenced during the year and the first phase of homes is expected to hand over in 2024/25.

### Signal Park – Kingston-Upon-Thames (London)

Signal Park will provide over 1,000 homes in two phases. The first phase of 211 Shared Ownership homes is due to complete in August 2023. The second phase of up to 739 homes will be delivered through a joint venture with Countryside Partnerships, with works expected to start on site in summer 2024.

### Matalan – Stevenage

Redevelopment of this former Matalan store site in Stevenage started in March 2023 when construction of the first phase of 143 homes for Social Rent started on site. These homes are expected to be complete by March 2025.

### Points Cross – Leeds

Points Cross will deliver 931 mixed tenure homes in the Leeds South Bank Regeneration and Innovation District. Phase 1, comprising 311 homes is expected to complete in Autumn 2023. The second phase of 183 homes is due to complete in March 2025.

### Fox Hill – Sheffield

We will deliver 167 homes for Affordable Rent and Shared Ownership at Fox Hill, Sheffield. To date we have completed 129 homes with 77 completed during the year to March 2023. The remaining 38 homes will be for Affordable Rent and will complete in summer 2023.

### Gloucester Quays – Gloucester

We are developing 343 homes for Affordable Rent, Shared Ownership and market sale in Gloucester's primary regeneration area. We took handover of a further 92 homes during the year bringing total completions to 229. The remaining 114 homes will be delivered during 2023/24.

### McArthur's Yard – Bristol

Work on our mixed tenure 142 home development scheme at McArthur's Yard in Bristol, adjacent to the historic SS Great Britain, is progressing well with completion of all homes expected in the Spring of 2024.

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):



### Property Sales

Despite challenging property market conditions during the second half of the year, our sales programme delivered good performance. We completed 261 first tranche Shared Ownership sales and 95 outright sale homes to individual buyers during the year, as well as the bulk sale of 200 homes to a private rented sector institutional investor. Any shared ownership surpluses or profits from outright sales are used to cross subsidise the development of social rented homes.

## Sustainability and the Environment

A clear strategy to ensure our homes and services are environmentally sustainable plays a critical role in achieving our strategic objectives of providing Great Homes and being a Great Business.

We launched our Environment and Sustainability Strategy in 2021. It has the following five key objectives:

- 1) Decarbonisation – we will reduce the carbon footprint of our homes and business.
- 2) Water – we will work to reduce the volume of water that we consume as a business and through our homes.
- 3) Circular Economy – we will work to reduce waste created by our services and processes and actively promote recycling.
- 4) 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 develop local action plans.
- 5) Climate Resilience – we will work to ensure our new and existing homes are resilient to the impacts of a changing climate and significant weather events.

These objectives are underpinned by two cross-cutting themes:

- 1) People – We will invest in our people and our customers to strengthen our skill and expertise and to provide guidance and support to colleagues and customers.
- 2) Data – We will collect, store and analyse the data necessary to understand our environmental performance and shape the decision we make about our homes.

Delivery of the Strategy is consistent with our broader values and social purpose and will help ensure our homes are affordable to heat and more resilient to the effects of climate change.

The UK Government has pledged that the UK will be net zero carbon by 2050. Our Home Energy Standard aims to bring all our homes up to a minimum EPC rating of C (SAP 69) by 2030 and have provided in our Financial Plan to achieve this and to bring our homes to net zero carbon by 2050.

At 31 March 2023 the average SAP score of our homes is 72 and 79% of our properties had an EPC rating of C or better.

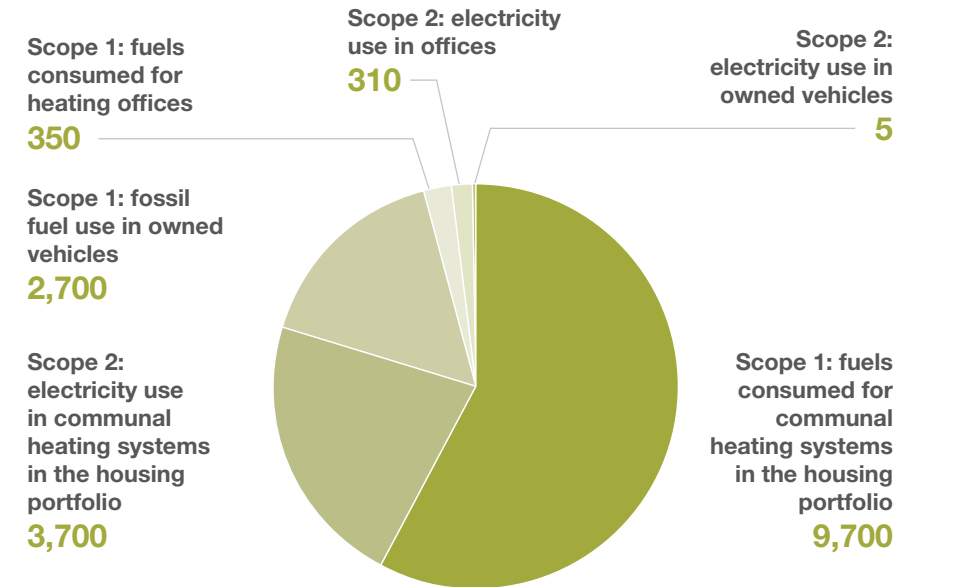
During the year we:

- Gathered energy data for approximately 17,000 homes to steer our future EPC-C and retrofit programmes.
- Assessed our carbon baseline. 8% of emissions were assessed as Scope 1 (primarily fuels used in heating), 3% as Scope 2 (primarily electricity used in buildings) and 88% as Scope 3 (primarily construction and energy use in occupied homes).
- Secured £0.6m from Wave 1 of the Social Housing Decarbonisation Fund to improve the external wall insulation of 52 homes in Crewe and £3m from Wave 2 to improve the energy efficiency and thermal comfort of a further 750 properties.
- Established, as part of the social value element of domestic heating contracts, a team of Energy Advice Officers (EAOs) dedicated to supporting residents to reduce fuel bills and access available financial support. We launched a targeted Winter Campaign, contacting residents to raise awareness of support available through our online Cost of Living Hub, EAOs and partnership with National Energy Action for referring in-depth debt cases.

- Installed enhanced flood monitoring equipment to provide early warning of potential floods in identified risk areas.
- Substantially enhanced our new home design requirements with respect to sustainability, adding more detail on strategic sustainability objectives, green construction, embodied energy, waste reduction, energy hierarchy and energy efficiency.
- Amended our Employer's Requirements for new homes in preparation for biodiversity net gain requirements, and continued work on our estates to enhance green spaces and biodiversity and extended the mapping of our green spaces to enable us to identify, monitor and improve biodiversity opportunities around our homes.
- Ensured all our main offices have a commercial EPC and completed a detailed energy audit of our largest office building (Bower House in Oldham).
- Were recognised as Landlord of the Year at the Unlock Net Zero awards, which recognise and champion progress on the journey to decarbonisation for the UK housing sector and the supply chain that supports it.
- Published our second Environmental, Social and Governance Report setting out our performance against the Sustainability Reporting Standard (SRS) for the year 2021/22 following adoption of the SRS for Social Housing in 2020/21.

Our carbon baseline shows the following sources of our Scope 1 and Scope 2 emissions:

### Breakdown of Scope 1 and 2 emissions (total 15,765 tCO2e)



Our baseline scope 3 emissions are 140,906 tCO2e, with 72% of this being from existing properties.



# Strategic Report and Report of the Board

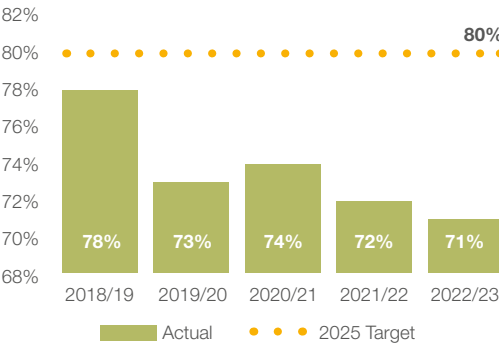
## Our Performance in 2022/23

Our Board sets our corporate objectives and long-term Strategy and approves our Business Plan and performance targets each year. Our performance is regularly monitored by the Executive Team and the Board.

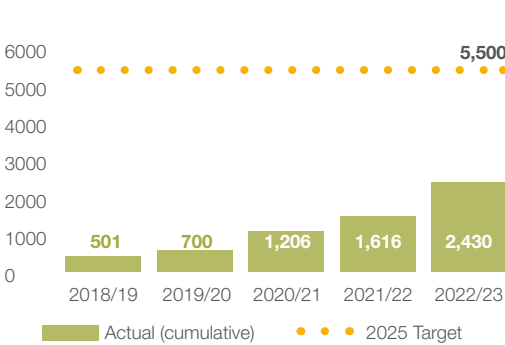
### Overview

Progress towards each of our 2025 Strategy targets is shown below. This demonstrates that progress is being made, but our performance reflects the challenges and complexities of the external environment.

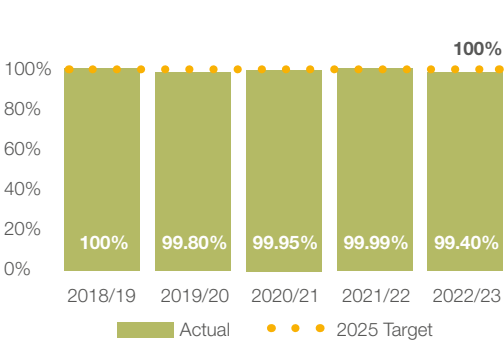
#### Great Service: Tenant satisfaction



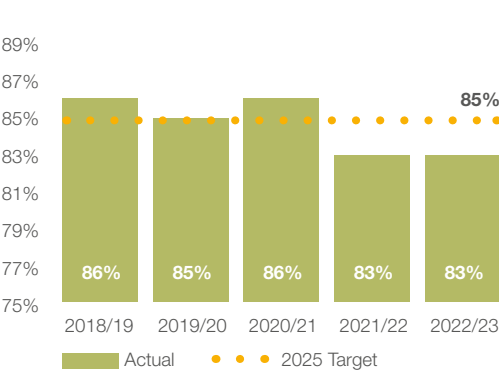
#### Great Homes: Homes completed



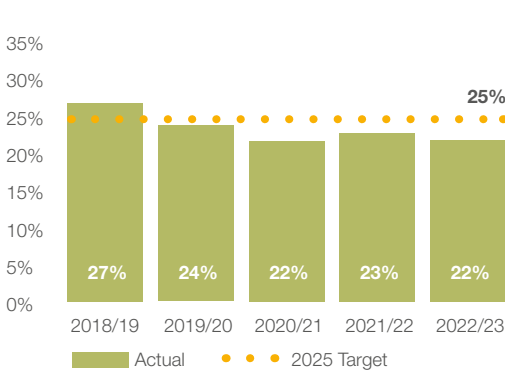
#### Great Homes: Decent homes standard compliance



#### Great Place to Work: Employee engagement



#### Great Business: Operating margin\*



\*Target operating margin is TGPL's operating margin excluding margin from disposals of housing properties, first tranche shared ownership sales, and outright sales.

In looking ahead, we have reflected and refined our plans to ensure we are addressing the challenges we face now and expect to face over the next few years. This is set out in our Business Plan for 2023/24. It takes into account the external operating and economic environment and evolving regulatory standards. It sets performance targets, which are supported by KPIs. In setting 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	2022/23 Actual	2022/23 Target	2021/22 Actual	2021/22 Target
Tenant satisfaction	71%	75%	72%	77%
Care satisfaction	92%	90%	92%	92%
Emergency repairs overdue	0	0	11	0
Average resolution time for stage 1 complaints	13.6 days	10 days	32.8 days	n/a

Tenant satisfaction of 71% was below our target and fell 1% year-on-year. Improving tenant satisfaction continues to be a key priority, however, this has proved challenging as increased demand coupled with a difficult labour market has impacted our ability to complete repairs as quickly as we, or our residents, would like.

The focus on addressing increased reports of damp and mould in our homes and a greater number of stock condition surveys undertaken in the second half of the year have combined to put pressure on our maintenance service, with year on year repairs demand increasing by 30%. In order to improve repairs performance we introduced incentive schemes for both our in-house and contractor workforces and brought delivery of maintenance services in the South West in-house.

Satisfaction varied significantly by geographical region with the North and North West regions achieving satisfaction of over 80% whereas London and the South East achieved satisfaction of under 70%. All repairs services are now delivered by our in house maintenance operation.

During the year we reviewed and improved our complaints handling process taking into account recommendations from our Tenant Scrutiny Panel and the requirements of the Housing Ombudsman's updated Complaints Handling Code.

The introduction of the Regulator of Social Housing's Tenant Satisfaction Measures (TSMs) from April 2023 will enable more reliable comparison of customer satisfaction between housing providers. Guinness's current method of recording overall satisfaction aligns well with the TSMs.

Our 2022/23 business plan objectives:	What we achieved:
Extend our digital offer, enhancing and extending repairs and maintenance functionality, including services delivered by contractors.	<ul style="list-style-type: none"><li>We enhanced the functionality of our online repairs portal which helped increase the proportion of repairs booked online from 10% to 30% and reduce the volume of telephone contact by 27%.</li></ul>
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.	<ul style="list-style-type: none"><li>We continued to roll out new CRM functionality throughout the year so we record all resident interactions in one place and can join up our services better.</li><li>Better contact data enabled us to identify and contact residents in need of additional support.</li></ul>
Embed changes to our repairs service, recover from the impact of the Covid pandemic and complete the next stages of the Guinness Property transformation.	<ul style="list-style-type: none"><li>During the year Guinness Property took responsibility for responsive repairs in the South West, meaning it now provides maintenance services to all 56,000 rented homes.</li><li>Customer satisfaction with our repairs service was 83% reflective of continued investment in service delivery models balanced against delivery challenges.</li><li>95.4% of emergency repairs were completed on time, although pressures on our repairs service meant that a lower level of 75.4% of routine repairs were completed in target time.</li><li>We ceased delivering planned maintenance through Guinness Property, enabling us to focus entirely on responsive repairs.</li></ul>
Ensure our service charges accurately reflect the cost of services provided, are affordable and are clearly explained to customers.	<ul style="list-style-type: none"><li>We held six resident workshops across the country to review the design of our rent and service charge notices and supporting information, resulting in reduced customer contact.</li><li>Where services are being reprocured or changed we consulted with residents as appropriate.</li></ul>

Our 2022/23 business plan objectives:	What we achieved:
Deliver our Customer Engagement Strategy (including for Building Safety) and our Social Housing White Paper Action Plan. Create more opportunities for customer involvement. Ensure the Tenant Scrutiny Panel is operating effectively.	<ul style="list-style-type: none"><li>We engaged with over 1,700 residents throughout the year to review policies and gain their views through focus groups. Documents and policies reviewed included our Compensation Policy, our Damp and Mould Policy, our Resident Welcome Pack and Homeowner Handbook. We have also held focus groups with residents to help us shape our future social investment activities.</li><li>Our Tenant Scrutiny Panel reviewed Anti-Social Behaviour (ASB) management, monitored the implementation of actions agreed in previous reviews of complaints handling and emergency repairs and is currently reviewing customer engagement. These reviews have resulted in specific action plans.</li><li>We are setting up a Customer Committee to succeed our Tenant Scrutiny Panel. This committee of residents and Board Members will give residents greater influence and amplify resident voice. It will be supported by regional resident panels to improve local accountability, with the first panels due to be established during 2023/24.</li></ul>
Deliver our Social Investment Strategy focusing on Alleviating Hardship; Education Employment & Training; and Inclusive Communities.	<ul style="list-style-type: none"><li>We invested £2.8m in customer support and community activity during the year, benefitting nearly 16,000 Guinness residents and over 28,000 people in the wider communities we work in.</li><li>We supported nearly 2,100 people to access jobs training and skills building.</li><li>We supported over 8,500 people to access services and support through 17 community partnerships, including 6 new partnerships during the year, delivered through our own teams and social value contributions from contractors and suppliers.</li></ul>
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.	<ul style="list-style-type: none"><li>We supported 12,511 households to secure £14.1m in welfare benefits they were entitled to.</li><li>We increased the size of our Hardship Fund to £750k during the year and used this to help 2,442 households with the cost of food, consumables, furniture and day to day bills.</li><li>We used data analysis to identify and proactively contact over 500 residents to assess their need for additional support.</li><li>We created a customer cost of living hub on our website and increased training for colleagues on the tools available to support residents in hardship.</li></ul>

Our goals and targets for 2023/24:



Listening to our customers so they shape the services we provide, give us feedback, can raise concerns and tell us if we're getting things wrong.



Knowing our diverse customers and what they need from us so we empower them, provide the right services in the right way and understand how satisfied they are.



Continuously improving services to customers by making things simpler and easier for them.



Being local so we are visible, accessible and responsive.



Supporting residents and communities to improve life chances.

In numbers:

Tenant satisfaction (TSM Perception %)	75%
Shared Owner satisfaction (TSM Perception %)	52%
Average resolution time for stage 1 complaints (in month days)	10
Empty homes relet time (all homes days)	38.0
Emergency repairs completed on time	100%
Emergency repairs overdue and yet to be completed (monthly tolerance)	0
Non-emergency repairs completed on time	85%
Satisfaction with responsive repairs (transactional survey %)	83%

71%  
tenant satisfaction

0  
emergency repairs overdue

£177.5m  
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.



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	2022/23 Actual	2022/23 Target	2021/22 Actual	2021/22 Target
Gas certification compliance	100%	100%	100%	100%
Electricity, asbestos, water safety compliance	100%	100%	100%	100%
Fire Risk Assessments in date	100%	100%	97.6%	100%
% homes meeting the Decent Homes Standard	99.4%	100%	99.99%	100%
Emergency repairs completed in the time agreed	95.4%	100%	95.5%	100%
Non-emergency repairs completed within 28 days	75.4%	87%	84.4%	100%
Empty home turnaround time (days)	57.2	50	67.2	29
Total new homes starting on site	1,093	1,641	1,027	2,484
Number of new homes completed	814	771	410	835

We continued to maintain strong compliance with statutory safety requirements during the year with 100% compliance reported on asbestos servicing, in date electrical certifications, water safety assessments and fire risk assessments.

We had one property with an expired gas safety certificate at the end of March due to not being able to gain access. The inspection was completed in April 2023.

As at the end of the year there were 327 properties that did not comply with the Decent Homes Standard. Works to 320 of these homes were complete within two months of the year end.

95.4% of emergency repairs were completed on time, although pressures on our repairs service coupled with a challenging labour and contractor market meant that a lower level of 75.4% of our routine repairs were completed in target time. We are focussed on improving performance through increased productivity including a higher rate of first time fixes. A comprehensive triage process is in place to prioritise repairs according to severity and customer vulnerability.

As a result of a targeted improvement plan our average empty home turnaround time reduced during the year by 10 days to 57.2 days. Again, this reflects the challenging labour and contractor market, as well as some areas of lower demand. This is still too high and we will be taking further action during 2023/24 to try and improve this.

During the year we completed construction of 814 new homes, of which 517 were social homes.

Our 2022/23 business plan objectives:	What we achieved:
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.	<ul style="list-style-type: none"><li>• We installed sprinkler systems in 13 buildings and evacuation alert systems in 15 buildings.</li><li>• We conducted 1,250 Fire Risk Assessments.</li><li>• We developed our use of Building Information Modelling techniques, and piloted a 360 degree photo capture system to map new developments.</li><li>• We ensured that all new residents in high risk and higher risk buildings receive personal contact from their Building Safety Manager.</li><li>• We commenced work to remediate the external wall system at our leaseholder scheme in London, funded by £28m secured from the Government's Building Safety Fund.</li></ul>
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.	<ul style="list-style-type: none"><li>• We have self-assessed against the 26 recommendations contained within the Housing Ombudsman's 2021 Spotlight Report on Damp and Mould, and are delivering our Improvement Action Plan</li><li>• We carried out 17,000 stock condition surveys which have resulted in additional damp and mould related actions that had not previously been reported by residents.</li><li>• We are using predictive data analysis to identify properties that might be susceptible to damp and are trialling smart home technology to monitor moisture levels within homes.</li><li>• We have provided guidance to residents on actions they can take to help prevent mould and contacted all residents to encourage reporting where problems do occur, so we can fix them.</li><li>• We delivered damp and mould training to over 1,300 colleagues.</li></ul>

Our 2022/23 business plan objectives:	What we achieved:
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.	<ul style="list-style-type: none"><li>• We reduced our void turnaround time by improving maintenance and lettings processes.</li></ul>
Ensure we are on track to deliver our Homes England and GLA commitments under Strategic Partnerships. This year, start 1,641 new homes and complete 771 new homes.	<ul style="list-style-type: none"><li>• We completed 814 homes during the year and started on site with a further 1,093.</li><li>• We secured additional funding from Homes England and the Greater London Authority to support delivery of our Strategic Partnership commitments in a very volatile environment.</li></ul>
Deliver our Environment and Sustainability Strategy in relation to our existing homes and new developments.	<ul style="list-style-type: none"><li>• We used £0.5m of funding from the Social Housing Decarbonisation Fund (SHDF) Wave 1 to install external wall insulation measures in 52 low EPC properties.</li><li>• We secured £3m of funding from the SHDF Wave 2 to improve the energy efficiency and thermal comfort of a further 750 properties.</li><li>• We carried out 17,000 stock condition surveys and 150 retrofit assessments to ensure we continue to understand the condition and energy performance of our homes.</li><li>• We worked with a specialist consultancy to conduct a baseline assessment of our carbon footprint and are in the process of producing our Net Zero Roadmap.</li></ul>
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.	<ul style="list-style-type: none"><li>• We upgraded or replaced digital alarm systems in a further 36 Housing for Older People schemes.</li><li>• We piloted communal wi-fi in six of our Housing for Older People schemes and are assessing the take up of these before extending the offer to additional schemes.</li></ul>

Our goals and targets for 2023/24:

- 

Providing high quality safe homes that people are proud to live in.
- 

Delivering a good repairs service that is timely and effective.
- 

Building new homes to meet need and tackle the housing crisis.
- 

Making homes sustainable to ensure the homes we build and own are fit for the long-term and contribute to achieving net zero carbon.
- 

Providing homes for older customers through new extra care housing and improving technology in our existing housing for older people.

In numbers:

Compliance with Decent Homes Standard	100%
Gas certification compliance (% with a valid certificate)	100%
Fire Risk recommendations overdue (month end number)	0
Water safety (% of assessments in date)	100%
Electrical testing (% of communal areas with in-date certificates of compliance)	100%
Lift servicing (% of services in date)	100%
Reduction in homes with EPC rating lower than C	575
New Home completions (number)	1,055
New Homes starts (number)	576

814

new homes completed

100%

statutory compliance checks completed

99.4%

of our homes meet the Decent Homes Standard

Since April 2018 we have completed 2,430 new homes and have a further 4,113 currently under construction.



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	2022/23 Actual	2022/23 Target	2021/22 Actual	2021/22 Target
Employee engagement – TGPL	83%	85%	83%	85%
Employee engagement – Guinness Care	80%	85%	80%	83%
Employee engagement – Guinness Property	78%	85%	74%	85%
Attendance level excluding long-term sick	98.5%	98.5%	98.6%	98.4%
Staff turnover	13.7%	10%	13.8%	10%
Completion of corporate mandatory training after one month	98.7%	100%	95.6%	100%

Being a great place to work is part of our vision because it is our people who deliver the services and look after our residents' homes. We are committed to investing in our people. We are committed to investing in our people. We continued to offer a competitive reward package across all roles, including pay and benefits, augmented during the year with a cost of living payment to support colleagues. All colleagues across the Group are paid at least the Real Living Wage.

At the start of April 2023, following colleague consultation, we closed our Defined Benefit (DB) pension schemes and enhanced our Defined Contribution (DC) scheme, creating a fairer and competitive pension offer for all colleagues.

We employed 94 apprentices during the year, as well as 10 colleagues on the Kickstart programme, some of whom have moved into permanent roles at Guinness. We were recognised by the YMCA as Employer of the Year due to our support for apprenticeships.

Following engagement with colleagues, we formalised hybrid working arrangements for office based roles which balances the benefits of home working with supporting engagement and effective collaboration through attendance in the office.

We retained Investors in People (IIP) Gold accreditation for TPGL and IIP Silver accreditation for Guinness Property. We received the Investors in People Diversity Award for the third year running. Overall, we maintained strong levels of employee engagement across the Group. Our people remain highly motivated and committed to our social purpose.

Our 2022/23 business plan objectives:	What we achieved:
Continue our programme of investment in staff wellbeing so we have a happy and fulfilled workforce.	<ul style="list-style-type: none"><li>We supported colleagues with one off cost of living payments during winter 2022/23.</li><li>We have been highly commended in the Make a Difference Awards in the 'Best Integration of Workplace Wellbeing and Diversity and Inclusion' category.</li><li>We were shortlisted for the Investors in People Health and Wellbeing award.</li></ul>
Deliver our 2022/23 D&I Strategy objectives, including our Anti-Racism commitments.	<ul style="list-style-type: none"><li>We were awarded the Investors in People Diversity and Inclusion award for the third consecutive year.</li><li>We commenced a diversity audit of our top 250 suppliers to ensure we are working with organisations who share our values.</li><li>We trained 80 colleagues in British Sign Language over the last two years.</li><li>We delivered a programme of Diversity and Inclusion events for colleagues to inform and raise awareness.</li><li>We have seen a 3% increase in colleagues from ethnic minority backgrounds across the organisation in the last year - 13.6% of colleagues are now from ethnic minority backgrounds.</li></ul>
Use learning from the hybrid working trial to help establish our future ways of working for desk-based roles.	<ul style="list-style-type: none"><li>We implemented our Hybrid Working Policy along with a revised Staff Expenses Policy to reflect the new arrangements.</li></ul>

Our 2022/23 business plan objectives:	What we achieved:
Continue our programme of investment in people including leadership, management development, and performance management.	<ul style="list-style-type: none"><li>89 colleagues took part in leadership and management training programmes.</li><li>24 colleagues participated in our Beyond Now emerging talent development programme. 21% of the cohort were from ethnic minorities and 72% were women.</li><li>We provided mentors to support the G15 Accelerate programme which develops ethnic minority leaders in housing. Colleagues have taken part in the London and Greater Manchester Future Leaders programmes and the Housing Development Network next generation programme.</li><li>We delivered performance management training to all managers.</li></ul>
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.	<ul style="list-style-type: none"><li>We launched our second and third graduate cohorts and now have a well-established Early Careers programme.</li><li>We strengthened succession plans for senior roles.</li><li>We employed 94 apprentices during the year and won the YMCA Apprentice Award in recognition of our career offering at Guinness.</li></ul>
Enhance our customer service and housing management training so that our teams have the professional and specialist knowledge they need.	<ul style="list-style-type: none"><li>We delivered damp and mould training to over 1,300 colleagues.</li><li>450 colleagues took part in our 'Great Service' training programme.</li><li>We supported 17 colleagues to obtain Chartered Institute of Housing qualifications including the Level 3 Apprenticeship Programme and the Level 4 programme for managers.</li><li>Our in-house housing management training was recognised by the CIH. We delivered 132 hours of this training to 143 people.</li></ul>
Continue to develop our Health and Safety culture, focusing particularly on contractor management and our field-based workforce.	<ul style="list-style-type: none"><li>We conducted 591 Health and Safety Inspections during the year covering both our schemes and our work places.</li><li>We assessed the effectiveness of compliance controls through internal audit reviews of safeguarding, lift management, electrical safety and fire safety.</li><li>2,435 colleagues completed health and safety related training courses during the year.</li><li>We were awarded the RoSPA Gold Award and RoSPA Fleet Safety Gold award for outstanding health and safety performance and our management of road risk.</li></ul>

Our goals and targets for 2023/24:

-  Creating a great employee experience making Guinness a great place to work.
-  Being an open, diverse and inclusive organisation where communication is consistent; everyone knows what is going on; and everyone can contribute their ideas and shape the way we do things.
-  Creating the professional, skilled and motivated workforce we need now and for the future.
-  Creating exciting and fulfilling futures with Guinness by communicating and embedding our sense of purpose and vision.
-  Making sure we have the right approaches and work environment to support our people and ways of working.

In numbers:

Employee engagement	84%
Attendance level excluding long-term sick	98.5%
Staff attrition (rolling 12 month %)	12%
Completion of corporate mandatory training after 1 month	100%

83%

TGPL employee engagement

13.7%

staff turnover

98.5%

attendance level

We were awarded the IIP Diversity and Inclusion Award for the third year running.



A Great Business

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

Our Operational Performance	2022/23 Actual	2022/23 Target	2021/22 Actual	2021/22 Target
Operating margin – TGPL*	21.9%	24.1%	22.7%	25.3%
Compliance with loan covenants	100%	100%	100%	100%
Rent arrears	3.81%	3.60%	3.67%	3.60%
Regulatory viability rating	V2	V2	V2	V2
Regulatory governance rating	G1	G1	G1	G1

\*Operating margin excluding the surplus on disposal of fixed assets, first tranche sales and outright sales.

Our financial position and underlying performance remain good with an operating margin of 21.9% achieved and loan covenant compliance maintained. Further information is included in the Financial Review on pages 24 to 27 which includes commentary on Group results.

Following an In-Depth Assessment by the Regulator of Social Housing during the year we successfully retained our G1/V2 gradings for Governance and Financial Viability.

The Group retains strong external credit ratings of A3 (negative outlook) with Moody's, and A- (stable outlook) with Standard and Poor's.

Our 2022/23 business plan objectives:	What we achieved:
Deliver our budgeted Operating Margin of 24% and arrange new borrowings to reinvest in existing and new homes.	<ul style="list-style-type: none"><li>Our operating margin was below target, driven primarily by the increased volume and cost of repairs carried out during the year.</li><li>We successfully negotiated £225m of new borrowings with two new lenders, in line with our agreed Treasury Strategy.</li></ul>
Deliver our procurement programme, optimising specifications to improve services and manage cost.	<ul style="list-style-type: none"><li>We mitigated over £2m of potential cost through effective tendering and commercial negotiation.</li><li>Our procurement programme included strategic procurements for Building Safety, Fire Engineers, a new Contact Management Solution, and a repairs subcontractor framework in the South West.</li><li>We rolled out further supplier and contract management training to colleagues responsible for contract management.</li><li>We implemented our updated contract management and contract tiering framework to ensure application of best practice across our supply base.</li></ul>
Deliver year 4 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.	<ul style="list-style-type: none"><li>We rolled out a programme of upgrades to our CRM to support an improved customer experience and efficient delivery of services.</li><li>We migrated to a new Asset Management platform which combines our housing and asset databases to streamline processes and improve data quality. We introduced a mobile survey solution to allow our colleagues to capture property data more efficiently.</li><li>We introduced a self-service reporting tool for Oracle Cloud to enable more effective budget management and data driven decision making.</li><li>We started a project to introduce Oracle HR across the Group.</li></ul>

Our 2022/23 business plan objectives:	What we achieved:
Deliver our Environmental and Sustainability Strategy in relation to our operations, offices and fleet.	<ul style="list-style-type: none"><li>We added 25 electric vehicles to our fleet.</li><li>We completed energy audits of our largest office spaces to enable us to set energy consumption reduction targets.</li><li>We are using Geographic Information System (GiS) technology to map our green spaces to enable us to set biodiversity targets.</li><li>We mapped our baseline carbon footprint from our operations and are finalising our 2050 net zero carbon roadmap.</li><li>We are reducing the number of water suppliers we use for our office estates to enable us to measure usage and set targets more effectively.</li></ul>
Continue to improve our cyber-security capability by delivering the 2022/23 objectives set out in Guinness's Cyber Security Action Plan.	<ul style="list-style-type: none"><li>A full review of cyber security maturity was undertaken by external specialists. This confirmed significant progress had been made against our Cyber Security Action Plan and has informed our priorities for 2023/24.</li></ul>
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.	<ul style="list-style-type: none"><li>To date our Continuous Improvement (CI) programme has delivered £3.4m of efficiency savings across two years, including £1.4m during 2022/23.</li><li>We reduced the average customer call handling time by streamlining our digital processes and improving the guidance provided to our Customer Service Team.</li><li>Our Customer Accounts Team used CI techniques to improve the process for collecting benefits from the DWP and reduced the cost of collecting debt, which has helped us contain our arrears during a challenging period for our residents.</li><li>We moved the property viewing and sign-up process online for residents who prefer this, improving accessibility and reducing wait times, as well as streamlining the affordability assessment process to reduce the number of contact points with residents.</li><li>We introduced a new case management structure to enable us to better manage and resolve anti-social behaviour cases. We made it easier for residents to evidence and report noise issues through implementing a Noise App.</li></ul>
Deliver Guinness Care's plans by implementing measures to protect long-term viability and quality of services.	<ul style="list-style-type: none"><li>We successfully transferred our domiciliary care services to City and Country Healthcare Group in August 2022, following consultation with residents and colleagues.</li><li>Following this, and to improve integration between our housing and care services, we completed a Transfer of Engagements of the remaining activities in Guinness Care and Support Ltd into The Guinness Partnership Ltd in December 2022.</li></ul>

Our goals and targets for 2023/24:

- 

Meeting our legal and regulatory requirements and preparing for forthcoming changes, by having a good internal control environment and managing risk well.
- 

Making sure we're resilient by maintaining our focus on improvement, efficiency, value for money and making best use of our assets.
- 

Raising our profile by promoting Guinness and our social purpose.
- 

Investing in our future including through technology, environmental and sustainability, research and innovation.
- 

Working with others to make the most of our capacity.

In numbers:

Operating margin (TGPL, excluding disposal of housing properties, first tranche sales and outright sales)	24.3%
Compliance with loan covenants	100%
Additional liquidity arranged	£138m
Liquidity (months available)	24
Current tenant arrears	4.00%
Rent collected (rolling 12 months)	100%

3.8%

rent arrears

G1/V2

RSH Governance and Financial Viability ratings

21.9%

operating margin – TGPL

To date our Continuous Improvement programme has delivered £3.4m of efficiency savings across two years.



Great Care

We provide care, housing and independent living support services to residents in need of these services.

Our Operational Performance	2022/23 Actual	2022/23 Target	2021/22 Actual	2021/22 Target
Customer satisfaction	92%	90%	92%	92%
Overall CQC rating (good or above) – all services	100%	100%	100%	100%
Employee engagement	80%	85%	80%	83%
Care hours at year end (per week)	4,573	4,250	7,456	10,604

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

During the year, following consultation with colleagues and customers, we exited community based domiciliary care services through the transfer of contracts, customers and staff to companies within the City and County Healthcare Group. This transfer completed in August 2022.

Subsequently, on 1 December 2022 we transferred our remaining care and support activities from Guinness Care to TGPL. These two things have given the remaining operation (which serves the majority of our Care customers) greater financial stability.

Our care hours per week target for 2022/23 was adjusted to reflect the changes. Our target for 2023/24 has been set at 7,000 care hours which now incorporates supported housing activity.


Our 2022/23 business plan objectives:	What we achieved:
Improve on-boarding processes that are agile and enable a quicker response to local resourcing needs to enable us to achieve the growth plan.	<ul style="list-style-type: none"><li>Recruitment challenges have reduced following the exit from provision of domiciliary care services.</li><li>All Care and Support Colleagues are paid at least the Real Living Wage supporting improved recruitment and retention.</li></ul>
Ensure 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.	<ul style="list-style-type: none"><li>Customer engagement is a routine part of our internal quality assessment of regulated care services.</li><li>Our approach to customer engagement is in line with CQC guidance and will be updated to reflect their revised approach to regulation which is expected to be announced in late 2023.</li></ul>
Streamline the housing and care management service in Extra Care to improve customer experience and business efficiency.	<ul style="list-style-type: none"><li>The Transfer of Engagements into TGPL will drive closer integration of our care and housing services.</li></ul>
Ensure strengthened and co-ordinated organisational resilience as a platform to develop new opportunities.	<ul style="list-style-type: none"><li>The Transfer of Engagements described above, coupled with the exit from delivery of domiciliary care services strengthens the financial sustainability of our care and support function.</li></ul>
Ensure Guinness Care homes are included in planning for zero carbon targets.	<ul style="list-style-type: none"><li>All Group sustainability action plans apply to the homes transferred into TGPL from Guinness Care in December 2022.</li></ul>

Our goals and targets for 2023/24:

- 

Identify and progress sites for Extra Care development.
- 

Review our Housing for Older People service offer.
- 

In areas where we deliver care services, be the provider of choice to customers with eligible care needs in our Extra Care Housing services, achieving 88% of customer share and supporting the efficient use of resources in local care markets.
- 

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:

- CQC ratings inspection good or outstanding100%
- Customer satisfaction90%
- Care hours per week (Extra Care and Supported Living)7,000

22

92%

care customer satisfaction

100%

of our care homes rated as good or outstanding

80%

care employee engagement

The transfer of care activities into TGPL will improve the customer experience and the financial sustainability of our care services.





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.

	2023	2022 (restated)	2021	2020	2019 (restated)
<b>Summary: Consolidated income and expenditure, £m</b>					
Turnover from social housing activities	403.8	384.3	362.0	352.3	351.7
Turnover from non-social housing activities	136.5	3.9	6.2	7.1	8.8
Operating costs and cost of sales	(452.6)	(310.2)	(294.8)	(272.2)	(274.7)
Surplus on disposal of housing properties	10.8	18.6	94.0	11.0	60.9
<b>Operating surplus</b>	<b>98.5</b>	<b>96.6</b>	<b>167.4</b>	<b>98.2</b>	<b>146.7</b>
Surplus/(loss) on disposal of other fixed assets	-	0.2	0.2	-	(0.2)
Impairment of fixed asset investment	(10.0)	-	-	-	-
Net interest charges	(41.9)	(58.3)	(99.7)	(58.7)	(62.8)
Fair value and re-measurement movements	-	2.8	1.8	(1.2)	(0.2)
<b>Surplus for the year before taxation</b>	<b>46.6</b>	<b>41.3</b>	<b>69.7</b>	<b>38.3</b>	<b>83.5</b>
Taxation	(0.2)	0.1	0.2	(0.1)	(0.1)
<b>Surplus after interest and tax</b>	<b>46.4</b>	<b>41.4</b>	<b>69.9</b>	<b>38.2</b>	<b>83.4</b>
<b>Summary: Statement of financial position, £m</b>					
Intangible fixed assets	7.6	8.5	6.0	-	-
Tangible fixed assets	3,814.9	3,561.9	3,304.8	3,204.8	3,071.0
Net current assets	28.6	217.6	293.1	288.5	222.0
Total assets less current liabilities	3,853.1	3,803.0	3,664.7	3,506.8	3,307.2
Long-term liabilities and provisions	(2,806.2)	(2,845.0)	(2,776.0)	(2,644.9)	(2,523.6)
<b>Net assets</b>	<b>1,046.9</b>	<b>958.0</b>	<b>888.7</b>	<b>861.9</b>	<b>783.6</b>
<b>Reserves</b>	<b>1,046.9</b>	<b>958.0</b>	<b>888.7</b>	<b>861.9</b>	<b>783.6</b>
<b>Summary: Statement of cash flows, £m</b>					
Net cash generated from operating activities	264.6	135.8	43.4	112.5	96.2
Cash flow from investing activities	(238.1)	(230.0)	(51.8)	(146.6)	(5.2)
Cash flow from financing activities	(53.0)	94.8	(27.1)	53.3	(74.1)
<b>Cash and cash equivalents at the start of the year</b>	<b>80.1</b>	<b>79.5</b>	<b>115.0</b>	<b>95.8</b>	<b>78.9</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>53.6</b>	<b>80.1</b>	<b>79.5</b>	<b>115.0</b>	<b>95.8</b>

	2023	2022 (restated)	2021	2020	2019 (restated)
<b>Key Financial Ratios</b>					
EBITDA–MRI (as a percentage of interest) – including gain on derecognition of financial instruments	107.8%	98.1%	91.2%	130.8%	147.3%
EBITDA–MRI (as a percentage of interest) – excluding gain on derecognition of financial instruments	88.4%	98.1%	91.2%	130.8%	147.3%
EBITDA interest cover	238%	193%	336%	285%	231%
Operating margin (Group) – excluding surplus on disposal of housing properties, first tranche sales, and outright sales	18.2%	21.2%	20.5%	24.4%	24.3%
Operating margin (Group) – including surplus on disposal of housing properties, first tranche sales, and outright sales	18.3%	24.9%	45.5%	48.3%	23.9%
Gearing % (Net debt as a proportion of housing properties measured at cost)	38.2%	40.8%	42.6%	38.1%	34.9%

Statement of Comprehensive Income

The Group generated an overall surplus of £46.4m for the year ended 31 March 2023, an increase of £5.0m compared to the prior year. Group turnover has increased to £540.3m (2022: £388.2m) and the overall surplus represents a net margin of 8.6% (2022: 10.7%).

The surplus generated by core social housing operations has decreased by £3.2m to £79.1m (2022: £82.3m). A surplus of £16.0m (2022: £0.1m) was generated from sales of 299 new homes on the open market, and a surplus of £2.3m (2022: £2.1m) from the sale of the first tranche of 261 shared ownership homes. A further £10.8m (2022: £18.6m) was generated from the sale of our existing homes. Property sales typically generate a lower margin than social housing activities, so the increased sales activity this year, whilst profitable, has reduced the overall margin reported by the Group to 18.2% (2022: 24.9%).

The underlying Group operating margin excluding surplus from the disposal of housing properties, first tranche sales and outright sales has declined compared to the prior year to 18.1% (2022: 21.2%) due to inflationary cost pressures, increased demand for responsive repairs and impairment charges of £4.9m.

The overall reported surplus has benefited from a one-off fair value credit of £12.4m against finance costs arising from the redemption and repayment of financial liabilities (loans and interest rate swaps) during the year.

The Group operating margin reflects impairment charges of £4.9m of impairment charges recognised against development schemes where forecast costs to complete the schemes have increased. The overall surplus reflects a further impairment of Guinness Developments Limited's £10m investment in Ilke Homes, a manufacturer of modular homes who ceased trading subsequent to year end.

The Group margin also reflects losses incurred by Guinness Care and Support in the first eight months of the year before its assets and liabilities were transferred to TGPL in December 2023. These losses primarily related to domiciliary care services which we exited from in August 2022 and associated overheads.

The core business remains the letting of social housing, with 66.1% of the Group's turnover being generated from this activity (2022: 86.7%). Our social housing lettings business delivered an operating surplus of £79.1m and an associated operating margin of 22.1% (2022: £82.3m, 24.5%) for the year. Whilst turnover has increased by £20.8m due to an increased number of properties under management and a rent increase of 4.1% being applied to general needs tenancies, we have faced significant cost pressures. These pressures have arisen due to inflation and increased demand for responsive repairs. During the year we increased our levels of financial and other support to customers and maintained our arrears at 3.81% (2022: 3.67%) despite challenging economic circumstances.

Turnover of £126.3m (2022: £0.4m) and profits of £16.0m (2022: £0.1m) were generated from homes developed for outright sale. This represents a significant year on year increase and reflects the bulk sale of 204 homes in one block at Leaside Lock (London) to a private rental investor. This has reduced exposure to future sales risk and increased the share of income generated from outright sales to 23% (2022: 0.1%). We expect the volume of outright sales to fall in 2023/24.

During the year we took advantage of higher interest rates to exit some suboptimal loan and interest rate swap agreements. This resulted in redemption costs totalling £5.1m but also a one-off fair value credit on derecognition of financial instruments of £17.5m, a net credit of £12.4m.

Group EBITDA-MRI as a percentage of interest payable was 107.8% (2022: 98.1%). TGPL has delivered EBITDA-MRI interest cover of 118.7% (2022: 110.3%). This demonstrates that the core social housing business continues to perform strongly and cover the investment needed to keep our homes in good condition and fund our plans to build new homes.

Statement of Financial Position

At 31 March 2023, the Group has total reserves of £1,046.9m (2022: £958.0m). This reflects continued growth over recent years. The Group generates surpluses each year which are reinvested in existing homes, communities, and services and in the development of new homes. The Group Board is satisfied that the reserves at 31 March 2023 were at a level that is appropriate for the business.

The Group owns and manages over 64,000 properties, with the carrying value increasing during the year by £250.2m to £3,776.4m. We invested £73.1m (2022: £60.9m) in capital improvements to our existing homes and £247.6m in developing new affordable housing. Depreciation charges for the year totalled £62.8m. Total investment in existing homes including capital and revenue expenditure was £177.5m.

Stock, being homes held for sale, has decreased during the year by £85.4m to £160.4m reflecting a significant number of property sales during the year.

At the end of the year the Group had cash balances totalling £53.6m (2022: £80.1m) 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.

At 31 March 2023 the Group had drawn bank and debt facilities totalling £1,495.5m (2022: £1,486.8m). We have further undrawn loan facilities of £745.0m (2022: £836.0m) which together with the cash generated from operations and grant funding, provide strong levels of liquidity to support our investment in new and existing homes. We negotiated £225m of new funding during the year in order to preserve the Group's strong liquidity levels.

We reviewed the value of our properties, fixed assets and stock and have considered changes in the economic and policy environment, projected income, demand, and market value where applicable, for indicators of impairment. As noted above operating costs include impairment charges of £4.9m (2022: £3.6m) this year against specific development schemes where costs have increased compared to those anticipated. The overall surplus reflects a further impairment of Guinness Developments Limited's £10m investment in Ilke Homes, a manufacturer of modular homes who ceased trading subsequent to year end.

In accordance with the requirements of FRS102 and the SORP, the deficit in respect of defined benefit pension schemes (which totals £23.7m (2022: £60.3m)), 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 £13.5m and changes to the actuarial assumptions used when calculating the deficit (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 which have increased significantly during the year.

From 1 April 2023 all defined benefit pension schemes are closed to new members and future accrual, and at that date all members transferred to the Group's Defined Contribution Pension Scheme.



Financial Planning

Guinness uses a 30-year Financial Plan to demonstrate the long-term viability of the business and continued loan covenant compliance. The Financial Plan establishes financial capacity and risk appetite, and informs investment decision making.

The Plan is updated at least twice annually. The latest Plan reflects the ambitions set out in our Strategy which include delivering 5,500 new homes by March 2025, maintaining full Decent Homes compliance, and achieving an underlying operating margin of 25% by March 2025. It also includes the investment needed in our existing homes to achieve EPC-C by 2030 and net zero carbon by 2050.

Our Financial Plan is 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

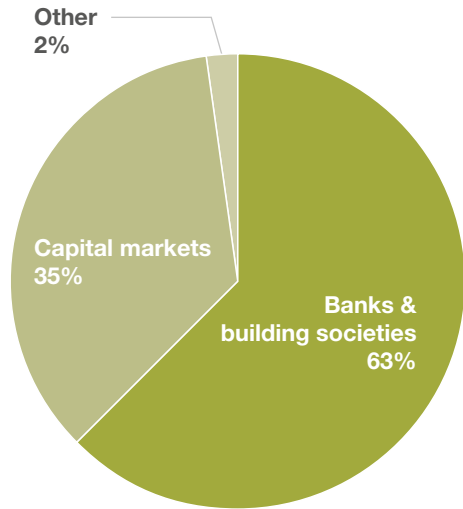
Strong treasury management is critical to delivering our plans and maintaining our financial resilience. We manage treasury risks to ensure the Group has sufficient liquidity to fund its operations and development pipeline while always ensuring loan covenant compliance. These include interest rate risk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

The Group Treasury Management Policy is updated and submitted annually to the Group Board for approval. The Group Board reviews 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 2023 the Group complied with all financial covenants.

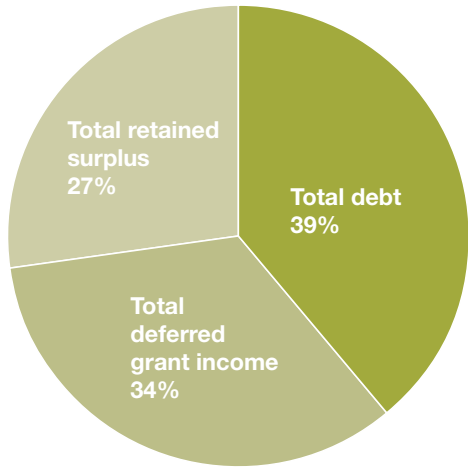
Financing

At 31 March 2023 the Group had total loan and debt facilities of £2,240.5m (2022: £2,322.8m) of which £1,495.5m (2022: £1,486.8m) had been drawn. Total facilities include the retained element of the 2055 2% Bond issue with a nominal £150m that has not been sold.

Source of funds (% of total borrowings)



Our funding



Our overall funding position consists of £1,495.5m of debt (2022: £1,486.8m), £1,046.9m (2022: £958.0m) of retained surpluses and £1,344.2m (2022: £1,296.3m) of deferred grant funding.

During the year no new revolving credit facilities were put in place nor were there any further bond issues. The Board agreed terms on two new revolving credit facilities totalling £225m during the year with these facilities expected to complete early in 2023/24.

TGPL took advantage of the rise in interest rates during the year to exit a number of inefficient financial instruments. Two cancellable interest rate swaps with combined notional £25m were cancelled, resulting in breakage costs of £1.9m. In addition, the Board approved the repayment of a £10m fixed rate loan and a £35m private placement resulting in net breakage costs of £0.4m and £2.8m respectively after the deduction of negotiated discounts. These transactions resulted in the release of a credit of £17.5m of which £5.3m related to the fair value of the swaps which were broken.

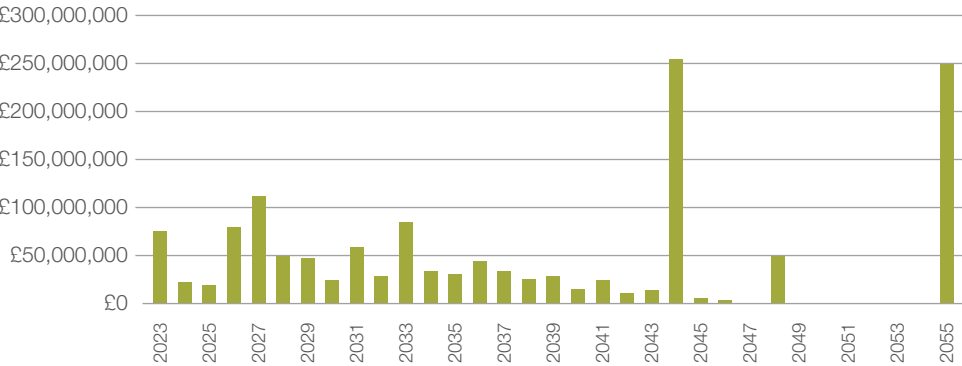
Interest rate management and re-financing risk

Net interest charges for the year totalled £41.9m (2022: £58.3m) with the year-on-year reduction reflecting fair value adjustments which have unwound at the point of repayment or redemption of specific loans and financial instruments (see above).

Interest rates rose during the year. In order to mitigate interest rate risk the Group maintains a level of borrowings at fixed rates. At 31 March 2023 76.0% (2022: 82.0%) of the Group's debt was at fixed rates with maturities between 1 and 33 years. At 31 March 2023 the weighted average maturity of our debt was 16 years.

The Group has limited re-financing risk, with 78% of the Group's drawn debt due for repayment in more than five years, and 86% due for repayment in more than four years. During the last financial year, £90m was drawn against revolving credit facilities which have an average final maturity of three and a half years. Existing bonds are due for repayment in 2044 and 2055.

Drawn debt maturity profile



Of our fixed rate debt £79.8m (2022: £105.9m) was hedged under ISDA agreements. The mark to-market exposure in respect of these agreements as at 31 March 2023 was £6.3m adverse (2022: £28.7m adverse) with property security in place to cover this position. All swaps under ISDA agreements achieve hedge effectiveness following the breakage of two cancellable swaps during the year.

Loan security

Committed facilities are secured against our social housing assets. These assets are independently valued to ensure we meet lenders' asset cover requirements. At 31 March 2023 37,725 homes (2022: 37,264) were charged as security to lenders and ISDA providers by TGPL. Our asset base includes 21,446 unencumbered properties (2022: 20,662). Of the properties used as loan security at the end of the year, 43% were charged at EUV-SH, 45% 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 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. At 31 March 2023 the Group had sufficient facilities available to meet forecast cash outflow for the next 27 months.

At year end the Group held cash balances totalling £53.6m (2022: £80.1m) of which £24.9m (2022: £39.8m) was held in AAA-rated money market funds. We have £22.6m (2022: £30.8m) held within ring-fenced bank accounts, bond sinking funds, leaseholder sinking funds, and in favour of third parties.

Going Further in our Communities

Our social purpose goes beyond 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, supporting volunteering, 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 £2.8m through a combination of direct and partnership-based activities, benefitting nearly 16,000 Guinness residents and over 28,000 people in the wider communities we work in.

In addition to Guinness's direct funding, we secured more than £236,000 in social value in-kind and cash contributions from contractors across 26 different initiatives, enabling us to invest more in our communities.

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 12,511 households to claim £14.1m in welfare benefits. Of this, 70% (£9.9m) supported payment of rent, with the remaining 30% (£4.2m) enabling households to meet other costs.

During 2022/23 we increased our direct hardship grants to over £750,000, helping 2,400 Guinness residents with food, consumables, furniture and day to day bills, including energy bills.

As well as the direct support we continue to partner with a network of food pantries and food banks across England. In 2022/23 we provided over £42,000 in direct funding to food bank projects, supporting over 4,000 households to access affordable food. This includes working with food pantries, Devon and Cornwall Food Action and Gleaning Cornwall to reduce food waste by over 90 tonnes and enabled donation of over £150k of additional food to 55 local charities. The pantries are largely operated by volunteers, delivering 100 volunteer placements through the year.

Our partnership with Sal's Shoes continues to provide free footwear to children from low-income households across our communities. We are proud that Sal's outlets can now be found in Crewe, Salford, Hackney and, since 2022/23, Milton Keynes.



Strategic Report and Report of the Board

Further new projects this year include partnering with Baby Basics to provide essentials for babies and young children to families in need, a project in Sheffield to provide access to furniture, and a partnership in Leeds to provide bedding for school-age children.

Education, employment and training

Guinness has continued to grow its offer of both direct and partnership-based support to facilitate access to jobs, training, skills-building, and volunteering, supporting nearly 2,100 people through partnerships across Guinness communities.

New partnerships included Stay Nimble, who provide one to one support and career coaching, and Hatch who provide business support and mentoring to residents with a business idea who need access to more expert advice to help realise it. We continued our focus on supporting women into construction and maintenance careers. We partnered with Women into Construction to support women to gain skills, qualifications and work placements across two programmes in London and Bristol. We also led the delivery of a DIY skills programme for women. The programme was delivered through social value support including donated space, the time of the trainer, and supplied products and tools.

We have grown our education provision by partnering with Speakers for Schools (S4S) and the Skills Builder Partnership. To date with S4S we have reached 67 school students across three career discovery workshops delivered in London, Sheffield and the Home Counties. These were delivered with the support of 30 Guinness colleagues who volunteered to share their career journeys and insights to promote careers in housing.

We supported 57 young people living at Sheffield Foyer to successfully move on to live independently. During the year specialist staff at the Foyer supported 47 residents into either paid work or an apprenticeship, and helped Foyer residents claim nearly £180,000 in welfare benefits.

Through Aspire, our individual and community grants programme, we made 19 awards to support residents further their career and life aspirations.

Inclusive communities

We supported 17 Inclusive Communities partnerships in 2022/23, supporting over 8,500 people to access services and support. We have a range of initiatives focusing on mental and physical health and wellbeing, diversity, youth diversion, domestic abuse, and reducing isolation. We aim to have communities where everyone can thrive and our vulnerable residents are supported.

We use our asset base to support community capacity by providing space to over 20 community organisations. In partnership with Fusion 21, we refurbished a Guinness community building to provide an inclusive community space in Hackney, managed by our local partner, The Boiler House. Families can access a baby bank providing items for babies and young children, and shoes from Sal's Shoes. The centre has helped 360 families including 568 children aged under five.

We supported hundreds of school-age children to improve health and wellbeing through access to sport. This has been delivered through partnerships with community foundations run by local football clubs Crewe Alexandra, Oldham Athletic and Salford FC, and Motiv8 in Havant.

Through a multi-year partnership with The Kids Network, 120 primary school children in receipt of free school meals or exposed to adverse childhood experiences will be able to access one-to-one mentoring outside the home and school environment to help them with the transition to secondary school.

We partnered with Motherwell in Crewe to train 10 mentors who have supported 14 teenagers to develop positive mental health strategies.

Corporate Responsibility

Diversity and inclusion

Our commitment to diversity and inclusion (D&I) is defined in our Diversity and Inclusion Strategy “Everyone” and is extended through our People Strategy, our Customer Engagement Strategy, our approach to investing in our communities, and our Procurement Strategy.

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.

We are committed to providing a high standard of service and doing so in a way that is fair and free from bias. We collect information on the support needs (including disability and vulnerability) of our residents through the housing application and allocation process. We collect diversity data on all participants in engagement and consultation activity to ensure views expressed are representative as these views are reflected in decision making and in shaping services. In our care activities our person-centred care plans are developed with the customer and their supporters taking into account their individual objectives, preferences and cultural considerations, putting customer choice and control at the centre of our service provision. Our employees are guided by our Guinness Behaviours, which express our values, and are assessed against these as part of our performance management process.

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.

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 peoples’ lives. Our workforce is diverse, and we work to ensure equality of outcome for all our employees. We have clear processes in place to ensure pay equality such as a Job Family Framework, Job Evaluation Panel and regular benchmarking of roles, including senior positions, using expert consultants.

We have continued our Anti-Racism work as well as increasing our focus on disability. We continue to be recognised for our work. We received the Investors in People Diversity and Inclusion Award for the third consecutive year. We have seen a 3% increase in colleagues from ethnic minority backgrounds across the organisation in the last year - 13.6% of colleagues are now from ethnic minority backgrounds. We continue to ensure all colleagues have opportunities to gain experience and develop. In the last year, in addition to continuing to deliver our anti-racism action plan, we increased awareness around menopause, neurodiversity and intersectionality.

We shared our learnings and practices by showcasing our Anti-Racism work externally inside and outside the sector, reaching an audience of approximately 4,000 people during the year.

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

2022/23									
Total Group					TGPL				
Total Employ-ees	% Not de-clared	% BME	% Female	% Disa-bled	Total Employ-ees	% Not de-clared	% BME	% Female	% Disa-bled
2,495	12%	13%	48%	10%	1,375	11%	14%	60%	10%

GP					GC				
Total Employ-ees	% Not de-clared	% BME	% Female	% Disa-bled	Total Employ-ees	% Not de-clared	% BME	% Female	% Disa-bled
648	12%	10%	11%	11%	472	12%	8%	86%	9%

\*Figures are based on individual employees as at 31 March 2023 (excluding Agency, Contractors, Bank Staff and Apprentices). GC employees are employed by TGPL as at 31 March 2023 but have been disclosed separately for comparative purposes.

Gender pay gap

	Mean	Median
TGPL	9.6%	0.2%
Guinness Property	11.1%	23.5%
Guinness Care	31.1%	0.2%
National Median	9.6%	0.2%

\*Positive values indicate a gap in favour of men

Ethnicity pay gap

	Mean	Median
TGPL	5.6%	1.2%
Guinness Property	-8.1%	-11.8%
Guinness Care	7.5%	4.8%

\*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%	-3.0%
Black	-1.0%	-7.0%
Mixed and multiple ethnicity	10.0%	5.0%

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





# Strategic Report and Report of the Board

## 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 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 who live in our homes, 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.

We have a Safeguarding Policy that is updated regularly, most recently in 2022, and the Board receives annual reporting on safeguarding summarising safeguarding cases and our response. In addition, the Guinness Care and Support Care Quality Assurance and Safety Committee (succeeded by the TGPL Care Committee) receives key assurance and performance updates on Healthy and Safety, Safeguarding and Care Quality.

We are an accredited member of the Domestic Abuse Housing Alliance and have produced a toolkit for our housing and repairs colleagues on identifying and dealing with Domestic Abuse.

## 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 residents 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 and annual Business Plans.

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.
- Adoption of Lean Methodology to deliver efficiencies through continuous process improvement.
- 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.
- Review of performance over time to identify trends and areas for further scrutiny.

### Reporting on value for money

The RSH'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.
- For the first time this year, having become members in October 2022, with the G15 Group of large providers who operate primarily in London.
- 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 delay between publicly available benchmarks and our financial results, in typical years they do provide a reasonable comparison of our performance to that of our peers. However, the external operating environment has been particularly volatile over the last 12 months and therefore, as in recent years, caution is required in comparing 2022/23 performance against these benchmarks.

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	2023 Group	2023 TGPL	2022 Group	2022 TGPL	National median benchmark 2022	G15 median Benchmark 2022
Operating margin (overall) *	16.2%	20.7%	20.1%	21.5%	20.5%	20.0%
Operating margin (social housing lettings) *	22.1%	22.3%	24.4%	24.9%	23.3%	27.0%
EBITDA-MRI (as % interest) *	107.8%	118.7%	98.1%	110.3%	146%	99.0%
EBITDA-MRI (as a % interest) – excluding credit on derecognition of financial instruments	88.4%	97.3%	98.1%	110.3%	146%	99.0%

\* These indicators are those included within the VfM Regulatory standard with the National median benchmark for 2022 contained in the Annex to the 2022 Global Accounts rather than from the Sector Scorecard.

Operating margins are a key measure of financial resilience. The overall operating margin of the Group (excluding sales of empty homes) is significantly influenced by the performance of our outright sales programme. The volume of sales each year is a function of the composition of our development programme and will therefore vary year-on-year making objective comparison with peers difficult. Our Group operating margin has fallen year-on-year due to the diluting impact in 2022/23 of the sale of 560 properties for first tranche of shared ownership and outright sale which, whilst generating a surplus or profit enabling some cross-subsidy of affordable homes, realised an average margin of 6.9%. The volume of sales in 2021/22, and thus the impact on overall Group margins was significantly lower.

The overall operating margin reported by TGPL and the margin achieved by our social housing lettings activities compare well to benchmarks and have remained consistent year-on-year. This reflects the strength of our core business. Our operating margin on social housing lettings is slightly lower than that of our G15 peers as a greater proportion of our properties are located in areas where average rents are lower.

In common with much of the sector over the last few years we have seen interest cover metrics, particularly EBITDA-MRI based measures, come under pressure due to the combination of high cost inflation, rising interest rates, the investment needed in our existing homes (including building safety) and capped rent increases. Our performance compares favourably with the G15 Group as a whole. We comfortably met loan covenant requirements.

Our Strategy targets improvements in our underlying operating margin in the two years to March 2025. The new homes which come into management from our development programme will support this and we will continue to actively manage our cost base including through improving the performance of our in-house maintenance operation, realising efficiencies from our significant investment in new technology and through effective procurement of goods and services.



Development – capacity and supply

Scorecard metric	2023 Group	2023 TGPL	2022 Group	2022 TGPL	National median benchmark 2022	G15 median Benchmark 2022
New supply % (social) *	0.80%	0.81%	0.64%	0.65%	1.40%	1.10%
New supply % (non-social) *	0.46%	0.47%	0.01%	0.01%	0.00%	0.20%
Gearing*	38.2%	39.2%	40.8%	41.6%	44.1%	47.0%

\* These indicators are those included within the VfM Regulatory standard with the National median benchmark for 2022 contained in the Annex to the 2022 Global Accounts rather than from the Sector Scorecard.

During the year we completed 814 new homes which exceeded our target of 771. Our new homes included 517 social homes, for a mix of rent and shared ownership. Completions also included 297 non-social homes for outright sale, the majority of which were at our Leaside Lock development in East London. Though we continue to experience challenges with planning delays and supply chain pressures we remain on track to deliver our Strategic Partnership commitments and our wider Business Plan target of 5,500 new homes by 2025. Whilst our level of new supply is below benchmark levels, we have concluded that it represents an appropriate level given the ongoing investment needs of our existing homes.

Our level of gearing has reduced year on year as proceeds from property sales have enabled us to manage debt levels whilst continuing to invest in new development. Gearing levels are lower than sector benchmarks but will increase gradually over the coming years as we continue to deliver our Strategic Partnership development commitments.

Outcomes delivered

Scorecard metric	2023 Group	2023 TGPL	2022 Group	2022 TGPL	National median benchmark 2022	G15 median Benchmark 2022
Tenant satisfaction	71.0%	71.0%	72.0%	72.0%	84.7%	73.0%
Reinvestment *	8.4%	9.2%	7.7%	7.8%	6.5%	6.0%
Investment in communities	£2,800,000	£2,800,000	£2,261,000	£2,261,000	n/a	£3,100,000

\* These indicators are those included within the VfM Regulatory standard with the National median benchmark for 2022 contained in the Annex to the 2022 Global Accounts rather than from the Sector Scorecard.

Improving resident satisfaction continues to be a key strategic priority, with a continuing focus on improving our repairs service and on communicating more effectively with residents. Benchmarking customer satisfaction has historically been difficult as organisations use different measurement methodologies. Reporting against the new, more standardised Tenant Satisfaction Measures (TSMs) from April 2023 will enable more meaningful and granular comparison of performance. Our previous method of measuring satisfaction was well aligned to the TSMs, so we do not expect to see a significant change in reported satisfaction arising from the new methodology.

Reinvestment in homes increased to 8.4% in 2023, this compares favourably with benchmarks and reflects our ongoing commitment to the quality and safety of our existing homes as well as the delivery of new homes.

We have continued to invest in our communities beyond 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.

Effective asset management

Scorecard metric	2023 Group	2023 TGPL	2022 Group	2022 TGPL	National median benchmark 2022	G15 median Benchmark 2022
Return on capital employed (ROCE) *	2.6%	2.5%	2.5%	2.6%	3.2%	3.1%
Occupancy	99.1%	99.1%	98.9%	98.9%	99.5%	99.0%
Ratio of responsive repairs to planned maintenance	0.51	0.51	0.63	0.63	0.70	0.67

\* These indicators are those included within the VfM Regulatory standard with the National median benchmark for 2022 contained in the Annex to the 2022 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. Key drivers of this metric are similar to those that influence our operating margin and so as margins gradually improve over coming years so should ROCE.

Occupancy of our homes increased during the year to 99.1% (compared to the sector median benchmark of 99.5% and a G15 peer group median of 99.0%). Performance is affected by factors including our comparatively high void turnaround time and the tenure type of properties (supported housing properties and housing for older people are typically slower to let, and we have a relatively high proportion of these within our property portfolio). Void turnaround times have improved during the year but are still above our target. We are taking action to improve further.

Our ratio of responsive repairs to planned repairs has decreased year on year to 0.51. While expenditure on routine repairs has increased year-on-year to £60.1m we have also delivered significantly more planned repairs than previous years, with a £34m increase in investment through planned activity.

Operating efficiencies

Scorecard metric	2023 Group	2023 TGPL	2022 Group	2022 TGPL	National median benchmark 2022	G15 median Benchmark 2022
Headline social housing cost per unit *	£5,130	£4,930	£4,642	£4,326	£4,150	£5,191
Rent collected	99.61%	99.60%	100.05%	100.05%	100%	99.8%
Overheads as a percentage of adjusted turnover	11.2%	11.3%	11.4%	10.5%	14.9%	15.4%

\* These indicators are those included within the VfM Regulatory standard.

Our 2022/23 headline social housing cost per unit of £5,130 is slightly lower than that of the G15, though higher than the 2022 sector median. The 2022 figures do not reflect more recent impacts across the sector of inflation and increasing pressures on maintenance services. We anticipated that costs would increase as we continued to deliver our programme of building safety improvements, invest to ensure our homes continue to meet the Decent Homes Standard, and as we progress towards ensuring that all of our homes achieve EPC-C by 2030.

Overheads as a percentage of adjusted turnover for the Group decreased slightly to 11.2%, lower than the G15 and the National Median benchmark.

Rent collection performance continued to be good but has slightly declined year on year. This reflects the current operating environment and the cost of living crisis facing many of our residents. We continued to take a data-led approach to identifying residents who may be at greater risk of rent arrears and intervening at an early stage to help them sustain their tenancies through debt advice and maximising access to eligible benefits. We increased our Hardship Fund during the year.



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 2023 and that TGPL and the other RPs within the Group were compliant with all aspects of the Standard throughout 2022/23 and continue to be compliant at the date of the Financial Statements.

The RSH assesses TGPL's compliance with the Governance and Financial Viability Standard and publishes its assessment of compliance. Following an In Depth Assessment during the year the RSH has re-confirmed the Group's regulatory rating of G1 for Governance and V2 for Viability in April 2023.

Guinness Care and Support Limited is an exempt charity and a registered society under the Co-operative and Community Benefit Societies Act 2014. On 1 December 2022 Guinness Care and Support Limited transferred its engagements to The Guinness Partnership Limited in accordance with the provisions of the Co-operative and Community Benefit Societies Act 2014 and it is in the process of being de-registered.

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

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), which was adopted with effect from 1 April 2021.

The Board is required to confirm compliance with the Code or explain any non-compliance with it. The Board confirms that the Group was compliant with the code for the year ended 31 March 2023.

There are comprehensive governance policies in place which apply to Board and Committee members as well as to employees and engaged residents. 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 2023 the Board consisted of 11 members. Board and Committee members bring a wide range of strengths, skills and experience to our Boards and Committees. The names and biographies of the Board members are provided on pages 86 to 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.
- Approving the consolidated financial statements of the Group, which include those of TGPL.

All legal entities within the Group have Boards that are 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 formal 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 during the year and was reported to the Remuneration and Nominations Committee in February 2023, and to the Board in March 2023, with the Board approving a Board Action Plan, progress on which will be monitored by the Remuneration and Nominations Committee. The next Board Effectiveness Review will be undertaken in 2024/25.

A Board and Committee members' skills assessment was also undertaken during the year and was reported to the Remuneration and Nominations Committee as an interim report in November 2022 and as a final report (on the conclusion of Board member recruitment) in May 2023. This assessment has informed appointments to Committees and proposals for Board Member training.



Strategic Report and Report of the Board

Board membership details and meeting attendance for the year:

Name / remuneration	TGPL Board	Group company roles	Audit & Risk	Care (est. 01.12.2022)	Health, Safety & Environmental	Remuneration & Nominations	TGPL Board attendance
Number of meetings in 2022/23	11		4	1	4	8	11
Neil Braithwaite £15,059 (term ended on 30.09.2022)	Chair (until 30.09.2022)					●	4
Chris Wilson £24,667	Chair (from 01.10.2022) Deputy Chair (until 30.09.2022)	Chair Guinness Care & Support (until 30.09.2022)	●		●	●	10
Gina Amoh £12,917	●		●				10
Lee Bolton £6,417 (term ended on 30.09.2022)	●						3
Amanda Calvert £18,396 (term ended on 31.03.2023)	●		●		Chair ●		11
Ben Laryea £12,917	●					●	9
Phil Morgan £18,958	Deputy Chair (from 01.10.2022)	Chair, Guinness Care & Support Chair, Guinness Housing Association (both from 01.10.2022)	●	●		Chair	11
Samantha Pitt £8,958 (term ended on 30.09.2022)	●		Chair (until 30.09.2022)			●	1
Linda Sanders £6,417 (term ended on 30.09.2022)	●		●				3

Name / remuneration	TGPL Board	Group company roles	Audit & Risk	Care (est. 01.12.2022)	Health, Safety & Environmental	Remuneration & Nominations	TGPL Board attendance
Number of meetings in 2022/23	11		4	1	4	8	11
Catriona Simons Chief Executive	●	Chair, Guinness Property, Guinness Developments Limited, Guinness Homes Limited, Guinness Platform Limited, Hallco 1397 Limited		●	●		11
Chris Stevens £6,417 (term ended on 30.09.2022)	●				●		3
Nick Apetroaie £11,625 (term started on 01.10.2022 previously GCS Board member)	●	Member Guinness Care & Support		Chair			8
Amanda Carey McDermott £9,667 (term started on 01.10.2022, previously GCS Board member)	●	Member Guinness Care & Support		●			8
Sue Hunt £11,010 (term started on 01.09.2022)	●		Chair (from 01.10.2022)			●	8
Angelika Chaffey £1,083 (term started on 01.03.2023)	●						3
Lester Hampson £1,083 (term started on 01.03.2023)	●						2



# Strategic Report and Report of the Board

## Committees

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

### The Audit and Risk Committee

The 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, pensions matters and senior executive remuneration. It also commissions reviews of Board effectiveness and individual Board member appraisals and monitors any governance related action plans.

### The Care Committee

The Care Committee was established after the transfer of engagements from Guinness Care and Support Limited to The Guinness Partnership Limited. It has up to six members and is responsible for monitoring and providing assurance to the TGPL Board on the performance of care and support services, including health and safety and compliance in relation to such services. It is also responsible for ensuring that TGPL and the TGPL Board meet the Care Quality Commission's governance and regulatory requirements.

### The Health, Safety and Environmental Committee

The Health, Safety and Environmental Committee operated for most of the year, but, following the Board Effectiveness Review, TGPL Board agreed to dissolve the Committee with effect from 31 March 2023. While it operated it had up to six members and met at least four times a year. It was responsible for providing assurance to TGPL and the Subsidiary Boards that all parts of the Group were acting within applicable legislation and regulation that relate to health, safety and the environment. It also ensured that the Group had systems in place to ensure a robust and embedded approach to health and safety and environmental management. With effect from 1 April 2023 the responsibilities and activities of the Health, Safety and Environmental Committee were transferred to the Board and the Audit & Risk Committee.

## Residents

We provide a range of ways for our residents to engage, across tenures and geographical areas, including participating in Boards and Committees. The Tenant Scrutiny Panel, which is comprised solely of tenants, carries out reviews of services and makes recommendations to the Board and the Audit and Risk Committee which consider recommendations and agree and monitor plans to ensure their implementation. The Panel influences how Guinness provides services to its tenants and focuses on what is important to our tenants and where we should focus improvement activity. During the year the Panel carried out a review into tackling anti-social behaviour, started a review of customer engagement and monitored the implementation of actions agreed in previous reviews of complaints handling and emergency repairs.

Further to the Board Effectiveness Review, which was completed during the year, the Board agreed to establish a Customer Committee comprising up to eight residents and up to four Board members. This Committee will be established during 2023/24 and will be responsible for monitoring and providing the Board assurance on service performance and on compliance with the RSH's Consumer Standards when these are introduced, including fair outcomes for all residents, resident engagement, resident scrutiny, and resident influence on decision making. This will succeed the Tenant Scrutiny Panel from autumn 2023. New regional panels will be established to align with our operational structure and to scrutinise performance and service delivery at a more local level.

## 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, Customer Services, Development & Commercial Services, the Group Finance Director, the Group Director of Care & Support 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 to the Board 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 reflect our values and are at the core of our organisation 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 residents need from us.

## Transparency and Openness

We are committed to being open and transparent in how we conduct our business and how we interact with residents and other stakeholders. 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.

## 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 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 further independent assurance over the internal control environment, as described in the external auditor's audit report and annual audit summary report 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.

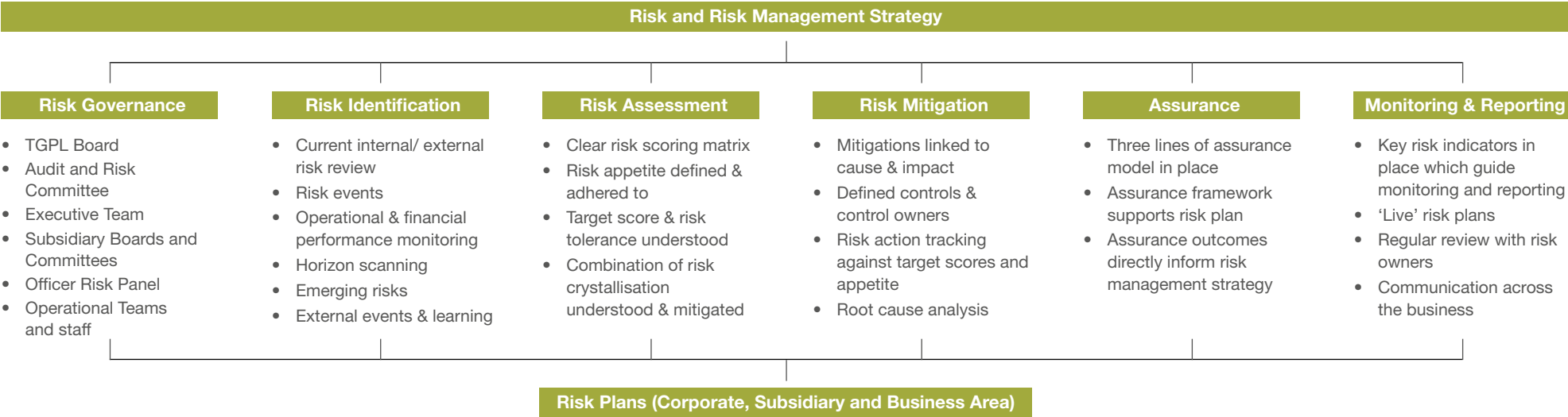
The Audit and Risk Committee reviews reports received from internal and external auditors and makes regular reports to the Board on the extent to which internal controls continue to take account of major risks facing the Group. The Audit and Risk Committee submits an annual report, summarising its work 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 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 2023, 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.

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 appetite

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

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 manage our risk in line with our appetite and are reported through our risk management framework.

Risk assessment – key risks

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

Key risk area – volatile economic environment	
<div><div>2022/23 context</div><div><ul style="list-style-type: none"><li>CPI at 10.1% in March 2023</li><li>Bank of England Interest rate rose to 4.25% in March 2023 after 11 consecutive rises</li><li>Energy and fuel price increases</li><li>Increased costs of labour and materials with supply chain challenges</li></ul></div></div>	
<div><div>Short term view</div><div><ul style="list-style-type: none"><li>Potential increase in rent arrears</li><li>Disconnect for employees between wage inflation and the cost of living</li><li>Fuel and food poverty for customers</li><li>Reduced affordability of mortgages for prospective purchasers</li><li>Increased development and maintenance costs</li></ul></div></div>	<div><div>Longer-term view</div><div><ul style="list-style-type: none"><li>Inflation is expected to reduce over the coming year but more slowly than hoped</li><li>Further interest rate rises expected</li><li>Property price inflation expected to slow with price reductions in some areas</li></ul></div></div>
<div><div>Risk mitigations</div><div><ul style="list-style-type: none"><li>Increase in Hardship Fund available to support the most vulnerable residents</li><li>A pay award for all employees from April 2023 with the Real Living Wage introduced for all Care and Support roles</li><li>Fixed price contracts in place on most development schemes and mitigation strategies available should contract failure occur</li><li>Effective contract management framework in place with enhanced monitoring for key suppliers</li><li>Regular stress testing of Financial Plans and robust recovery strategies in place</li><li>Board approved energy procurement strategy in place</li></ul></div></div>	



Key risk area – cybersecurity	
<b>2022/23 context</b> <ul style="list-style-type: none"><li>• The Government’s cyber security breaches survey for 2023 found 32% of all organisations reported a breach</li><li>• State cyber capabilities continued to develop, becoming more sophisticated, increasingly targeting third-party technology and service supply chains, as well as exploiting software vulnerabilities</li></ul>	
<b>Short term view</b> <ul style="list-style-type: none"><li>• Loss of business critical information</li><li>• Disruption of service delivery</li><li>• Loss of customer or employee personal data</li><li>• Financial loss</li></ul>	<b>Longer-term view</b> <ul style="list-style-type: none"><li>• Risk of reputational damage and loss of trust</li><li>• Move to cloud based applications changes but does not eliminate risks</li><li>• Sophistication of potential cyber-attacks increases</li></ul>
<b>Risk mitigations</b> <ul style="list-style-type: none"><li>• Security monitoring in place provided by a reputable third party</li><li>• Regular penetration testing programme</li><li>• Desktop infrastructure protections in place</li><li>• Cyber Security Action Plan in place which is subject to regular expert third party assurance</li></ul>	

Key risk area – investment in existing homes and their safety and quality	
<b>2022/23 context</b> <ul style="list-style-type: none"><li>• Condition of social homes highlighted in media investigations and scrutinised in Better Social Housing Review</li><li>• Net Zero Carbon targets</li><li>• Building Safety improvement programmes</li><li>• Rising incidence of disrepair claims across the housing sector</li><li>• Focus on damp and mould from Housing Ombudsman and Government including creation of Awaab’s Law through amendments to the Social Housing Regulation bill, and creation of new consumer regulation</li><li>• Request for evidence from RPs on damp and mould</li><li>• Labour and materials price inflation</li></ul>	
<b>Short term view</b> <ul style="list-style-type: none"><li>• Harm caused to residents</li><li>• Pressure on cashflows and key financial metrics</li><li>• Reduced capacity to develop new homes</li><li>• Reputational damage arising from negative media coverage</li><li>• Increased repair costs</li><li>• Increased costs of handling disrepair cases</li><li>• Heightened risk of Regulatory intervention</li><li>• Increased complaints and resident dissatisfaction</li></ul>	<b>Longer-term view</b> <ul style="list-style-type: none"><li>• Increased investment costs if new/more stringent obligations are introduced</li><li>• Capacity to develop new homes further eroded</li><li>• Performance against key financial metrics deteriorates</li><li>• Reputational damage impacting ability to secure future funding</li><li>• Loss of trust from residents</li></ul>
<b>Risk mitigations</b> <ul style="list-style-type: none"><li>• Regularly updated stock condition data to inform understanding of investment needs</li><li>• Financial Plan regularly reviewed and updated to reflect investment needs of our homes</li><li>• Stress testing of financial plans to understand the impact of increased investment costs</li><li>• Road map to achieve EPC C by 2030 and net zero carbon by 2050 included in our Environmental and Sustainability Strategy</li><li>• Robust asset option appraisal process in place</li><li>• Proactive approach to seek out and resolve damp and mould issues through communication with residents</li><li>• In house repairs service with performance monitored at operational, Executive and Board level</li><li>• Asset compliance programmes in place with performance reported at operational, Executive and Board level</li><li>• Stock condition surveys used to inform investment programme in our homes</li></ul>	

Key risk area – climate change	
<b>2022/23 context</b> <ul style="list-style-type: none"><li>• Warming temperature in the UK and globally</li><li>• Wetter and more extreme weather conditions in the UK</li><li>• Government Net Zero Carbon Strategy: Build Back Greener</li></ul>	
<b>Short term view</b> <ul style="list-style-type: none"><li>• Increased flooding and storm events causing damage to homes</li><li>• Adverse weather events impact service delivery</li><li>• Increased insurance premiums</li><li>• Skills shortage to understand and prepare for climate change</li><li>• Increased investment required in our homes</li></ul>	<b>Longer-term view</b> <ul style="list-style-type: none"><li>• Harm caused to residents, staff, contractors or the public</li><li>• Reduction in asset values where sustainability requirements are not met</li><li>• Increased investment requirements of existing homes</li></ul>
<b>Risk mitigations</b> <ul style="list-style-type: none"><li>• Environmental and Sustainability Strategy in place supported by a detailed action plan</li><li>• Development Design Guide principles focus on sustainability and consider the future sustainability of new homes</li><li>• Future investment requirements of existing stock validated by a qualified third party with appropriate provision contained within our Financial Plan</li><li>• Investment plans in place to ensure all homes meet EPC C by 2030</li></ul>	

Key Risk Area – Development and sales	
<b>2022/23 context</b> <ul style="list-style-type: none"><li>• Uncertain outlook for the property market</li><li>• Rising cost inflation and interest rate rises</li><li>• Mortgage availability and affordability challenges resulting in a slowdown in the property market</li><li>• Increased costs of labour and materials</li><li>• Challenges in the contracting market</li></ul>	
<b>Short term view</b> <ul style="list-style-type: none"><li>• Higher costs and potential delays to development schemes</li><li>• Reduced demand from purchasers due to mortgage affordability challenges</li><li>• Property value fluctuations at local and national level</li><li>• Increased risk of failure of key contractors</li></ul>	<b>Longer-term view</b> <ul style="list-style-type: none"><li>• Inflation expected to reduce over the next 12 months which might result in downward pressure on interest rates</li><li>• Uncertainty in property market likely to continue</li><li>• Capacity of the contractor supply chain will be limited if a number of key contractors fail</li></ul>
<b>Risk mitigations</b> <ul style="list-style-type: none"><li>• Regular stress testing of Financial Plans and robust recovery strategies in place</li><li>• Regular milestone review of development schemes and ability to respond to changes</li><li>• Good working relationships with Homes England and Greater London Authority to address any issues in delivery</li><li>• Regular monitoring of the Financial Health of key suppliers</li></ul>	

Key Risk Area – Labour and skills shortage	
<b>2022/23 context</b> <ul style="list-style-type: none"><li>• Job vacancies in UK fell for the ninth consecutive quarter to March 2023, down by 4.0% on the previous quarter. Vacancies fell in 13 of the 18 industry sectors (Source: ONS)</li><li>• Hybrid/ agile working models continue to evolve</li><li>• Planned amendments to the Social Housing Bill to require managers to have a professional qualification</li></ul>	
<b>Short term view</b> <ul style="list-style-type: none"><li>• Vacancies in some high demand roles impacts our ability to deliver services</li><li>• Wage inflation</li><li>• Increased recruitment costs</li><li>• Increased use of agency or temporary staff</li><li>• Reconfiguration of exiting office estate</li></ul>	<b>Longer-term view</b> <ul style="list-style-type: none"><li>• Continued wage inflation</li><li>• Increased learning and development costs in order that existing employees can be appropriately skilled in-role</li><li>• Shape and type of office estate may change</li></ul>
<b>Risk mitigations</b> <ul style="list-style-type: none"><li>• Management/ leadership development and succession planning</li><li>• Graduate and apprenticeship schemes in place</li><li>• Alternative recruitment routes to fill key roles</li><li>• Competitive pay and benefits</li><li>• Hybrid/ agile working principles well understood</li><li>• People strategy considers longer term skills and labour requirements</li></ul>	

Key Risk Area – Service delivery	
<b>2022/23 context</b> <ul style="list-style-type: none"><li>• Development of new consumer regulation with a focus on transparency and engagement with customers</li><li>• Social and mainstream media investigations into quality of homes and services across the housing sector</li><li>• Backlog of repairs following the pandemic</li><li>• Focus on damp and mould from Housing Ombudsman and Government</li></ul>	
<b>Short term view</b> <ul style="list-style-type: none"><li>• High volumes of residents complaints</li><li>• Reputational damage if service failures are not rectified quickly</li><li>• Significant cost associated with service failure</li></ul>	<b>Longer-term view</b> <ul style="list-style-type: none"><li>• Declining resident satisfaction</li><li>• Failure to comply with regulatory requirements</li><li>• Reputational damage</li></ul>
<b>Risk mitigations</b> <ul style="list-style-type: none"><li>• Proactive work with customers to identify and resolve damp and mould issues</li><li>• Key Performance Indicators reported at operational, Executive and Board level to understand and determine action to improve services to customers</li><li>• Tracking of regulatory changes and responses provided to consultation</li><li>• Tenant Scrutiny Panel conducts reviews of key service areas and provides recommendations for improvement</li><li>• Closed loop transactional surveys for key service areas</li><li>• Programme of continuous improvement to key services</li><li>• Programme of Great Service training for all staff</li><li>• Focus on improving the quality and use of customer data</li></ul>	

Key Risk Area – Health and Safety	
<b>2022/23 context</b> <ul style="list-style-type: none"><li>• Building Safety Act</li><li>• New Building Safety Regulator</li><li>• Continued compliance with Health and Safety Law and Regulation</li><li>• Continued focus of Regulator of Social Housing on the safety of our homes and buildings</li></ul>	
<b>Short term view</b> <ul style="list-style-type: none"><li>• Risk of harm to customers, employees or members of the public</li><li>• Potential regulatory downgrades</li><li>• Financial loss through fines or compensation</li><li>• Increased insurance premiums</li></ul>	<b>Longer-term view</b> <ul style="list-style-type: none"><li>• Increasing compliance costs</li><li>• Regulatory intervention</li><li>• Reputational damage impacting ability to secure future funding</li></ul>
<b>Risk mitigations</b> <ul style="list-style-type: none"><li>• Health and Safety Management System meeting the requirements of ISO45001</li><li>• Role specific mandatory H&amp;S training for staff</li><li>• Comprehensive Building Safety Action Plan in place</li><li>• Major incident reporting system in place</li></ul>	

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 and has in place a programme of In Depth Assessments (IDAs). Following an IDA during the year 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 the significant investment requirements of existing homes, as well as our exposure to homes for sale (shared ownership and homes for outright sale) and rising costs faced in the current economic environment. The Group has also maintained good credit ratings with external credit rating agencies Moody's (A3 with a negative outlook) and Standard and Poor's (A- with a stable outlook). These outcomes confirm to residents, 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 Accounting Standards (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 (2022). 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.

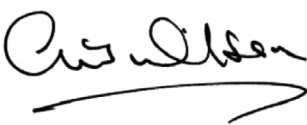
Statement of compliance

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



Chris Wilson, Chair of the Guinness Partnership Limited  
15 August 2023  
Charitable and Community Benefit Society No. 31693R  
Regulator for Social Housing Registration no. 4729

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 2023 and of the Group's and the Association's surplus for the year then ended.
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- the financial statements have been properly prepared in accordance with the requirements of 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 2023 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 2025 and concluded on the consistency of such calculations with the ratios stated in the relevant lender agreements.
- Considered 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.

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

Overview

Coverage:	100% (2022: 100%) of Group surplus before tax 100% (2022: 100%) of Group revenue 100% (2022: 100%) of Group total assets		
Key audit matters:		2023	2022
	Carrying amount of property developed for sale and land bank sites	✓	✓
	Impairment of social housing rental property assets, particularly those in the course of construction	✓	✗
Materiality:	Group financial statements as a whole		
	£7m (2022: £6.1m) based on 7.5% (2022: 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, Guinness Homes 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	How the scope of our audit addressed the key audit matter	
Carrying amount of property developed for sale and land bank sites	As described in Note 2 (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 2023, the Group held property developed for sale of £159.6m (2022: £244.9m).	For a sample of property developed for sale, we have:  1. For sales price: <ul style="list-style-type: none"><li>Compared estimated 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 selling prices of similar properties in the locality. We have challenged management's consideration of market conditions as at year end, focusing on rates used and problem schemes.</li><li>Where valuations were used, we assessed the expertise of the valuers and confirmed their work was appropriate for our use.</li></ul> 2. For costs to complete: <ul style="list-style-type: none"><li>Obtained the latest valuers report and assessed the construction costs against the total contract value taking into account contract variations.</li><li>Obtained details of the expected costs to complete from the scheme budget for that development and agreed the budgeted contracted cost of the development to the latest contract documentation.</li><li>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.</li><li>Compared the incurred expenditure (including costs incurred after the reporting date) to the estimated amounts to ensure that the cost to complete estimate reflects actual costs.</li><li>Assessed the accuracy of cost forecasting by looking at outturn costs compared to budget on schemes that completed in the year.</li></ul> 3. For costs to sell: <ul style="list-style-type: none"><li>Considered computations of selling costs and compared against known selling costs that have been incurred in the year.</li></ul>
	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.	
Key observations		Based on our procedures we noted no exceptions.

Key audit matter	How the scope of our audit addressed the key audit matter	
Impairment of social housing rental property assets, particularly those in the course of construction	As described in Note 2 (Accounting policies) impairment reviews are carried out for completed properties and properties under construction where there are indicators of impairment.  Assets are required to be reviewed for indicators of impairment annually. If such indicators exist, an impairment assessment and estimate of the recoverable amount must be performed.  As at 31 March 2023, the Group held housing properties of £3,776.4m (2022: £3,526.2m).  Where impairment indicators exist, management have carried out an assessment of the recoverable amount of social housing assets. This included assessment of value in use (EUV-SH or Depreciated Replacement Cost) or anticipated sales proceeds less costs to sell.  Due to the volume of assets and the level of estimation uncertainty in determining recoverable amounts (whether through use or sale) there is a significant risk that social housing assets may be impaired. We therefore consider this to be a key audit matter.	We obtained management's impairment review and: <ul style="list-style-type: none"><li>Considered and concluded on the cash-generating unit levels determined by management as appropriate for the performance of the review of the recoverable amount.</li><li>Confirmed that the population reviewed was complete and accurate.</li></ul> For a sample of CGU's we have: <ul style="list-style-type: none"><li>Where depreciated replacement cost is being used we assessed the appropriateness of the assumptions within the calculations, using benchmark data where possible and agree key inputs to supporting documentation.</li><li>Where fair value less costs to sell is being used, we reviewed the third party valuations commissioned by management to support their assessment of the recoverable value. We obtained evidence to support and challenge the basis of management calculations and assumptions; where experts were used, we evaluated their capability and competency, and assessed management's control and influence over their work.</li><li>Where schemes are still under construction we vouched costs to complete to supporting evidence and considered the completeness of costs to complete.</li><li>Agreed the current carrying amount to the trial balance and supporting documentation.</li></ul>
	Key observations Based on our procedures we noted no exceptions.	

Our application of materiality

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	
	2023 £m	2022 £m	2023 £m	2022 £m
Materiality	7.0	6.7	6.0	6.0
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	4.5	4.3	3.9	3.9
Basis for determining performance materiality	65% (2022: 65%) of materiality			
Rationale for determining performance materiality	This was considered appropriate based on: <ul style="list-style-type: none"><li>cumulative knowledge of the Group.</li><li>degree of estimation in financial statements.</li></ul>			

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



# Independent Auditor’s Report to the members of the Guinness Partnership Limited

## Component Materiality

Component materiality ranged from £0.07m to £6m (2022: £0.01m to £6m). In the audit of each component, we further applied performance materiality levels of 65% (2022: 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 Audit and Risk Committee that we would report to them all individual audit differences in excess of £0.14m (2022: 0.12m). 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 in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 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 to report to you if, in our opinion:

- The Association has not kept proper books of account.
- The Association has not maintained a satisfactory system of control over its transactions.
- The Financial Statements are not in agreement with the Association's books of account.
- We have not received all the information and explanations we need for our audit.

## Responsibilities of the Board

As explained more fully in the Statement of the 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.

### Non-compliance with laws and regulations

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.

### Fraud

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 (see key audit matter above), 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 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.
- 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 Audit and Risk Committee and any correspondence received from regulatory bodies.

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

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](http://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.

*E Kulczycki*

**BDO LLP**  
**Elizabeth Kulczycki, Senior Statutory Auditor**  
**Gatwick**  
**United Kingdom**  
**Date:** 16 August 2023

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



# Financial Statements

for the year ended 31 March 2023





Financial Statements for the year ended 31 March 2023

Group Statement of Comprehensive Income for the year ended 31 March 2023

	Note	2023 £m	2022 £m (Restated)
<b>Turnover</b>	3	<b>540.3</b>	<b>388.2</b>
Cost of sales	3	(143.8)	(29.8)
Operating expenditure	3	(308.8)	(280.4)
Surplus on disposals of housing property	6	10.8	18.6
<b>Operating surplus</b>		<b>98.5</b>	<b>96.6</b>
Surplus on disposals of other fixed assets	6	-	0.2
Impairment of fixed asset investment	14	(10.0)	-
Interest receivable		0.8	0.1
Interest payable and financing costs	8	(42.7)	(58.4)
Movement in fair value of financial instruments		-	2.8
<b>Surplus before taxation</b>		<b>46.6</b>	<b>41.3</b>
Taxation	10	(0.2)	0.1
<b>Surplus for the year</b>		<b>46.4</b>	<b>41.4</b>
<b>Other comprehensive income</b>			
Actuarial gain in respect of pension schemes	26	25.4	19.6
Change in fair value of hedged financial instrument		17.1	10.5
<b>Total comprehensive income for the year</b>		<b>88.9</b>	<b>71.5</b>

All amounts relate to continuing activities. The notes on pages 59 to 85 form part of these Financial Statements.

The Guinness Partnership Limited Statement of Comprehensive Income for the year ended 31 March 2023

	Note	2023 £m	2022 £m
<b>Turnover</b>	3	<b>408.1</b>	<b>373.4</b>
Cost of sales	3	(35.5)	(33.2)
Operating expenditure	3	(288.3)	(260.0)
Surplus on disposals of housing property	6	10.8	18.3
<b>Operating surplus</b>		<b>95.1</b>	<b>98.5</b>
Surplus on disposals of other fixed assets	6	-	0.2
Interest receivable		10.7	5.5
Interest payable and financing costs	8	(46.5)	(59.9)
Movement in fair value of financial instruments		-	2.8
<b>Surplus before taxation</b>		<b>59.3</b>	<b>47.1</b>
Taxation	10	-	-
<b>Surplus for the year</b>		<b>59.3</b>	<b>47.1</b>
<b>Other comprehensive income</b>			
Actuarial gain/(loss) in respect of pension schemes	26	24.1	18.4
Change in fair value of hedged financial instrument		17.1	10.5
<b>Total comprehensive income for the year</b>		<b>100.5</b>	<b>76.0</b>

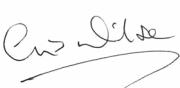
All amounts relate to continuing activities. The notes on pages 59 to 85 form part of these Financial Statements.


Group Statement of Financial Position for the year ended 31 March 2023


	Note	2023 £m	2023 £m	2022 £m (Restated)	2022 £m (Restated)
<b>Fixed assets</b>					
Intangible assets	13		7.6		8.5
<b>Tangible fixed assets:</b>					
Housing properties	11	3,776.4		3,526.2	
Other fixed assets	12	30.9		27.2	
			<b>3,814.9</b>		<b>3,561.9</b>
Fixed asset investments	14		8.6		22.5
Investment in joint venture			1.0		1.0
			<b>3,824.5</b>		<b>3,585.4</b>
<b>Current assets</b>					
Stock	16	160.4		245.8	
Trade and other debtors	17	47.9		43.8	
Cash and cash equivalents		53.6		80.1	
		<b>261.9</b>		<b>369.7</b>	
<b>Creditors:</b> amounts falling due within one year	18	(233.3)		(152.1)	
<b>Net current assets</b>			<b>28.6</b>		<b>217.6</b>
<b>Total assets less current liabilities</b>			<b>3,853.1</b>		<b>3,803.0</b>
<b>Creditors:</b> amounts falling due after one year	19		(2,780.2)		(2,780.7)
<b>Provisions for liabilities:</b>					
Pension liability	26		(23.7)		(60.3)
Other provisions	25		(2.3)		(4.0)
<b>Total net assets</b>			<b>1,046.9</b>		<b>958.0</b>
<b>Reserves</b>					
Income and expenditure reserve			1,051.2		979.2
Cash flow hedge reserve			(6.3)		(23.4)
Restricted reserves			2.0		2.2
<b>Total reserves</b>			<b>1,046.9</b>		<b>958.0</b>

The notes on pages 59 to 85 form part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Board on 11 August 2023 and signed on its behalf by:

  
Board Member

  
Board Member

  
Secretary

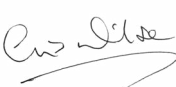
Financial Statements for the year ended 31 March 2023

The Guinness Partnership Limited Statement of Financial Position  
at 31 March 2023

	Note	2023 £m	2023 £m	2022 £m (Restated)	2022 £m (Restated)
<b>Fixed assets</b>					
Intangible assets	13		7.6		8.5
<b>Tangible fixed assets:</b>					
Housing properties	11	3,701.0		3,385.9	
Other fixed assets	12	30.4		25.5	
			<b>3,739.0</b>		<b>3,419.9</b>
Fixed asset investments	14		8.6		12.3
Investment in subsidiaries	15		43.7		43.7
			<b>3,791.3</b>		<b>3,475.9</b>
<b>Current assets</b>					
Stock	16	79.9		102.5	
Trade and other debtors	17	133.9		255.9	
Cash and cash equivalents		33.5		55.5	
		<b>247.3</b>		<b>413.9</b>	
<b>Creditors: amounts</b>					
falling due within one year	18	(202.0)		(135.1)	
<b>Net current assets</b>			<b>45.3</b>		<b>278.8</b>
<b>Total assets less current liabilities</b>			<b>3,836.6</b>		<b>3,754.7</b>
<b>Creditors: amounts falling</b>					
due after one year	19		(2,760.0)		(2,744.2)
<b>Provisions for liabilities:</b>					
Pension liability	26		(23.4)		(56.2)
Other provisions	25		(2.3)		(3.9)
<b>Total net assets</b>			<b>1,050.9</b>		<b>950.4</b>
<b>Reserves</b>					
Income and expenditure reserve			1,055.2		973.6
Cash flow hedge reserve			(6.3)		(23.4)
Restricted reserves			2.0		0.2
<b>Total reserves</b>			<b>1,050.9</b>		<b>950.4</b>

The notes on pages 59 to 85 form part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Board on 11 August 2023 and signed on its behalf by:



Board Member



Board Member



Secretary

Group Statement of Changes in Reserves  
for the year ended 31 March 2023

	Income and expenditure reserve	Cash flow hedge reserve	Restricted reserves	Total
	£m	£m	£m	£m
At 1 April 2022	963.1	-	0.2	963.3
Restatement of opening balance	16.1	(23.4)	2.0	(5.3)
At 1 April 2022 (restated)	979.2	(23.4)	2.2	958.0
Surplus/(deficit) for the year	46.6	-	(0.2)	46.4
Actuarial gain in respect of pension scheme	25.4	-	-	25.4
Change in fair value of hedged financial instrument	-	17.1	-	17.1
<b>At 31 March 2023</b>	<b>1,051.2</b>	<b>(6.3)</b>	<b>2.0</b>	<b>1,046.9</b>
At 1 April 2021	888.5	-	0.2	888.7
Restatement of opening balance	29.8	(33.9)	1.9	(2.2)
At 1 April 2021 (restated)	918.3	(33.9)	2.1	886.5
Surplus for the year	41.3	-	0.1	41.4
Actuarial gain in respect of pension scheme	19.6	-	-	19.6
Change in fair value of hedged financial instrument	-	10.5	-	10.5
<b>At 31 March 2022</b>	<b>979.2</b>	<b>(23.4)</b>	<b>2.2</b>	<b>958.0</b>

The notes on pages 59 to 85 form part of these Financial Statements.

The Guinness Partnership Limited Statement of Changes in Reserves  
for the year ended 31 March 2023

	Income and expenditure reserve	Cash flow hedge reserve	Restricted reserves	Total
	£m	£m	£m	£m
At 1 April 2022	950.2	-	0.2	950.4
Restatement of opening balance	23.4	(23.4)	-	-
At 1 April 2022 (restated)	973.6	(23.4)	0.2	950.4
Surplus for the year	57.5	-	1.8	59.3
Actuarial gain in respect of pension scheme	24.1	-	-	24.1
Change in fair value of hedged financial instrument	-	17.1	-	17.1
<b>At 31 March 2023</b>	<b>1,055.2</b>	<b>(6.3)</b>	<b>2.0</b>	<b>1,050.9</b>
At 1 April 2021	874.2	-	0.2	874.4
Restatement of opening balance	33.9	(33.9)	-	-
At 1 April 2021 (restated)	908.1	(33.9)	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
<b>At 31 March 2022</b>	<b>973.6</b>	<b>(23.4)</b>	<b>0.2</b>	<b>950.4</b>

The notes on pages 59 to 85 form part of these Financial Statements.



Financial Statements for the year ended 31 March 2023

Group Statement of Cashflows  
for the year ended 31 March 2023

	Group 2023 £m	Group 2022 £m (Restated)
<strong>Cash flow from operating activities</strong>		
Total comprehensive income for the year	46.4	41.4
<strong>Adjustments for:</strong>		
Taxation	0.2	(0.1)
Interest payable	42.7	58.4
Interest receivable	(0.8)	(0.1)
Receipts from sale of housing properties	22.4	42.6
Surplus on disposal of housing properties	(10.8)	(18.6)
Receipts from sale of other fixed assets	0.1	(1.5)
(Surplus) on disposal of other fixed assets	-	(0.2)
Net fair value (gains) recognised in profit and loss	-	(2.8)
Depreciation and impairment of tangible fixed assets	62.5	64.7
Impairment of fixed asset investments	10.0	-
Amortisation of deferred Government grant	(16.5)	(16.9)
Difference between net pension expense and cash contribution	(11.3)	(6.7)
Decrease/(increase) in stock	85.4	(5.2)
(Increase) in trade and other debtors	(4.2)	(7.4)
Increase/(decrease) in trade and other creditors	38.6	(11.9)
Taxation paid or refunded	(0.1)	0.1
<strong>Net cash inflow from operating activities</strong>	<strong>264.6</strong>	<strong>135.8</strong>
<strong>Cash flow from investing activities</strong>		
Acquisition and construction of housing property	(280.4)	(241.2)
Purchase of other fixed assets	(7.9)	(26.9)
Purchase of intangible assets	(0.8)	(4.2)
Receipt of Government grants	51.7	52.9
Repayment of Government grants	(5.5)	-
Investment in joint venture	-	(0.6)
Repayment/(purchase) of other investments	4.0	(10.1)
Interest received	0.8	0.1
<strong>Net cash outflow from investing activities</strong>	<strong>(238.1)</strong>	<strong>(230.0)</strong>

	Group 2023 £m	Group 2022 £m (Restated)
<strong>Cash flows from financing activities</strong>		
Interest paid	(76.9)	(64.0)
New loans	207.5	105.0
Redemption of debt servicing reserve	-	72.2
Debt issue costs	(0.1)	(0.1)
Repayment of loans	(183.5)	(18.3)
<strong>Net cash (outflow)/inflow from financing activities</strong>	<strong>(53.0)</strong>	<strong>94.8</strong>
<strong>Net change in cash and cash equivalents</strong>	<strong>(26.5)</strong>	<strong>0.6</strong>
Cash and cash equivalents at beginning of the year	80.1	79.5
<strong>Cash and cash equivalents at end of the year</strong>	<strong>53.6</strong>	<strong>80.1</strong>

The notes on pages 59 to 85 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2023

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.
- 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 2023. 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 January 2022.

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 2023.
- The Board considered the Group Risk Plan and approved the 2023/24 Risk Management Strategy at its meeting in March 2023.
- The Board considered liquidity levels and approved its Treasury Strategy for 2023/24 at its meeting in March 2023.
- The liquidity management policies contained within the Treasury management policy were approved by the Board in March 2023.

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.

Notes to the Financial Statements for the year ended 31 March 2023

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.
- 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 participated in both defined benefit and defined contribution pension schemes during the year.

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’s principal defined benefit pension scheme is The Guinness Partnership 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
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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	30 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.



Notes to the Financial Statements for the year ended 31 March 2023

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.

Debt service reserves

The Guinness Partnership Limited has several debt service reserve arrangements, whereby cash is offered as security to lenders against the risk of the borrower failing to service its debt obligations. Where the funds are deposited with a third party and ringfenced, then the deposit is classified as a debtor rather than as cash or cash equivalents.

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 Social Housng Grant (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.
- On 1 December 2022, the activities of Guinness Care and Support Limited (GCS), along with all of its assets and liabilities, were transferred to The Guinness Partnership Limited (TGPL), as a Transfer of Engagements. GCS is a 100% owned subsidiary of TGPL. A hybrid of merger accounting and acquisition accounting was applied to the transaction, with the net assets of GCS being transferred at their carrying amount and not adjusted to fair value. The results of GCS have been included in TGPL's Statement of Comprehensive Income from the effective date of the transfer only.

Notes to the Financial Statements for the year ended 31 March 2023

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

	Group 2023				
	Turnover	Cost of sales	Operating expenditure	Surplus on disposals of housing property	Operating surplus
	£m	£m	£m	£m	£m
Social housing lettings	357.4	-	(278.3)	-	79.1
Other social housing activities:					
Surplus on disposals of housing property	-	-	-	10.8	10.8
First tranche property sales	31.6	(29.3)	-	-	2.3
Development costs not capitalised	-	-	(1.2)	-	(1.2)
Care and support services	10.7	-	(13.2)	-	(2.5)
Other	4.1	-	(5.5)	-	(1.4)
Total other social housing activities	46.4	(29.3)	(19.9)	10.8	8.0
Non-social housing activities:					
Market sales	126.3	(110.3)	-	-	16.0
Other	10.2	(4.2)	(10.6)	-	(4.6)
Total	540.3	(143.8)	(308.8)	10.8	98.5

	Group 2022				
	Turnover	Cost of sales	Operating expenditure	Surplus on disposals of housing property	Operating surplus
	£m	£m	£m	£m	£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 2023				
	Turnover	Cost of sales	Operating expenditure	Surplus on disposals of housing property	Operating surplus
	£m	£m	£m	£m	£m
Social housing lettings	351.0	-	(272.7)	-	78.3
Other social housing activities:					
Surplus on disposal of housing property	-	-	-	10.8	10.8
First tranche property sales	31.6	(29.3)	-	-	2.3
Development costs not capitalised	-	-	(1.2)	-	(1.2)
Care and support services	4.6	-	(3.8)	-	0.8
Other	11.0	-	(7.8)	-	3.2
Total other social housing activities	47.2	(29.3)	(12.8)	10.8	15.9
Non-social housing activities:					
Market Sales	2.4	(2.2)	-	-	0.2
Gift Aid	1.5	-	-	-	1.5
Other	6.0	(4.0)	(2.8)	-	(0.8)
Total	408.1	(35.5)	(288.3)	10.8	95.1

Turnover from other social housing activities (other) includes £4.1m representing the net assets of Guinness Care and Support Limited transferred to The Guinness Partnership Limited during the year (see note 34).

	TGPL 2022				
	Turnover	Cost of sales	Operating expenditure	Surplus on disposals of housing property	Operating surplus
	£m	£m	£m	£m	£m
Social housing lettings	328.9	-	(246.9)	-	82.0
Other social housing activities:					
Surplus on disposals 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:					
Market Sales	0.2	-	-	-	0.2
Other	6.3	(5.4)	(1.0)	-	(0.1)
Total	373.4	(33.2)	(260.0)	18.3	98.5

4 Particulars of turnover and operating expenditure from social housing lettings

	Group					
	General needs	Supported/ housing for older people	Care homes	Shared ownership	Total 2023	Total 2022
	£m	£m	£m	£m	£m	£m
Income from social housing lettings						
Rent receivable net of identifiable service charges and voids	254.1	38.6	0.7	21.1	314.5	300.0
Service charges receivable	21.7	4.5	0.1	-	26.3	19.7
Net rents receivable	275.8	43.1	0.8	21.1	340.8	319.7
Amortisation of Government grants	12.2	2.6	-	1.8	16.6	16.9
Turnover from social housing lettings	288.0	45.7	0.8	22.9	357.4	336.6
Expenditure on social housing letting activities						
Service charge costs	(18.9)	(9.0)	(0.2)	(0.7)	(28.8)	(22.6)
Management	(67.9)	(14.9)	(0.1)	(3.2)	(86.1)	(91.6)
Planned repairs	(32.4)	(6.5)	-	(1.6)	(40.5)	(18.9)
Routine repairs and maintenance	(47.8)	(9.9)	-	(2.4)	(60.1)	(55.8)
Major repairs expenditure	(2.5)	(0.5)	-	(0.1)	(3.1)	(8.3)
Rent losses from bad debts	(1.5)	(0.3)	-	(0.1)	(1.9)	(2.0)
Depreciation of housing properties	(56.0)	(1.3)	(0.1)	-	(57.4)	(52.8)
Impairment of housing properties	(1.1)	-	-	0.7	(0.4)	(2.3)
Operating expenditure on social housing letting activities	(228.1)	(42.4)	(0.4)	(7.4)	(278.3)	(254.3)
Operating surplus on social housing lettings	59.9	3.3	0.4	15.5	79.1	82.3
Rent losses from voids (included in rent receivable above)	(1.6)	(0.6)	(0.2)	-	(2.4)	(3.2)

	TGPL					
	General needs	Supported/ housing for older people	Care homes	Shared ownership	Total 2023	Total 2022
	£m	£m	£m	£m	£m	£m
Income from social housing lettings						
Rent receivable net of identifiable service charges and voids	252.9	35.4	0.5	21.0	309.8	294.5
Service charges receivable	21.5	3.4	-	-	24.9	18.2
Net rents receivable	274.4	38.8	0.5	21.0	334.7	312.7
Amortisation of Government grants	12.2	2.3	-	1.8	16.3	16.4
Turnover from social housing lettings	286.6	41.1	0.5	22.8	351.0	328.9
Expenditure on social housing letting activities						
Service charge costs	(18.6)	(7.4)	-	(0.7)	(26.7)	(19.9)
Management	(67.4)	(14.9)	(0.1)	(3.2)	(85.6)	(90.7)
Planned repairs	(32.4)	(6.2)	-	(1.6)	(40.2)	(18.1)
Routine repairs and maintenance	(47.5)	(9.1)	-	(2.3)	(58.9)	(54.3)
Major repairs expenditure	(2.4)	(0.5)	-	(0.1)	(3.0)	(8.2)
Rent losses from bad debts	(1.4)	(0.3)	-	(0.1)	(1.8)	(2.0)
Depreciation of housing properties	(55.5)	(0.4)	-	(0.2)	(56.1)	(51.4)
Impairment of housing properties	(1.1)	-	-	0.7	(0.4)	(2.3)
Operating expenditure on social housing letting activities	(226.3)	(38.8)	(0.1)	(7.5)	(272.7)	(246.9)
Operating surplus/(deficit) on social housing lettings	60.3	2.3	0.4	15.3	78.3	82.0
Rent losses from voids (included in rent receivable above)	(1.6)	(0.7)	(0.2)	-	(2.5)	(3.2)



Notes to the Financial Statements for the year ended 31 March 2023

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						At 31 March 2023
	At 1 April 2022	Disposal/ demolition	RTA, RTB, staircasing	New build	Reclass-ification	Other	
Social housing:							
General needs - social rent	38,324	(11)	(30)	128	12	(13)	38,410
General needs - affordable rent	6,877	-	(4)	93	3	-	6,969
General needs total	45,201	(11)	(34)	221	15	(13)	45,379
Housing for older people	7,804	-	(1)	-	(8)	-	7,795
Low cost (shared) ownership	6,377	-	(101)	295	174	(9)	6,736
Social leaseholders	3,682	-	67	-	(176)	1	3,574
Supported living	926	(3)	-	-	(13)	(2)	908
Care homes	72	-	-	-	(2)	17	87
Intermediate rent	41	-	-	-	(1)	-	40
Staff accommodation	52	-	-	-	(2)	(42)	8
Social housing units	64,155	(14)	(69)	516	(13)	(48)	64,527
Non-social housing:	171	-	-	10	-	1	182
Total units	64,326	(14)	(69)	526	(13)	(47)	64,709

	TGPL						At 31 March 2023
	At 1 April 2022	Disposal/ demolition	RTA, RTB, staircasing	New build	Reclass-ification	Other	
Social housing:							
General needs - social rent	38,324	(11)	(30)	128	12	(13)	38,410
General needs - affordable rent	6,877	-	(4)	93	3	-	6,969
General needs total	45,201	(11)	(34)	221	15	(13)	45,379
Housing for older people	7,804	-	(1)	-	(8)	-	7,795
Low cost (shared) ownership	6,377	-	(101)	295	174	(9)	6,736
Social leaseholders	3,682	-	67	-	(176)	1	3,574
Supported living	879	(3)	-	-	(13)	39	902
Care homes	72	-	-	-	(2)	17	87
Intermediate rent	41	-	-	-	(1)	-	40
Staff accommodation	52	-	-	-	(2)	(42)	8
Social housing units	64,108	(3)	(69)	516	(13)	(7)	64,521
Non-social housing:	171	-	-	10	-	1	182
Total units	64,279	(14)	(69)	526	(13)	(6)	64,703

	Group		TGPL	
	2023 Number	2022 Number	2023 Number	2022 Number
Owned and managed	63,190	62,835	62,490	61,365
Owned but managed by others	1,216	1,188	1,210	1,182
Managed only	303	303	1,003	1,732
	<b>64,709</b>	<b>64,326</b>	<b>64,703</b>	<b>64,279</b>

6 Surplus on disposals of fixed assets

Housing properties	Right to Buy/ Acquire	Second & subsequent staircasing	Disposal of other properties	Group Total 2023	Group Total 2022
	£m	£m	£m	£m	£m
Group					
Proceeds	4.2	16.3	2.4	22.9	42.6
Disposals at cost	(2.9)	(8.0)	(1.0)	(11.9)	(43.3)
Cost of sales	-	(0.4)	(0.1)	(0.5)	(2.0)
Depreciation on disposals	0.2	-	0.1	0.3	21.3
<b>Surplus on disposals of housing properties</b>	<b>1.5</b>	<b>7.9</b>	<b>1.4</b>	<b>10.8</b>	<b>18.6</b>

Housing properties	Right to Buy/ Acquire	Second & subsequent staircasing	Disposal of other properties	TGPL Total 2023	TGPL Total 2022
	£m	£m	£m	£m	£m
TGPL					
Proceeds	4.2	16.3	2.4	22.9	42.2
Disposals at cost	(2.9)	(8.0)	(1.0)	(11.9)	(43.2)
Cost of sales	-	(0.4)	(0.1)	(0.5)	(2.0)
Depreciation on disposals	0.2	-	0.1	0.3	21.3
<b>Surplus on disposals of housing properties</b>	<b>1.5</b>	<b>7.9</b>	<b>1.4</b>	<b>10.8</b>	<b>18.3</b>

Other fixed assets	Group 2023	TGPL 2023	Group 2022	TGPL 2022
	£m	£m	£m	£m
Proceeds	-	-	1.5	1.5
Disposals at cost	(0.6)	(0.6)	(1.9)	(1.9)
Depreciation on disposals	0.6	0.6	0.6	0.6
<b>Surplus on disposals of other fixed assets</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>0.2</b>

7 Key management personnel and employee information

The key management personnel are defined as the members of the Board and the Executive Team of The Guinness Partnership Limited. Board members received payments of £174,129 in their capacity as members of The Guinness Partnership Limited Board (2022: £177,353). TGPL Board members received payments of £3,500 (2022: £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 (2022: seven).

Group and TGPL	2023 £'000	2022 £'000
<b>Aggregate emoluments payable to the Executive Team, excluding Board members:</b>		
Emoluments	1,260	1,270
Benefits in kind	2	10
Pension contributions	65	60
Redundancy payments	-	-
	<b>1,327</b>	<b>1,340</b>
<b>Aggregate emoluments payable to the Board and Executive Team:</b>		
Emoluments	1,433	1,447
Benefits in kind	3	10
Pension contributions	65	60
Redundancy payments	-	-
	<b>1,501</b>	<b>1,517</b>
<b>Highest paid director:</b>		
Emoluments	285	285
Benefits in kind	-	1
Pension contributions	14	15
Redundancy payments	-	-
	<b>299</b>	<b>301</b>

In the year to 31 March 2023, 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.

Notes to the Financial Statements for the year ended 31 March 2023

7 Key management personnel and employee information continued

	Group 2023 Number	TGPL 2023 Number	Group 2022 Number	TGPL 2022 Number
<b>The average number of persons employed expressed in full time equivalents, whose remuneration payable including redundancy fell within the following bands:</b>				
£60,001 to £70,000	68	62	41	39
£70,001 to £80,000	50	42	48	39
£80,001 to £90,000	35	31	34	31
£90,001 to £100,000	19	16	9	7
£100,001 to £110,000	9	7	7	5
£110,001 to £120,000	3	3	2	2
£120,001 to £130,000	4	3	6	6
£130,001 to £140,000	4	4	4	4
£140,001 to £150,000	3	3	2	2
£150,001 to £160,000	1	1	2	2
£160,001 to £170,000	2	2	1	1
£170,001 to £180,000	-	-	1	-
£180,001 to £190,000	1	1	-	-
£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	1	1	-	-
£300,001 to £310,000	-	-	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 2023 was 2,296 (2022: 2,383) and in TGPL was 1,427 (2022: 1,343).

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
<b>Staff costs – excluding non-executive directors</b>				
Wages and salaries	94.4	62.5	81.8	49.3
Redundancy costs	1.9	1.7	1.5	1.5
Social security costs	8.7	5.8	7.6	4.9
Pension costs (employer's contributions)	4.6	3.4	4.7	3.4
	<b>109.6</b>	<b>73.4</b>	<b>95.6</b>	<b>59.1</b>
<b>Staff costs – non-executive directors</b>				
Wages and salaries	0.2	0.2	0.2	0.2
Pension costs (employer's contributions)	-	-	-	-
	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
<b>Total staff costs</b>				
Wages and salaries	94.6	62.7	82.0	49.5
Redundancy costs	1.9	1.7	1.5	1.5
Social security costs	8.7	5.8	7.6	4.9
Pension costs (employer's contributions)	4.6	3.4	4.7	3.4
	<b>109.8</b>	<b>73.6</b>	<b>95.8</b>	<b>59.3</b>

8 Interest payable and financing costs

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m (Restated)	TGPL 2022 £m
On loans repayable on maturity within five years	2.4	2.4	3.1	2.9
On loans wholly or partly repayable in more than five years	63.4	63.4	57.7	57.7
Amortisation of loan issue costs	1.4	1.4	1.4	1.4
Break costs on derecognition of financial instruments	5.1	5.1	-	-
Credit on derecognition of financial instruments	(17.5)	(17.5)	-	-
Pension interest costs charged in respect of FRS 102 (note 26)	1.9	1.8	1.8	1.6
	<b>56.7</b>	<b>56.6</b>	<b>64.0</b>	<b>63.6</b>
Interest capitalised in respect of housing properties	(14.0)	(10.1)	(5.6)	(3.7)
<b>Total interest payable and similar charges</b>	<b>42.7</b>	<b>46.5</b>	<b>58.4</b>	<b>59.9</b>

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 4.5% (2022: 4.4%).

9 Surplus before taxation

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
<b>Surplus for the year is stated after charging/(crediting):</b>				
Depreciation of housing properties	57.4	56.2	53.5	52.0
Depreciation of other fixed assets	3.4	3.4	7.5	7.0
Amortisation of intangible fixed assets	1.7	1.7	1.6	1.6
Amortisation of Government grants	(16.6)	(16.3)	(16.9)	(16.5)
Impairment of housing properties and other fixed assets	1.8	1.9	2.1	2.1
Impairment of fixed asset investments	10.0	-	-	-
Auditor's remuneration in their capacity as auditors, excluding VAT, including expenses	0.3	0.2	0.2	0.1
Auditor's remuneration in respect of other services, excluding VAT, including expenses	-	-	0.1	0.1
Surplus on disposal of tangible fixed assets	(10.8)	(10.8)	(18.8)	(18.5)
Rent payable under operating leases	1.8	1.7	3.0	1.7

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 2023 £m	TGPL 2023 £m	Group 2022 £m (Restated)	TGPL 2022 £m
<b>Current tax:</b>				
UK corporation tax on surplus for the year	0.2	-	-	-
Adjustments in respect of previous years	-	-	(0.1)	-
<b>Total tax charge/(credit) on surplus on ordinary activities</b>	<b>0.2</b>	<b>-</b>	<b>(0.1)</b>	<b>-</b>
<b>Factors affecting tax charge for the year:</b>				
Surplus before taxation	46.6	59.3	41.3	48.4
Adjustment for surpluses not subject to tax	(46.4)	(59.3)	(41.3)	(48.4)
Surplus/(loss) on ordinary activities before tax in taxable entities	0.2	-	-	-
Surplus/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 20%)	-	-	-	-
Deferred tax not recognised	-	-	-	-
Adjustments in respect of previous years	-	-	(0.1)	-
<b>Total tax charge/(credit) for the year</b>	<b>0.2</b>	<b>-</b>	<b>(0.1)</b>	<b>-</b>



Notes to the Financial Statements for the year ended 31 March 2023

11 Tangible fixed assets – housing properties

	Group				
	Completed rented	Care & Supported	Leasehold & shared ownership	Under construction	Total
	£m	£m	£m	£m	£m
<b>Cost</b>					
At 1 April 2022	3,482.3	99.9	348.2	292.2	4,222.6
Restatement of opening balances (note 35)	7.8	-	-	70.4	78.2
At 1 April 2022 (restated)	3,490.1	99.9	348.2	362.6	4,300.8
Additions – components capitalised	73.1	0.7	-	-	73.8
Additions – properties under construction	-	-	-	243.2	243.2
Transferred from other fixed assets (note 12)	0.3	1.4	-	-	1.7
Schemes completed	39.2	-	46.0	(85.2)	-
Disposals – Components	(11.7)	(0.1)	(0.1)	-	(11.9)
Disposals – Property	(3.6)	(0.3)	(8.2)	-	(12.1)
<b>At 31 March 2023</b>	<b>3,587.4</b>	<b>101.6</b>	<b>385.9</b>	<b>520.6</b>	<b>4,595.5</b>
<b>Depreciation and leasehold amortisation</b>					
At 1 April 2022	(725.7)	(22.2)	(17.3)	-	(765.2)
Depreciation charge for year	(56.0)	(1.1)	(0.3)	-	(57.4)
Transferred from other fixed assets (note 12)	(0.3)	(0.6)	-	-	(0.9)
Disposals – Components	11.7	0.1	-	-	11.8
Disposals – Property	0.7	0.1	0.5	-	1.3
<b>At 31 March 2023</b>	<b>(769.6)</b>	<b>(23.7)</b>	<b>(17.1)</b>	<b>-</b>	<b>(810.4)</b>
<b>Impairment</b>					
At 1 April 2022	(1.0)	(1.0)	(2.4)	(5.0)	(9.4)
Opening balance adjustment	-	0.1	-	-	0.1
Transfer to Current Assets/Stock	-	-	-	1.7	1.7
Charge for the year	(1.1)	-	0.8	(1.5)	(1.8)
Disposals	0.6	-	0.1	-	0.7
<b>At 31 March 2023</b>	<b>(1.5)</b>	<b>(0.9)</b>	<b>(1.5)</b>	<b>(4.8)</b>	<b>(8.7)</b>
<b>Net book value</b>					
<b>At 31 March 2023</b>	<b>2,816.3</b>	<b>77.0</b>	<b>367.3</b>	<b>515.8</b>	<b>3,776.4</b>
<b>At 31 March 2022 (restated)</b>	<b>2,763.4</b>	<b>76.7</b>	<b>328.5</b>	<b>357.6</b>	<b>3,526.2</b>

	TGPL				
	Completed rented	Care & Supported	Leasehold & shared ownership	Under construction	Total
	£m	£m	£m	£m	£m
<b>Cost</b>					
At 1 April 2022	3,448.9	50.7	346.6	293.8	<b>4,140.0</b>
Opening balance adjustment	7.7	-	-	(7.7)	-
Additions – components capitalised	73.1	-	-	-	<b>73.1</b>
Additions – properties under construction	-	-	-	268.8	<b>268.8</b>
Transferred from other fixed assets (note 12)	0.2	-	-	-	<b>0.2</b>
Transferred from Other Group Subsidiaries	4.0	51.0	-	-	<b>55.0</b>
Schemes completed	39.2	-	46.0	(85.2)	-
Disposals – Components	(11.6)	(0.1)	-	-	<b>(11.7)</b>
Disposals – Property	(3.6)	(0.3)	(8.2)	-	<b>(12.1)</b>
<b>At 31 March 2023</b>	<b>3,557.9</b>	<b>101.3</b>	<b>384.4</b>	<b>469.7</b>	<b>4,513.3</b>
<b>Depreciation and leasehold amortisation</b>					
At 1 April 2022	(719.4)	(9.0)	(16.3)	-	<b>(744.7)</b>
Depreciation charge for year	(55.4)	(0.4)	(0.4)	-	<b>(56.2)</b>
Transferred from other fixed assets (note 12)	(0.3)	-	-	-	<b>(0.3)</b>
Transferred from Other Group Subsidiaries	(1.0)	(14.2)	-	-	<b>(15.2)</b>
Disposals – Components	11.6	0.1	-	-	<b>11.7</b>
Disposals – Property	0.7	0.1	0.4	-	<b>1.2</b>
<b>At 31 March 2023</b>	<b>(763.8)</b>	<b>(23.4)</b>	<b>(16.3)</b>	<b>-</b>	<b>(803.5)</b>
<b>Impairment</b>					
At 1 April 2022	(1.0)	(0.9)	(2.4)	(5.0)	<b>(9.3)</b>
Transfer to WIP/Stock	-	-	-	1.7	<b>1.7</b>
Charge for the year	(1.1)	-	0.7	(1.5)	<b>(1.9)</b>
Disposals	0.6	-	0.1	-	<b>0.7</b>
<b>At 31 March 2023</b>	<b>(1.5)</b>	<b>(0.9)</b>	<b>(1.6)</b>	<b>(4.8)</b>	<b>(8.8)</b>
<b>Net book value</b>					
<b>At 31 March 2023</b>	<b>2,792.6</b>	<b>77.0</b>	<b>366.5</b>	<b>464.9</b>	<b>3,701.0</b>
<b>At 31 March 2022</b>	<b>2,728.6</b>	<b>40.7</b>	<b>327.8</b>	<b>288.8</b>	<b>3,385.9</b>

11 Tangible fixed assets – housing properties continued

	Group	
	2023 £'000	2022 £'000
<b>Expenditure on completed housing properties comprises the following:</b>		
Capitalised costs in respect of existing properties	73.8	60.9
Costs charged to Statement of Comprehensive Income	103.7	82.2
<b>Total costs in year incurred on existing properties</b>	<b>177.5</b>	<b>143.1</b>
<b>The following amounts have been included within the fixed asset table above:</b>		
Capitalised development administration costs included in additions in the year	5.8	6.0
	TGPL	
	2023 £'000	2022 £'000
<b>Expenditure on completed housing properties comprises the following:</b>		
Capitalised costs in respect of existing properties	73.1	59.6
Costs charged to Statement of Comprehensive Income	102.1	80.6
<b>Total costs in year incurred on existing properties</b>	<b>175.2</b>	<b>140.2</b>
<b>The following amounts have been included within the fixed asset table above:</b>		
Capitalised development administration costs included in additions in the year	5.8	6.0

Capitalised costs in respect of existing properties include £26.2m of costs relating to fire safety. This is in addition to £3.2m of revenue expenditure relating to building safety.

12 Other tangible fixed assets

	Group		
	Freehold and leasehold offices	Plant, vehicles and equipment	Total
	£m	£m	£m
<b>Cost</b>			
At 1 April 2022	34.9	52.3	<b>87.2</b>
Additions	1.6	6.3	<b>7.9</b>
Transfer to housing properties (note 11)	-	(1.7)	<b>(1.7)</b>
Disposals at cost	-	(0.9)	<b>(0.9)</b>
<b>At 31 March 2023</b>	<b>36.5</b>	<b>56.0</b>	<b>92.5</b>
<b>Depreciation, impairment and leasehold amortisation</b>			
At 1 April 2022	(16.1)	(43.9)	<b>(60.0)</b>
Depreciation charge for year	(1.1)	(2.3)	<b>(3.4)</b>
Transfer to housing properties (note 11)	-	0.9	<b>0.9</b>
Disposals	-	0.9	<b>0.9</b>
<b>At 31 March 2023</b>	<b>(17.2)</b>	<b>(44.4)</b>	<b>(61.6)</b>
<b>Net book value</b>			
<b>At 31 March 2023</b>	<b>19.3</b>	<b>11.6</b>	<b>30.9</b>
<b>At 31 March 2022</b>	<b>18.8</b>	<b>8.4</b>	<b>27.2</b>

Notes to the Financial Statements for the year ended 31 March 2023

12 Other tangible fixed assets continued

	TGPL		
	Freehold and leasehold offices	Plant, vehicles and equipment	Total
	£m	£m	£m
Cost			
At 1 April 2022	32.8	50.5	83.3
Additions	1.0	6.0	7.0
Transfer to housing properties (note 11)	-	(0.2)	(0.2)
Transfer from other group subsidiaries	2.0	0.1	2.1
Disposals at cost	-	(0.6)	(0.6)
At 31 March 2023	35.8	55.8	91.6
Depreciation, impairment and leasehold amortisation			
At 1 April 2022	(15.4)	(42.4)	(57.8)
Depreciation charge for year	(0.9)	(2.5)	(3.4)
Transfer to housing properties (note 11)	-	0.3	0.3
Transfer from other group subsidiaries	(0.7)	(0.2)	(0.9)
Disposals	-	0.6	0.6
At 31 March 2023	(17.0)	(44.2)	(61.2)
Net book value			
At 31 March 2023	18.8	11.6	30.4
At 31 March 2022	17.4	8.1	25.5

13 Intangible fixed assets

	Group £m	TGPL £m
<b>Cost</b>		
At 1 April 2022	10.3	10.3
Additions	0.8	0.8
<b>At 31 March 2023</b>	<b>11.1</b>	<b>11.1</b>
<b>Amortisation</b>		
At 1 April 2022	(1.8)	(1.8)
Amortisation charge for year	(1.7)	(1.7)
<b>At 31 March 2023</b>	<b>(3.5)</b>	<b>(3.5)</b>
<b>Net book value</b>		
<b>At 31 March 2023</b>	<b>7.6</b>	<b>7.6</b>
<b>At 31 March 2022</b>	<b>8.5</b>	<b>8.5</b>

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

14 Fixed asset investments

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Homebuy and equity loans	7.6	7.6	7.8	7.8
Investment properties	1.0	1.0	0.7	0.5
Other investments	-	-	14.0	4.0
	<b>8.6</b>	<b>8.6</b>	<b>22.5</b>	<b>12.3</b>

Investment properties include commercial premises and offices belonging to the Group which are leased out on commercial terms. Included in other investments is an equity investment of £10.0m made by Guinness Developments Limited in Ilke Homes Holdings Limited, a manufacturer of modular homes. This investment was fully impaired during the year.

15 Investment in subsidiaries

	Group	
	2023 £m	2022 £m
City Response Limited	2.0	2.0
Guinness Developments Limited	15.1	15.1
Guinness Homes Limited	25.0	25.0
Hallco 1397 Limited	1.6	1.6
	<b>43.7</b>	<b>43.7</b>

16 Stock

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m (Restated)	TGPL 2022 £m
Properties completed for outright sale	4.0	-	-	-
Properties completed for shared ownership	13.4	13.4	15.2	15.2
Properties under development for outright sale	67.0	-	133.9	-
Properties under development for shared ownership	75.2	66.3	95.8	87.2
Stocks of maintenance materials	0.8	0.2	0.9	0.1
<b>Total stock</b>	<b>160.4</b>	<b>79.9</b>	<b>245.8</b>	<b>102.5</b>

17 Debtors

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
<b>Amounts falling due within one year</b>				
Rents and service charges receivable	22.5	22.5	18.2	18.0
Less: provision for bad and doubtful debts	(9.8)	(9.8)	(8.5)	(8.4)
	<b>12.7</b>	<b>12.7</b>	<b>9.7</b>	<b>9.6</b>
Amounts due from group companies	-	94.5	-	222.0
Other debtors and prepayments	22.2	15.1	21.1	11.8
	<b>34.9</b>	<b>122.3</b>	<b>30.8</b>	<b>243.4</b>
<b>Amounts falling due after one year</b>				
Debt service reserves	11.6	11.6	12.5	12.5
Other	1.4	-	0.5	-
	<b>47.9</b>	<b>133.9</b>	<b>43.8</b>	<b>255.9</b>

18 Creditors: amounts falling due within one year

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m (Restated)	TGPL 2022 £m (Restated)
Loans repayable within one year (note 20)	78.4	78.5	23.7	23.7
Trade creditors	10.8	3.3	13.6	4.2
Taxation and social security	2.5	1.8	2.1	1.4
Corporation tax	0.1	-	-	-
Amounts due to subsidiary undertakings	-	9.9	-	6.6
Other creditors	43.6	41.2	41.8	39.0
Accruals and deferred income	82.3	51.8	56.0	45.7
Government grants - deferred income (note 22)	15.1	15.0	14.8	14.4
Recycled Capital Grant Fund (note 23)	0.5	0.5	0.1	0.1
	<b>233.3</b>	<b>202.0</b>	<b>152.1</b>	<b>135.1</b>

As at 31 March 2023, the Group held £27.1m (2022: £26.7m) and TGPL held £26.3m (2022: £25.8m) relating to tenants’ and leaseholders’ sinking funds included within other creditors. These funds are held as cash.



Notes to the Financial Statements for the year ended 31 March 2023

19 Creditors: amounts falling due after more than one year

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m (Restated)	TGPL 2022 £m (Restated)
Trade creditors	8.9	0.6	7.4	1.0
Loans and borrowings (note 20)	1,417.1	1,415.5	1,463.1	1,459.6
Derivative financial instruments	6.3	6.3	28.7	28.7
Government grants - deferred income (note 22)	1,329.2	1,318.9	1,264.5	1,237.9
Recycled Capital Grant Fund (note 23)	18.7	18.7	17.0	17.0
	<b>2,780.2</b>	<b>2,760.0</b>	<b>2,780.7</b>	<b>2,744.2</b>

20 Loans and borrowings

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m (Restated)	TGPL 2022 £m (Restated)
<b>Loans repayable by annual instalments:</b>				
Within one year	78.5	78.5	23.7	23.7
One to two years	26.0	26.0	44.0	43.9
Two to five years	92.5	92.5	88.7	88.5
More than five years	517.9	516.5	581.5	578.3
	<b>714.9</b>	<b>713.5</b>	<b>737.9</b>	<b>734.4</b>
<b>Loans repayable by maturity:</b>				
Two to five years	126.7	126.7	74.2	74.2
More than five years	653.9	653.8	674.7	674.7
	<b>780.6</b>	<b>780.5</b>	<b>748.9</b>	<b>748.9</b>
	<b>1,495.5</b>	<b>1,494.1</b>	<b>1,486.8</b>	<b>1,483.3</b>

**Loan portfolio:** During the year, the Group increased its borrowing by £8.7m and TGPL by £10.8m (2022: Group: £71.1m increase, TGPL: £72.0m increase). At 31 March 2023, total borrowing for the Group was £1,495.5m and for TGPL was £1,494.1m (2022: Group: £1,486.8m, TGPL: £1,483.3m). The loans and borrowings include £37.7m in fair value adjustments (2022: £52.7m). The loans repayable on maturity after five years are due for repayment within 32 years. Loans are secured by specific charges on the Group's housing properties.

During the year two loans with Dexia and BAE were redeemed repaying the principal amounts as well as break costs of £3.2m and with release of credits of £12.2m as the financial liabilities were derecognised.

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 2023 is as follows:

	Financial liabilities £m	Undrawn facilities £m	Total facilities £m
<b>As at 31 March 2023</b>			
Less than one year	78.5	100.0	<b>178.5</b>
Within one to two years	26.0	230.0	<b>256.0</b>
Within two to five years	219.2	265.0	<b>484.2</b>
In five years or more	1,171.8	150.0	<b>1,321.8</b>
	<b>1,495.5</b>	<b>745.0</b>	<b>2,240.5</b>
<b>As at 31 March 2022</b>			
Less than one year	23.7	-	<b>23.7</b>
Within one to two years	44.0	100.0	<b>144.0</b>
Within two to five years	162.9	510.0	<b>672.9</b>
In five years or more	1,256.2	226.0	<b>1,482.2</b>
	<b>1,486.8</b>	<b>836.0</b>	<b>2,322.8</b>

20 Loans and borrowings continued

	Fixed rate maturities £m	Average interest %
<b>As at 31 March 2023</b>		
Less than one year	21.8	6.7%
Within one to two years	72.4	6.4%
Within two to five years	73.1	7.0%
In five years or more	935.1	4.5%
	<b>1,102.4</b>	<b>4.8%</b>
<b>As at 31 March 2022</b>		
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%
	<b>1,160.1</b>	<b>4.8%</b>

At 31 March 2023, 76.3% (2022: 81.6%) of the Group's borrowing was at fixed rates of interest. TGPL's borrowing at fixed rates of interest was 76.4% (2022: 81.8%). The period for which interest rates are fixed is up to 32 years (TGPL: 32 years).

At 31 March 2023, 23.7% (TGPL: 23.6%) of the Group's borrowing was at variable rates of interest. The weighted average interest rate for all loans at 31 March 2023 including margin was 5.0% (2022: 4.3%).

**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 2023 totalled £50.5m (2022: £80.6m) covering terms of between 3 and 22 years and option periods from three months to 5 years.

At 31 March 2023 transactions under ISDA Agreements totalled £79.5m (2022: £105.9m). The mark-to-market exposure on these was adverse to the value of £6.3m (2022: £28.7m adverse). Positions in excess of unsecured threshold levels are secured by property.

During the year TGPL exited two ineffective ISDA Agreements incurring break costs of £1.9m and releasing a credit of £5.3m on derecognition of the financial liability.

**Fair value:** The Guinness Trust £100m debenture stock has a market value at 31 March 2023 of £92.2m (2022: £107.0m). The Harbour (Hermitage) £45m debenture stock has a market value at 31 March 2023 of £45.6m (2022: £54.8m). TGPL £250m secured bond issued on 24 October 2014 has a market value at 31 March 2023 of £217.0m (2022: £298.2m). TGPL £400m secured bond due 2055 was issued on 22 April 2020 and has a market value at 31 March 2023 of £133.4m (2022: £209.7m), both values excluding £150m of retained bonds.

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 TGPL bonds detailed above, as at 31 March 2023, is estimated at £631.1m (2022: £901.9m).

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 2023 £m	TGPL 2023 £m	Group 2022 £m (Restated)	TGPL 2022 £m (Restated)
<b>Financial assets measured at fair value</b>				
Homebuy and equity loans	7.6	7.6	7.8	7.8
	<b>7.6</b>	<b>7.6</b>	<b>7.8</b>	<b>7.8</b>
<b>Financial assets measured at amortised cost</b>				
Debt service reserve investments	11.6	11.6	12.5	12.5
Rent and service charges receivable	22.6	22.5	18.2	18.0
Other debtors	7.7	5.8	11.7	5.3
Cash and cash equivalents	53.6	33.5	80.1	55.5
	<b>95.5</b>	<b>73.4</b>	<b>122.5</b>	<b>91.3</b>
<b>Financial liabilities measured at fair value</b>				
Standalone hedges	(6.3)	(6.3)	(28.7)	(28.7)
	<b>(6.3)</b>	<b>(6.3)</b>	<b>(28.7)</b>	<b>(28.7)</b>
<b>Financial liabilities measured at amortised cost</b>				
Trade creditors	(19.7)	(5.1)	(21.0)	(5.2)
Other creditors	(43.6)	(41.2)	(41.7)	(39.0)
Amounts owed to subsidiary entities	-	(9.9)	-	(6.6)
Loans repayable within one year	(78.5)	(78.5)	(23.7)	(23.7)
Loans repayable after one year	(1,417.0)	(1,415.6)	(1,463.1)	(1,459.6)
	<b>(1,558.8)</b>	<b>(1,550.3)</b>	<b>(1,549.5)</b>	<b>(1,534.1)</b>

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.

Notes to the Financial Statements for the year ended 31 March 2023

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	Properties under construction	Total
	£m	£m	£m
<b>Social Housing Grant</b>			
At 1 April 2022	1,240.6	256.2	<b>1,496.8</b>
Grant receivable	-	88.1	<b>88.1</b>
Grant recycled from Recycled Capital Grant Fund	-	1.2	<b>1.2</b>
Grant repaid	-	(5.5)	<b>(5.5)</b>
Grant transferred at completion	14.5	(14.5)	-
Grant transferred on disposals	(2.8)	-	<b>(2.8)</b>
<b>At 31 March 2023</b>	<b>1,252.3</b>	<b>325.5</b>	<b>1,577.8</b>
<b>Other capital grants</b>			
At 1 April 2022	115.4	-	<b>115.4</b>
Grant receivable	-	-	-
Grant reclassified to Social Housing Grant	-	-	-
<b>At 31 March 2023</b>	<b>115.4</b>	<b>-</b>	<b>115.4</b>
<b>Amortisation</b>			
At 1 April 2022	(332.9)	-	<b>(332.9)</b>
Released to income during the year	(16.5)	-	<b>(16.5)</b>
Transferred on disposals	0.5	-	<b>0.5</b>
<b>At 31 March 2023</b>	<b>(348.9)</b>	<b>-</b>	<b>(348.9)</b>
<b>Net deferred income at 31 March 2023</b>			
Deferred income to be released in less than one year	15.1	-	<b>15.1</b>
Deferred income to be released in more than one year	1,003.7	325.5	<b>1,329.2</b>
<b>At 31 March 2023</b>	<b>1,018.8</b>	<b>325.5</b>	<b>1,344.3</b>
<b>Net deferred income at 31 March 2022</b>			
Deferred income to be released in less than one year	14.8	-	<b>14.8</b>
Deferred income to be released in more than one year	1,008.3	256.2	<b>1,264.5</b>
<b>At 31 March 2022</b>	<b>1,023.1</b>	<b>256.2</b>	<b>1,279.3</b>

	TGPL		
	Completed properties & equity loans	Properties under construction	Total
	£m	£m	£m
<b>Social Housing Grant</b>			
At 1 April 2022	1,206.5	256.2	<b>1,462.7</b>
Grant receivable	-	88.1	<b>88.1</b>
Grant recycled from Recycled Capital Grant Fund (note 23)	-	1.2	<b>1.2</b>
Transferred from other group companies	22.6	-	<b>22.6</b>
Grant repaid	-	(5.5)	<b>(5.5)</b>
Grant transferred at completion	14.5	(14.5)	-
Grant transferred on disposals	(2.8)	-	<b>(2.8)</b>
<b>At 31 March 2023</b>	<b>1,240.8</b>	<b>325.5</b>	<b>1,566.3</b>
<b>Other capital grants</b>			
At 1 April 2022	115.4	-	<b>115.4</b>
Grant receivable	-	-	-
<b>At 31 March 2023</b>	<b>115.4</b>	<b>-</b>	<b>115.4</b>
<b>Amortisation</b>			
At 1 April 2022	(325.9)	-	<b>(325.9)</b>
Released to income during the year	(16.2)	-	<b>(16.2)</b>
Transferred from other group subsidiaries	(6.3)	-	<b>(6.3)</b>
Transferred on disposals	0.5	-	<b>0.5</b>
<b>At 31 March 2023</b>	<b>(347.9)</b>	<b>-</b>	<b>(347.9)</b>
<b>Net deferred income at 31 March 2023</b>			
Deferred income to be released in less than one year	15.0		<b>15.0</b>
Deferred income to be released in more than one year	993.3	325.5	<b>1,318.8</b>
<b>At 31 March 2023</b>	<b>1,008.3</b>	<b>325.5</b>	<b>1,333.8</b>
<b>Net deferred income at 31 March 2022</b>			
Deferred income to be released in less than one year	14.4		<b>14.4</b>
Deferred income to be released in more than one year	981.7	256.2	<b>1,237.9</b>
<b>At 31 March 2022</b>	<b>996.1</b>	<b>256.2</b>	<b>1,252.3</b>

23 Recycled Capital Grant Fund

Recycled Capital Grant Fund	Group £m	TGPL £m
At 1 April 2022	17.0	17.0
Inputs to fund:		
Grants recycled during the year	3.0	3.0
Interest added to the fund during the year	0.4	0.4
Recycling of grant:		
New build	(1.2)	(1.2)
<b>At 31 March 2023</b>	<b>19.2</b>	<b>19.2</b>
Amounts 3 years or older where repayment may be required	-	-

24 Share capital

	Group 2023 £	TGPL 2023 £	Group 2022 £	TGPL 2022 £
At 1 April	12	12	12	12
Issued during the year	-	-	-	-
Cancelled during the year	-	-	-	-
<b>At 31 March</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

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 Provisions for liabilities

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
At 1 April	4.0	3.9	3.1	2.4
Provided during the year	0.9	0.8	2.2	2.0
Released during the year	(2.6)	(2.4)	(1.3)	(0.5)
<b>At 31 March</b>	<b>2.3</b>	<b>2.3</b>	<b>4.0</b>	<b>3.9</b>

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 2023 amounted to £16.2m (2022: £12.3m).

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

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Guinness Partnership Pension Scheme	23.6	23.3	56.9	52.8
Cheshire Pension Fund	-	-	-	-
London Pension Fund Authority	-	-	3.3	3.3
Unfunded scheme	0.1	0.1	0.1	0.1
<b>At 31 March</b>	<b>23.7</b>	<b>23.4</b>	<b>60.3</b>	<b>56.2</b>

Guinness Partnership Pension Scheme (GPPS)

The Group’s principal defined benefit scheme is the Guinness Partnership Pension Scheme, a trustee-administered fund holding assets to meet long term pension liabilities. The Trustee is TPT Retirement Solutions (The Pensions Trust). This is a multi-employer scheme between group entities The Guinness Partnership Limited, City Response Limited and, formerly, Guinness Care and Support Limited. There are no participating employers outside of the Guinness Partnership Group. The scheme assets and liabilities are recorded in the Statement of Financial Position at their FRS 102 valuation as at 31 March 2023.

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

A valuation of the scheme for funding purposes was finalised in September 2021 resulting in agreement of a new deficit reduction plan. Under the previous recovery plan, the Group paid deficit reduction contributions of £8.5m in 2022/23. Under the new plan, the Group has agreed to pay annual deficit contributions of £11.0m, per annum from April 2023 until October 2027, and an additional lump sum payment of £5.0m, paid during 2022/23.

Up to 31 March 2023, the Group operated 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. For these schemes employer contributions range between 4% and 10.5% of pensionable salaries. As of 1 April 2023, the defined benefit scheme closed to new entrants and further accrual, with all current Group employees who are members being enrolled in the Group’s defined contribution scheme.



Notes to the Financial Statements for the year ended 31 March 2023

26 Pension obligations continued

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

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Fair value of plan assets	219.6	217.2	293.4	272.8
Present value of defined benefit obligation	(243.2)	(240.5)	(350.1)	(325.6)
Defined benefit liability	(23.6)	(23.3)	(56.7)	(52.8)

Reconciliation of fair value of employer assets

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Fair value of plan assets at start of period	293.4	272.8	287.8	268.7
Interest income	8.2	7.8	6.4	5.9
Expenses	(0.5)	(0.4)	(0.3)	(0.2)
Experience (losses) on plan assets	(89.6)	(83.6)	(6.7)	(7.2)
Contributions by the employer	16.7	16.1	11.9	11.0
Contributions by plan participants	0.1	0.1	0.2	0.1
Benefits paid and expenses	(8.7)	(8.3)	(5.9)	(5.5)
Assets acquired on Transfer of Engagements (note 34)	-	12.7	-	-
<b>Fair value of plan assets at end of period</b>	<b>219.6</b>	<b>217.2</b>	<b>293.4</b>	<b>272.8</b>

Reconciliation of defined benefit obligation

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Defined benefit obligation at start of period	350.1	325.6	366.1	341.6
Current service cost	3.5	3.3	4.5	4.0
Interest Expense	9.6	9.1	8.0	7.5
Contributions by plan participants	0.1	0.1	0.2	0.1
Actuarial losses/(gains) due to scheme experience	18.9	17.7	(4.2)	(4.7)
Actuarial (gains)/losses due to changes in demographic assumptions	(11.2)	(10.5)	12.5	11.7
Actuarial (gains) due to changes in financial assumptions	(119.2)	(111.4)	(31.1)	(29.0)
Benefits paid and expenses	(8.6)	(8.3)	(5.9)	(5.6)
Liabilities acquired on Transfer of Engagements (note 34)	-	14.9	-	-
<b>Defined benefit obligation at end of period</b>	<b>243.2</b>	<b>240.5</b>	<b>350.1</b>	<b>325.6</b>

Defined benefit costs recognised in Statement of Comprehensive Income

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Current Service cost	3.5	3.3	4.4	4.0
Expenses	0.5	0.3	0.3	0.2
Net interest expense	1.4	1.3	1.6	1.5
Loss on Transfer of Engagements	-	2.2	-	-
<b>Defined benefit costs recognised in SoCI</b>	<b>5.4</b>	<b>7.3</b>	<b>6.3</b>	<b>5.7</b>

Defined benefit costs recognised in Other Comprehensive Income

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Return on assets excluding interest income	(89.6)	(83.6)	(6.7)	(7.2)
Experience (losses)/gains on liabilities	(18.9)	(17.7)	4.2	4.7
Effects of changes in financial assumptions	119.2	111.4	31.1	29.0
Effects of changes in demographic assumptions	11.2	10.5	(12.5)	(11.7)
<b>Defined benefit costs recognised in OCI</b>	<b>21.9</b>	<b>20.6</b>	<b>16.1</b>	<b>14.8</b>

Key Assumptions

	2023 p.a.	2022 p.a.
<b>Group</b>		
Inflation (RPI)	3.20%	3.48%
Inflation (CPI)	2.85%	3.08%
Salary growth	3.85%	4.08%
Discount rate	4.80%	2.77%
The mortality assumptions adopted imply the following life expectancies:		
Female pensioners (current age 65)	23.6 years	23.7 years
Male pensioners (current age 65)	21.3 years	21.5 years
Female non-pensioners (current age 45)	25.0 years	25.2 years
Male non-pensioners (current age 45)	22.9 years	23.1 years

26 Pension obligations continued

Assets

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Equity	37.2	36.8	67.6	62.9
Bonds	13.4	13.2	14.3	13.2
Property	10.7	10.5	11.5	10.7
Cash	8.2	8.1	5.4	5.0
Liability Driven Investment	76.7	75.9	104.7	97.4
Liquid Alternatives	14.7	14.6	29.3	27.2
Private Credit	32.9	32.6	33.2	30.8
Other	25.8	25.5	27.4	25.6
<b>Total assets</b>	<b>219.6</b>	<b>217.2</b>	<b>293.4</b>	<b>272.8</b>

Other defined benefit pension schedules

The Group and TGPL also contributes to two other defined benefit pension schemes where the share of the assets and liabilities can be identified, with Cheshire West and Chester Council (“the Cheshire Pension Fund”) and with the London Pension Fund Authority (LPFA). 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 2022 and have been approximately updated by the actuaries to 31 March 2023 on an FRS 102 basis.

The Cheshire Pension Fund is reporting assets of £43.6m and obligations of £32.3m, resulting in a net pension asset of £11.3m as at 31 March 2023 (2022: £8.9m). The LPFA scheme is reporting assets of £17.5m and obligations of £14.2m resulting in a net pension asset of £3.3m as at 31 March 2023,

However, there is uncertainty over the extent to which TGPL will be able to recover the net pension asset through refunds from the schemes and as a result the assets have not been recognised in the Financial Statements.

Both these schemes were closed to new entrants and to further accrual from 1 April 2023, with all current Group employees who are members being enrolled in the Group’s defined contribution scheme.

The assets and liabilities associated with these schemes are as follows:

Cheshire Pension Fund

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Fair value of plan assets	43.6	55.5
Present value of defined benefit obligation	(32.3)	(46.6)
Scheme surplus	11.3	8.9
Asset ceiling adjustment	(11.3)	(8.9)
<b>Defined benefit asset at end of period</b>	<b>-</b>	<b>-</b>

Reconciliation of fair value of employer assets

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Fair value of plan assets at start of period	55.5	52.4
Return on assets excluding amounts included in net interest	(12.4)	2.7
All other movements impacting fair value of employer assets	0.5	0.4
<b>Fair value of plan assets at end of period</b>	<b>43.6</b>	<b>55.5</b>

All other movements include impacting the fair value of assets include actuarial gains/(losses), interest income on plan assets, expenses, benefits paid and employer and participant contributions.

Reconciliation of defined benefit obligation

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Defined benefit obligation at start of period	46.6	49.7
Current service cost & other movements impacting the defined benefit obligation valuation	2.7	0.7
Actuarial (gains) due to changes in financial assumptions	(17.0)	(3.8)
<b>Defined benefit obligation at end of period</b>	<b>32.3</b>	<b>46.6</b>

Current service costs and other movements impacting the defined benefit obligation include current service cost, interest cost, changes in demographic assumptions, experience loss/(gain), estimated benefits paid net of transfers in and employer contributions.

Notes to the Financial Statements for the year ended 31 March 2023

26 Pension obligations continued

Key assumptions

The principal assumptions used by the scheme actuary in reporting the scheme's position are as follows:

	2023 p.a.	2022 p.a.
Group		
Inflation (CPI)	2.95%	3.20%
Salary growth	3.65%	3.90%
Discount rate	4.75%	2.70%
The mortality assumptions adopted imply the following life expectancies:		
Current pensioners - Female	24.6 years	23.8 years
Current pensioners - Male	21.5 years	21.2 years
Future pensioners - Female	26.3 years	25.5 years
Future pensioners - Male	22.8 years	22.1 years

Assets

The assets held by the scheme are categorised as follows:

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Equity	-	23.3
Bonds	37.9	22.8
Property	-	6.1
Cash	5.7	3.3
Total assets	43.6	55.5

London Pensions Fund Authority (LPFA)

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Fair value of plan assets	17.5	17.7
Present value of defined benefit obligation	(14.2)	(21.0)
Scheme surplus	3.3	(3.3)
Asset ceiling adjustment	(3.3)	-
Defined benefit asset at end of period	-	(3.3)

Reconciliation of fair value of employer assets

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Fair value of plan assets at start of period	17.7	15..3
Return on assets excluding amounts included in net interest	(0.2)	2.2
All other movements impacting fair value of employer assets	-	0.2
Fair value of plan assets at end of period	17.5	17.7

All other movements include impacting the fair value of assets include actuarial gains/(losses), interest income on plan assets, expenses, benefits paid and employer and participant contributions.

Reconciliation of defined benefit obligation

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Defined benefit obligation at start of period	21.0	21.7
Current service cost & other movements impacting the defined benefit obligation valuation	2.7	0.6
Actuarial (gains) due to changes in financial assumptions	(9.5)	(1.3)
Defined benefit obligation at end of period	14.2	21.0

Current service costs and other movements impacting the defined benefit obligation include current service cost, interest cost, changes in demographic assumptions, experience loss/(gain), estimated benefits paid net of transfers in and employer contributions.

Defined benefit costs recognised in Statement of Comprehensive Income

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Current Service cost	0.2	0.4
Expenses	-	0.1
Net interest expense	0.1	0.1
Defined benefit costs recognised in SoCI	0.3	0.6

26 Pension obligations continued

Defined benefit costs recognised in Other Comprehensive Income

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Return on plan assets	(0.2)	2.2
Experience (loss) arising on plan liabilities	(2.5)	-
Effects of changes in actuarial assumptions	9.5	1.3
Defined benefit costs recognised in SoCI	6.8	3.5

Key assumptions

The principal assumptions used by the scheme actuary in reporting the scheme's position are as follows:

	2023 p.a.	2022 p.a.
Inflation (CPI)	2.90%	3.20%
Salary growth	3.90%	4.20%
Discount rate	4.80%	2.60%
The mortality assumptions adopted imply the following life expectancies:		
Female retiring today	23.7 years	23.7 years
Male retiring today	20.8 years	21.5 years
Female retiring in 20 years	25.8 years	26.3 years
Male retiring in 20 years	21.6 years	22.7 years

Assets

The assets held by the scheme are categorised as follows:

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Equity	10.3	10.1
Target return portfolio	3.3	3.8
Infrastructure	2.2	1.8
Property	1.7	1.6
Cash	-	0.4
Total assets	17.5	17.7

Unfunded

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Present value of defined benefit obligation	0.1	0.1
Net pension obligation at end of period	0.1	0.1

Reconciliation of defined benefit obligation

	Group & TGPL 2023 £m	Group & TGPL 2022 £m
Defined benefit obligation at start of period	0.2	0.2
All other movements impacting the defined benefit obligation valuation	(0.1)	(0.1)
Defined benefit obligation at end of period	0.1	0.1

Other movements impacting the value of the defined benefit obligation include interest cost, changes in financial assumptions, experience gain or loss and unfunded benefit payments.

Key assumptions

The principal assumptions used by the scheme actuary in reporting the scheme's position are as follows:

	2023 p.a.	2022 p.a.
Group		
Discount rate	2.6%	2.6%
Inflation (RPI)	4.5%	4.5%
The mortality assumptions adopted imply the following life expectancies:		
Female currently aged 65	24.3 years	24.3 years
Male currently aged 65	22.0 years	22.0 years



Notes to the Financial Statements for the year ended 31 March 2023

27 Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	Other- Non cash Changes	At 31 Mar 2023
	£m	£m	£m	£m
<b>Cash and cash equivalents</b>				
Cash	80.1	(26.5)	-	53.6
<b>Borrowings</b>				
Debt due within one year (note 18)	(23.7)	21.1	(75.9)	(78.5)
Debt due after one year (note 19)	(1,463.1)	(45.1)	91.2	(1,417.0)
<b>Total</b>	<b>(1,486.8)</b>	<b>(24.0)</b>	<b>15.3</b>	<b>(1,495.5)</b>

28 Capital commitments

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Capital expenditure that has been contracted for but has not been provided for in these financial statements	708.0	644.0	686.2	645.3
Capital expenditure that has been authorised by the Board but has not been contracted for	47.2	47.1	70.8	70.8
	<b>755.2</b>	<b>691.1</b>	<b>757.0</b>	<b>716.1</b>

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 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
Social Housing Grant	-	-	-	-
Loan finance	361.7	436.9	300.8	439.8
First tranche sales/outright sales	346.3	207.1	385.4	205.5
	<b>708.0</b>	<b>644.0</b>	<b>686.2</b>	<b>645.3</b>

29 Contingent liabilities

The Group occasionally enters into stock swaps with or acquisitions from other registered providers, which involve the transfer into 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 (2022: £61.3m) 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 did not acquire any housing properties from other housing providers that have social housing grant funding attached (2022: £6.1m).

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 2023, the Group had minimum lease payments under such leases as set out below:

	Group 2023 £m	TGPL 2023 £m	Group 2022 £m	TGPL 2022 £m
<b>Operating leases which expire:</b>				
Within one year	1.9	1.6	1.6	1.6
Within one to five years	9.9	5.8	11.0	5.9
After five years	1.5	1.5	3.1	2.9
	<b>13.3</b>	<b>8.9</b>	<b>15.7</b>	<b>10.4</b>

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		TPGL	
	2023 £m	2023 £m	2022 £m	2022 £m
<b>Agency:</b>				
Homes for Change	75	75	75	75
Comfort Care Services	58	30	58	30
MENCAP	49	54	49	54
Creative Support	49	38	49	38
London Borough of Hillingdon	48	25	48	25
Turning Point	47	57	47	57
Bangla Housing Association	42	42	42	42
Riverside	36	36	36	36
Derby Peoples	33	33	33	33
Community Integrated Care	32	39	32	39
Metropolitan Thames Valley Housing	29	31	29	31
HumanKind	28	30	28	30
Lifeways	25	29	25	29
Karin	20	20	20	20
Making Space	20	23	20	23
Rooftop	20	20	20	20
Sheffield Health & Social Care	18	18	18	18
Southdown	18	18	18	18
Caring for Communities and People	16	16	16	16
Look Ahead	16	16	16	16
Others	537	538	531	532
	<b>1,216</b>	<b>1,188</b>	<b>1,210</b>	<b>1,182</b>

32 Subsidiary undertakings and joint ventures

Subsidiary	Note	Status	Activity
City Response Limited	a	Registered under the Companies Act 2006	Property Maintenance Services
Guinness Care and Support Limited	b	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
Halco 1397 Limited	a	Registered under the Companies Act 2006	Property Development
Live Well at Home Limited	c	Registered under the Companies Act 2006	Dormant
The Guinness Trust	d	Registered Charity	Dormant
<b>Joint Venture</b>	<b>Note</b>	<b>Status</b>	<b>Activity</b>
Forge New Homes LLP	e	Limited Liability Partnership	Property Development

- a) City Response Limited, Guinness Homes Limited, Guinness Developments Limited, Guinness Platform Limited and Halco 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) Guinness Care and Support Limited transferred all its activities, assets and liabilities into TGPL on 1 December 2022. See note 34.
- c) 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.
- 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 (2022: none) of Committees within the Group who had tenancy agreements with the Group and one member who is a leaseholder (2022: 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 2022/23 £'000	Services provided 2022/23 £'000	Debtor balances as at 31 March 2023 £'000
<b>Regulated</b>			
Guinness Care and Support Limited	2,770	684	-
Guinness Housing Association Limited	-	279	-
<b>Non-Regulated</b>			
Guinness Developments Limited	255,585	266	-
Guinness Homes Limited	-	45	-
Guinness Platform Limited	-	-	-
Halco 1397 Limited	-	-	-
City Response Limited	74,474	905	-
Forge New Homes LLP	-	-	1,360

During the year, Forge New Homes drew down £900k (2022: £460k) under a loan agreement with Guinness Homes Limited.

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 as at 31 March 2023 £m	Drawn as at 31 March 2022 £m
Guinness Developments Limited (*)	263.8	-	11.0
Guinness Homes Limited (*)	263.8	80.0	133.0
Halco 1397 Limited (*)	263.8	-	-
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.

Notes to the Financial Statements for the year ended 31 March 2023

34 Transfer of Engagements

On 1 December 2022, the activities of Guinness Care and Support Limited (GCS), along with all of its assets and liabilities, were transferred to The Guinness Partnership Limited (TGPL), under a Transfer of Engagements.

On 1 December 2022, the activities of Guinness Care and Support Limited (GCS), along with all of its assets and liabilities, were transferred to The Guinness Partnership Limited (TGPL), as a Transfer of Engagements. GCS was previously a 100% owned subsidiary of TGPL. A hybrid of merger accounting and acquisition accounting was applied to the transaction, with the net assets of GCS being transferred at their carrying amount and not adjusted to book value. The results of GCS have been included in TGPL's Statement of Comprehensive Income from the effective date of the transfer only.; the results of GCS prior to this date are included in the Group consolidated results for the year to 31 March 2023.

The transfer to TGPL of GCS's net assets of £4,064k on 1 December 2022 is recognised in turnover in TGPL (see Note 3).

A statement of financial position for GCS immediately prior to the transfer is presented below:

	30 November 2022 £'000	31 March 2022 £'000
<b>Fixed assets</b>		
Tangible fixed assets - Housing properties	39,808	39,511
Tangible fixed assets - Other	1,368	1,588
Investment properties	97	92
	41,273	41,191
<b>Current assets</b>		
Stock	96	138
Debtors receivable within one year	2,530	4,845
Cash and cash equivalents	1,589	2,503
	4,215	7,486
<b>Creditors: amounts falling due within one year</b>	(21,404)	(21,936)
<b>Net current liabilities</b>	<b>(17,189)</b>	<b>(14,450)</b>
<b>Total assets less current liabilities</b>	<b>24,084</b>	<b>26,741</b>
<b>Creditors: amounts falling due after one year</b>	(17,790)	(17,956)
<b>Provisions for liabilities</b>		
Defined benefit pension liability	(2,230)	(3,354)
<b>Total net assets</b>	<b>4,064</b>	<b>5,431</b>
<b>Reserves</b>		
Revenue reserves	2,297	3,508
Restricted reserves	1,767	1,923
<b>Total reserves</b>	<b>4,064</b>	<b>5,431</b>

35 Prior period restatements

The Group financial statements include restatements relating to the following accounting items:

**Cashflow Statement**

The Group Statement of Cashflows for the year ended 31 March 2022 has been restated. The statement incorrectly presented a reconciliation of cash movements with total comprehensive income for the year, instead of surplus for the year. The effect of this restatement is that the statement of cashflows begins with the (restated) surplus for the year rather than total comprehensive income for the year, and movements through comprehensive income on the fair value of hedged financial instruments (£10.5m) and pension liabilities (£19.5m) are removed as reconciling items.

The Group Statement of Cashflows for the year ended 31 March 2022 has also been restated to reflect the movement in creditors relating to works to fixed assets. Previously, movement in these creditors had been included, incorrectly, under operating activities rather than investing activities. Movement in trade and other creditors (operating activities) has been restated by £12.1m, with a corresponding decrease in cash outflows from acquisition and construction of housing property (investing activities). Further restatements to the Group Statement of Cashflows for the year ended 31 March 2022 are explained below. They include a reclassification of £72.2m between increase in trade and other debtors and redemption of debt servicing reserve; a restatement of the surplus for the year and interest payable of £3.2m; and a reclassification of £19.1m between decrease/(increase) in stock and acquisition and construction of housing properties. In total, the net cash inflow from operating activities is reduced by £65.2m, the net cash outflow from investing activities is reduced by £7.0m, and the net cash inflow from financing activities is increased by £72.2m.

**Debt service reserves**

The Guinness Partnership Limited (TGPL) has designated debt service reserves, being funds deposited with lenders to provide security over the borrower's ability to service its future debt. These funds are held as debtors in TGPL and Group balance sheet.

During the year ended 31 March 2022, TGPL terminated one of its loan arrangements, resulting in the repayment of the debt service reserve in relation to that loan.

During the year ended 31 March 2021, TGPL redeemed a bond which it had previously issued. This resulted in the repayment, in May 2021, of the debt service reserve associated with that bond. In the Group Statement of Cashflows for the year ended 31 March 2022, this repayment was shown incorrectly as a cashflow from operating activities, rather than as a cashflow from financing activities. In the Group Statement of Cashflows for the year ended 31 March 2023, the comparative figures for 2022 have been restated to reflect the correct classification. The impact is to decrease operating cashflows by £72.2m and increase financing cashflows by £72.2m.

**Capitalised interest**

In accordance with FRS 102, borrowing costs that are directly attributable to the construction of qualifying assets are capitalised as part of the cost of those assets. TGPL capitalises interest at the weighted average interest cost of its current borrowing. TGPL also has debt facilities with subsidiaries that are engaged in the development of new homes, having loans outstanding at 31 March 2022 from Guinness Homes Limited and Guinness Developments Limited. Because the rate of interest charged on these loans is higher than the weighted average cost of capital for TGPL, the interest capitalised by those entities individually exceeds the cost to the Group. Upon consolidation, an adjustment is necessary to reflect the cost to the Group of the assets whose costs include interest capitalised in these subsidiaries. This consolidation adjustment had not previously been made. The restatement required to correct the financial statements for that year comprises adjustments of £3.2m to the Group Statement of Comprehensive Income (Interest and financing costs) and Group Statement of Cashflows, £5.4m to the Group Statement of Financial Position (Stock) and £5.4m to the Group Statement of Changes in Reserves.

**Housing properties and Stock (Work in Progress)**

The Guinness Partnership Group has a significant development programme. TGPL's subsidiary Guinness Development Limited acts as the contracting entity for the majority of these schemes, building new units for social and affordable rent, affordable home ownership and outright sale. In the Group accounts, units being developed for future use by the Group (i.e. units being developed for rental purposes, and the elements of affordable housing units to be retained by the Group following first tranche sales) should be classified as housing property assets under construction. In the financial statements for the year ended 31 March 2022, such assets under development were incorrectly accounted

for by the Group as stock, rather than housing property assets under construction. The impact on the Group Statement of Financial Position of restating this balance is an increase of £78.2m in the net book value of housing properties and a corresponding reduction in the value of stock as at 31 March 2022. The Group Statement of Cashflows for the year ended 31 March 2022 is also restated by £19.1m, with the movement in this category of stock during the year being reclassified from operating activities (movement in stock) to investment activities (acquisition and construction of housing property).

**Cash flow hedge reserve**

TGPL uses interest rate swap instruments to hedge against the risk of adverse movements in interest rates. To the extent that the hedge is effective, movements in fair value are recognised in other comprehensive income. Cumulatively, these movements are presented in a separate cash flow hedge reserve. In the Group and TGPL Statements of Changes in Reserves for the year ending 31 March 2022 and previously, the cash flow hedge reserve had incorrectly been combined with the income and expenditure reserve and not disclosed separately. In both the Group and TGPL Statements of Changes in Reserves, the restatement of balances between the income and expenditure reserve and the cash flow hedge reserve is £23.4m as at 31 March 2022 and £33.9m as at 31 March 2021.

For the year ended 31 March 2023, the movement in the fair value of effective cash flow hedges has been recognised in the cash flow hedge reserve rather than the income and expenditure reserve. Changes to the fair value of effective cash flow hedges will continue to be recognised in the cash flow hedge reserve in future accounting periods.

**Restricted Reserves**

Restricted reserves of belonging to Guinness Care and Support Limited were transferred to TGPL as part of the Transfer of Engagements that took place on 1 December 2022 (see note 34). These restricted funds (£1.9m as at 31 March 2022) had not been separately identified as restricted reserves in the Group Financial Statements for the year ended 31 March 2022 or previously. The Group Statement of Financial Position and Group Statement of Changes in Reserves have therefore been restated to reflect the correct distinction between restricted and unrestricted (i.e. general income and expenditure) reserves.





**Trade creditors**

As is common practice in the construction industry, TPGL withholds contractual retentions from contractors engaged in its development programme. The amounts withheld are released to the contractor in stages, upon completion of the project and after an agreed period (usually 12 months) post-completion. In the financial statements for the year ended 31 March 2022, amounts not due to be repaid to contractors for more than one year following the reporting date had been classified incorrectly as creditors falling due in less than one year. In the Group Statement of Financial Position, trade creditor balances of £7.4m (TGPL: £1.0m) have been restated as falling due in more than one year.

**Loans and Borrowings**



Note 20 presents the loans and borrowings of the Group and TGPL, analysed by repayment type and aging profile. Balances in respect of fair value adjustments, bond premiums and discounts, and loan issue costs, (i.e. in addition to the loan principal and interest balances), totalling £65.5m, had previously and incorrectly been disclosed separately and not included in the aging analysis. The note has been restated in respect of the year ended 31 March 2022 such that these balances are included in the aging analysis with the other loans and borrowing balances (i.e. principal and interest), with the same presentation applied for the year 31 March 2023 and henceforth. The balance at 31 March 2022 of £28.7m that relates to hedging instruments (derivatives) has also been reclassified from Note 20: Loans & Borrowings to Note 19: Creditors falling due after more than one year.

As a result of these restatements, for the Group and TGPL, the balance at 31 March 2022 of loans and borrowings repayable within one year has increased by £2.6m and the balance repayable in more than one year by £62.9m, while the total balance of loans and borrowings at 31 March 2022 has decreased by £28.7m.



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

The Guinness Partnership Executive Team

	<b>Catriona Simons</b> Group Chief Executive Appointed: December 2009 Appointed Group Chief Executive: July 2015		<b>Philip Day</b> Group Finance Director Appointed: July 2017
	<b>Paul Watson</b> Managing Director Guinness Care and Support Limited Appointed: December 2007 Resigned: August 2022		<b>Jon Milburn</b> Group Development Director Appointed: June 2016 Resigned: April 2023
	<b>Ian Joynson</b> Executive Director of Asset Management Appointed: November 2014		<b>Kevin Williams</b> Executive Director of Development and Commercial Services Appointed: January 2021
	<b>Trafford Wilson</b> Executive Director of Customer Services Appointed: August 2019		<b>Paul Love</b> Group Director of Care and Support Appointed: December 2022

Registered Office, Principle Advisors and Lenders

Registered Office	Statutory Auditor	Solicitors
The Guinness Partnership Limited 30 Brock Street Regent's Place London NW1 3FG	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA	Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ



# Our Board



**Chris Wilson**  
Chair  
Appointed: **26.09.2018**  
Effective from: **01.10.2018**

Chris is Chair of The Guinness Partnership Limited, a Board member of Guinness Housing Association Limited, and a member of the Remuneration and Nominations Committee. He is a retired professional services partner with KPMG with extensive audit and advisory experience in the public sector, ranging from local/central government to housing, education and health. Chris is also a Board Member and Chair of the Audit and Assurance Committee at Curo Housing.



**Phil Morgan**  
Deputy Chair  
Appointed: **14.12.2016**  
Effective from: **31.01.2017**

Phil is Deputy Chair of The Guinness Partnership Limited, Chair of Guinness Housing Association Limited, Chair of the Remuneration and Nominations Committee and a member of the Care Committee. He is a housing specialist who joined the Board from Wulvern Housing Limited. He is the Chair of Health Watch Salford; Director of Phil Morgan Ltd; former Executive Director of Tenant Services at the Tenant Services Authority and former Chief Executive of TPAS.



**Sue Hunt**  
Appointed: **20.07.2022**  
Effective from: **01.09.2022**

Sue is a Board member of The Guinness Partnership Limited, Board member of Guinness Housing Association, Chair of the Audit and Risk Committee and a member of the Remuneration and Nominations Committee. She qualified as a chartered accountant at KPMG and has a background in assurance services, mergers and acquisitions, and healthcare consulting. She is currently Deputy Chair of Royal Berkshire NHS Foundation Trust and Non-Exec Director of Connected Places Catapult Limited. She has held previous Board roles in housing, education, health and space technology sectors.



**Catriona Simons**  
Appointed: **01.10.2012**  
Effective from: **01.10.2012**

Catriona is the Group Chief Executive of The Guinness Partnership Limited and an Executive Board member. She is also a Board member of Guinness Homes Limited; Guinness Housing Association Limited; City Response Limited; Guinness Developments Limited; Guinness Platform Limited; Hallco 1397 Limited; and a member of the Care Committee. Before being appointed Chief Executive in 2015, Catriona was Deputy Chief Executive since joining Guinness in December 2009. Prior to this, Catriona was Group Finance Director at Peabody. She started her career at Ernst & Young. She has been a Board member of several housing associations.



**Ben Laryea**  
Appointed: **14.08.2020**  
Effective from: **01.09.2020**

Ben is a Board member of The Guinness Partnership Limited, a Board member of Guinness Housing Association Limited, and a member of the Remuneration and Nominations Committee. In February 2018 Ben was appointed as the Chief Executive o Ekaya Housing Association, an association which offers housing and support services, primarily to black and ethnic minority women, their families and groups with similar needs. Ben has acted as a mentor on programmes developed to address the lack of diversity at senior management level within the social housing sector. Ben is a Board member of Dolphin Living and sits on the Audit and Risk Committee of the Dolphin Square Foundation.



**Gina Amoh**  
Appointed: **14.08.2020**  
Effective from: **01.09.2020**

Gina is a Board member of The Guinness Partnership Limited, a Board member of Guinness Housing Association Limited, and a member of the Audit and Risk Committee. She has worked in housing for over 30 years, starting her career as a Housing Officer. She is CEO of Inquilab Housing Association, providing homes and services to diverse customers and communities in London. She has chaired the BME London Landlords Group and is a founder of the Leadership 2025 programme and Chair of its Steering and Advisory Groups. Gina is a Fellow of the Chartered Institute of Housing, holds an MBA, and has previously been a board member on a number of housing association boards including the Homes for London Board.



**Angelika Chaffey**  
Appointed: **08.02.23**  
Effective from: **01.03.23**

Angelika is a Board member of The Guinness Partnership Limited and a Board member of Guinness Housing Association Limited. She has worked as a journalist and editor and is currently working as a Mental Health Recovery Trainer for the NHS. She was a Board member, Committee Chair and Vice-chair of Richmond Housing Partnership. She has been a social housing tenant for over 20 years.



**Emma Fosuhene**  
Appointed: **29.03.2023**  
Effective from: **01.04.2023**

Emma is a Board member of The Guinness Partnership Limited and of Guinness Housing Association Limited. She also sits on the Care Committee. Emma has a background in accounts management, healthcare and trade union representation and now works as a Clinical Lead within NHS Community Services. She has previously served as a co-opted board member in the special education sector and has been a social housing tenant for over 20 years.



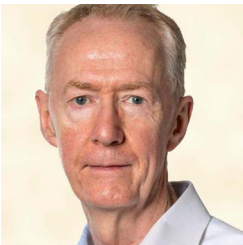
**Amanda Carey-McDermott**  
Appointed: **20.07.2020**  
Effective from: **01.10.2020**

Amanda is a Board member of The Guinness Partnership Limited, a Board member of Guinness Housing Association Limited, and a member of the Care Committee. Amanda is the Managing Director for SSP Health. As an experienced Director, Amanda has an excellent track record of delivering transformational change and creative customer service solutions across a wide range of sectors, including the last 9 years within the health sector where she has developed significant understanding of CQC regulated services.



**Nick Apetroaie**  
Appointed: **20.07.2022**  
Effective from: **01.10.2022**

Nick is a Board member of The Guinness Partnership Limited, a Board member of Guinness Housing Association Limited, and Chair of the Care Committee. He became Habinteg CEO in April 2021 having held a number of senior positions in the social housing sector. Until November 2017, he was the Deputy CEO of Optivo, one of the largest housing associations in the country, managing 44,000 homes across the Midlands and South-East. He is a Trustee of the Ungureni Orphanage Trust. He has worked as a Housing Association CEO, Property Director and Director of Care Services and is experienced in building and managing diverse teams, implementing performance and competency management systems and delivering cultural change.



**Lester Hampson**  
Appointed: **08.02.2023**  
Effective from: **01.03.2023**

Lester is a Board member of The Guinness Partnership Limited and a Board member of Guinness Housing Association Limited. Lester is an experienced director with significant expertise in property development. He is a Director at TTL Properties, TFL's property company.

**great service**  
**great homes**  
**a great place to work**  
**and a great business**

**INVESTORS IN PEOPLE™**  
We invest in people Gold

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[www.guinnesspartnership.com](http://www.guinnesspartnership.com)

The Guinness Partnership Ltd is a charitable  
Community Benefit Society No. 31693R  
Registered in England and is Registered  
Provider of Social Housing No. 4729