



**Financial  
Statements**

Year ended 31 March 2024

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## Financial

**£1,131.9m**

Group net assets

**£459.8m**

Group turnover

**£81.0m**

Group operating surplus

**£4,902**

Group Social Housing  
cost per home

**18.9%**

Operating margins –  
Social Housing Lettings

**Credit ratings:**

**Standard & Poor's**

**A-** (stable)

**Moody's**

**A3** (stable)



## Property and development

**3,563**

Homes under construction

**576**

New homes started  
on site

**608**

New homes completed

**454**

New homes pipeline

**27.0**

Average number of  
days to complete a  
routine responsive repair

**£178.8m**

Investment in and  
maintenance of  
existing homes



## Operational

**69,437**

Homes in management  
at 31 March

**67%**

Tenant satisfaction

**80%**

Employee engagement  
TGPL

**76%**

Properties with Stock Condition  
Survey within last 5 years

**G1 V2**

RSH regulatory gradings

**6,492**

Weekly care hours  
delivered

As we noted in our introduction last year, it has continued to be an exceptionally challenging period for the social housing sector, including for Guinness. Although the previous political and fiscal instability somewhat abated during 2023/24 (and July's General Election produced a very clear result) the cost of living disproportionately affects the people we serve, and the cost of providing homes and services continued to rise faster than general inflation.

Guinness continues to be financially resilient, but the scale of the challenges facing social housing are well known. They were captured clearly in the report on the Finances and Sustainability of the sector published by the Levelling Up Housing and Communities Select Committee in May 2024. These are challenges that the new Government faces, and their approach will largely shape what Guinness is able to do over the next few years.

In this context, we are proud to have continued, alongside our core housing activities, to be able to provide extra support to individuals and communities. In 2023/24 we invested £3.1m in activities and partnerships that made a difference for over 35,000 people in our communities. We helped over 14,000 Guinness residents claim £15m of additional welfare benefits, of which £10.5m helped pay rent and £4.5m was personal income. However we recognise that, with over 80% of our tenants being in receipt of Universal Credit, a significant number of residents struggle significantly and have in many cases little or no disposable income. For those most in need, our £1m Hardship Fund helped with essentials like food, energy costs, basic furniture and white goods.

A defining moment of progress was the passage, last summer, of the Social Housing (Regulation) Act. Together with Building Safety legislation, this significantly strengthens protections for all residents of social housing. The changes are too numerous to list in detail here, but both the additional powers for the Housing Ombudsman and, particularly, proactive regulation of augmented RSH Consumer Standards are welcome watershed moments.

At the time of writing, further legislative and regulatory changes are pending. We fully support the principles and intentions that have driven Awaab's Law, the proposed Competency and Conduct regulatory standard and discussions to this point on an updated Decent Homes Standard. But we also recognise that there will be challenges for the sector in the application of these, in terms of resources, skills and cost, and potentially the attractiveness of social housing as a sector to work in. We await clarity from the new Government on how these will be taken forward.

We continue to prioritise investment in our existing homes. Last year we invested £179m across planned and responsive services. This ensured all but a very small number of homes continued to meet the Decent Homes Standard, and more homes were brought up to EPC-C standard, as part of our SHDF-funded programme and beyond. In addition to upgrading hundreds of kitchens and bathrooms and boilers, we progressed major complex works programmes at schemes in Sheffield, London, Cheshire and Manchester. We continued to make significant progress with our programme of building safety investigation and remediation work. Having first prioritised our high-rise buildings we are now working through our programme of investigation into medium-rise buildings. Where we have found defects, we have taken appropriate and immediate precautions to ensure that residents are, and remain, safe. We are pleased to have

completed the replacement of our only high rise Large Panel System building at Kiwi Street in Salford, reproviding homes for social rent. In addition to our work to improve the thermal efficiency of our homes, we also completed the carbon baseline work which will inform our longer term roadmap to zero carbon. Despite the financial capacity challenges that the whole sector faces, we are and will remain committed to this work.

Over the past two years we have significantly increased our broader data on buildings and individual residents' homes, in part driven by the challenges in relation to identifying and properly dealing with damp and mould. We are now significantly more sophisticated in how we approach this, including proactively contacting residents at key intervals after completing works, and in the use of predictive models to identify homes where problems are most likely to occur so we anticipate these and address them as quickly as possible. However there have been a number of cases where, over a period of time, our responses to issues have not been good enough. We are working hard to address these, and to ensure that they do not happen again in future.

We remain committed to developing new homes and during the year we completed 608 new homes and started on site with a further 576. Both were less than we had set out to do, reflecting the economic environment and pressures on our resources. These pressures are compounded by instability in the construction contractor marketplace. A number of our contractors fell into administration during the year, causing delays and rising costs on some schemes. Where we are building homes for sale – outright or shared ownership – we have seen sales margins eroded. We are grateful for the pragmatism and support of Homes England and the GLA as the sector navigates these difficult issues. We're also grateful to partners in South Yorkshire, Bristol, Greater Manchester, Somerset, Gloucester and North Yorkshire for their support getting new developments on to site. We are delighted with the progress of our Forge New Homes JV in the Sheffield City Region which shows the benefits of working in partnership with other housing associations.

We are pleased to maintain our Gradings of G1/V2 from the Regulator of Social Housing and credit ratings of A- (stable) and A3 (stable) from Standard & Poor's and Moody's. Ensuring financial sustainability and resilience is central to being a responsible business and these external assessments reflect that robustness. Our operating margin was somewhat below what we originally targeted in our budget, driven primarily by our spending on responsive repairs as well as impairment charges on properties developed for rent and sale, provisions for building safety work and non cash pension cessation charges. We are increasing our focus on the productivity and effectiveness of our repairs service, but acknowledge that some level of heightened demand is a "new normal" which it is prudent to reflect in our budget for 2024/25 and beyond. Investing in our existing homes, both in day-to-day repairs but also through more significant programmes of work, is our priority. The Board has accepted that ensuring we have the capacity to make this investment may lead to a deterioration in our financial performance in the short term.

We deployed some of our capacity during the year to merge with Shepherds Bush Housing Association, which (following approval by a large majority of SBHA shareholders) joined the Group as a subsidiary in December 2023. This brought over 5,000 homes and over 10,000

residents into the Group, strengthening our presence in London (where of course the original Guinness Trust began). We are proud that SBHA chose Guinness as their partner for the future, and have a robust plan for investment in SBHA homes alongside other Guinness homes. We are already seeing the benefit of bringing colleagues together and learning from SBHA's strong community focus. Also during the year, we transferred 845 homes in the East Midlands to Ongo Housing as part of our ongoing stock rationalisation work. This realised £45m for reinvestment in our existing homes and to support our development programme.

Over the last 12 months, we have strengthened resident involvement and scrutiny across all aspects of our organisation. We now have a Customer Committee which brings together residents and Group Board Members, amplifying residents' voices and ensuring that Board Members hear regularly and directly from residents about what it's like living in a Guinness home and receiving services from us. A significant current focus is ensuring all interactions with residents – those with us, and those with our contractors - are properly respectful in all regards. At the end of the year we are part-way through setting up Regional Resident Panels to ensure our residents have a voice and can hold us to account at a regional level.

We continue to invest in improving the technology and systems that underpin our services and organisation, and on streamlining our business processes to ensure they are as efficient as possible, and that our colleagues who work in people's homes, on estates and in communities can spend as much time as possible being there for our residents. Our technology roadmap is focused on adopting cloud-based industry standard systems that integrate well together. We also continue to invest significantly in combatting ever-evolving cybersecurity risk and protecting our systems and data.

In 2022, we took the step of focusing our care operations on services provided to residents in Guinness homes, and since then we have continued to review how best and most sustainably to support this group of people. Regrettably, these services are not financially sustainable for us, and this year we took the difficult decision to exit from regulated care operations and have informed commissioning authorities of our intention to do so. We expect to complete this during 2024/25 and we will work with all partners during the transition to ensure that all services are, and remain, safe and effective.

We continue to be committed to being an inclusive employer and one that invests in the development and success of our people. All colleagues must complete EDI training and during the year we continued delivery of Race Fluency training for colleagues. In our most recent colleague survey 94% of colleagues said they understood our anti-racism commitment. Our new network groups, along with our EDI Steering Group and our Staff Forum, support us in ensuring we are an inclusive employer.

We are proud of colleagues' professionalism and dedication to what we do, and this puts us in a good position to respond to the requirements of the anticipated new RSH Competency and Conduct Standard. In 2023/24 we supported 43 colleagues to obtain Chartered Institute of Housing qualifications, delivered in-house housing management training to over 850 colleagues, and Great Service training to all colleagues. We were pleased to enrol 122 new apprentices across the Group.


During the year, we welcomed a number of new members to our Group Board with three members joining us from the SBHA Board (in a reciprocal arrangement, three Group Board Members now sit on the SBHA subsidiary board). We will continue to ensure that the Board has the broad range of skills, knowledge and experience needed to govern effectively. Three of our members are social housing residents and the lived experience they bring informs our decision making and makes us a better organisation.

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 (Chair)



  
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.

It's our residents we're here for. That means those we provide homes and services to today and 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).

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 (TGPL), the Group parent or through Shepherds Bush Housing Association (SBHA), a wholly owned subsidiary of TGPL. The Group also includes a number of other 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 reinvested in achieving this purpose.

<sup>[1]</sup> We sometimes 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

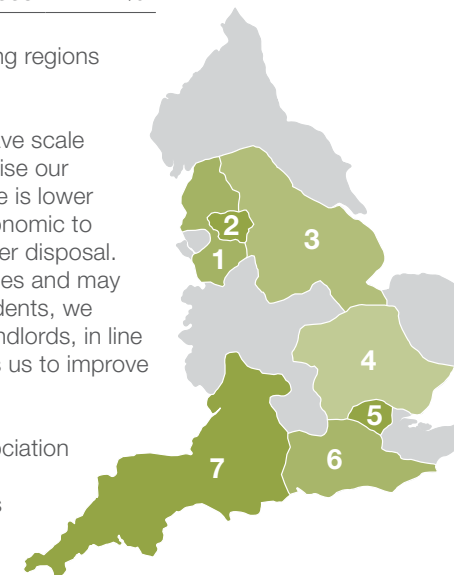
We are a national housing group, with over 69,000 homes in 144 Local Authority areas across England. Our areas of greatest presence are shown in the table below (including SBHA properties).

Top 10 Local Authorities	Number of Homes	% total
London (all boroughs)	12,288	18%
Cheshire East	5,686	8%
Milton Keynes	4,587	7%
Havant	3,889	6%
Manchester	3,679	5%
Sheffield	2,569	4%
Rochdale	2,174	3%
Stockport	1,567	2%
Gloucester	1,505	2%
Oldham	1,339	2%

We are organised into seven geographical operating regions as shown on the map below.

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 bring up to a suitable standard, 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.

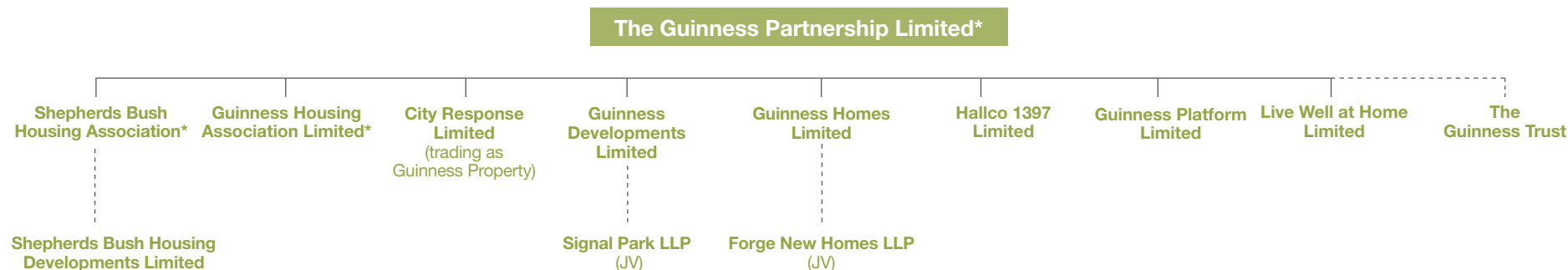
In December 2023 Shepherds Bush Housing Association (SBHA), a Registered Provider of social housing became part of the group as a subsidiary. SBHA is based in West London and owns and manages over 5,000 homes. The values of Guinness and SBHA are closely aligned and the partnership has strengthened our presence in London and will enable us to deliver more for the residents of both organisations.



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

## 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.



\*denotes Registered Providers of social housing

- Shepherds Bush Housing Association Limited – charitable, Registered Provider of social housing which became a subsidiary of TGPL on 4 December 2023.
- 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 LLP joint venture.
- Hallco 1397 Limited – a company which is not actively trading.
- Guinness Platform Limited – a company which is not actively trading.
- Shepherds Bush Housing Developments Limited – a company which is not actively trading.
- Live Well at Home 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 between five housing associations (or their subsidiaries) in the Sheffield City Region. Guinness Homes Limited is the Guinness subsidiary which participates in the joint venture.
- 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 (South-West London).

## 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, 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.

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 World

In 2023/24, residents and providers of social housing continued to face major challenges. Most fundamentally, the cost of living crisis continued to place great pressure on many residents' daily lives. By the end of the year inflation had eased, but prices of day-to-day essentials remained high. This is very challenging, particularly for the 80% of Guinness residents who are in receipt of Universal Credit, and placed significant demands on the support we offer them.

The costs of being a landlord, including of maintaining existing homes and building much-needed new ones, likewise placed pressure on housing associations including Guinness. Fundamentally, our costs have risen faster than our Government-regulated rental income for several years. This inevitably places finances under some pressure, as recognised in the LUHC Select Committee report on the Finances and Sustainability of the Sector. This means hard decisions about priorities for investment, and constraints on the number of new homes housing associations are able to provide. In this context we will continue to give the highest priority to ensuring Guinness homes and residents are, and remain, safe.

The passage of the Social Housing (Regulation) Act 2023 marked the biggest change in our statutory and regulatory operating environment for many years. Guinness, like the sector as a whole, welcomed the consequent changes to the Regulator of Social Housing's Consumer Standards and the inspection regime. Having been a pilot case for the RSH's proactive inspection during 2022/23, we continued to put considerable focus on ensuring we fully meet the expectations of the revised Standards, which came into force on 1 April 2024.

At the same time, the Housing Ombudsman Service updated and brought into force a revised Complaint Handling Code, which for the first time is now on a statutory basis. We strive to get our services to residents right first time, but on the occasions we do not achieve this, we know we must recognise and resolve complaints respectfully and effectively.

Expectations are clear. We, like all social landlords, must know our residents and our homes better - through effective data collection and engagement, we must be agile in responding to their needs and sensitive to vulnerabilities, and we must provide services well. With scrutiny of the sector continuing, Guinness is in a good position to respond and committed to improving the way we do things.

Following the end of the year covered by this report, the General Election in July 2024 resulted in a change of Government, with new priorities and potentially new approaches to meeting the challenges faced by residents and providers of social housing. We welcome the alignment between the new Government and the sector, and continue to call on the Government for a long-term plan that addresses the housing crisis and the need for investment in existing homes. Guinness will continue telling our story, and we will continue to focus on delivering for the people we are here for – our residents.

### Our Key Priorities

#### Resident Engagement and Support

We are committed to delivering a 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 peoples' needs. We use resident feedback and views to improve and shape what we do. We have a Customer Engagement Strategy that sets out what we engage with our residents on, how we do this and how we measure and report our progress.

We have continued to carry out surveys and engagement activities to understand residents' expectations about how we engage with them. We also sought resident input into how we use social value contributions from our contractors, into the review of our services for older residents, and into the accessibility and content of our website. During the year we have engaged with residents on our approach to supporting residents to downsize into smaller properties where they want to. We always use resident input to shape our housing policies.

We have continued to establish a new Customer Committee. This committee of residents and Board Members gives residents greater influence over the services provided to them and will amplify the resident voice across the Group. The Customer Committee will be supported by Regional Resident Panels and two pilot panels were set up during the year.

Feedback from the Customer Committee has been used to shape our Business Plan for 2024/25 with themes focussed on using our resources well, being a reliable service provider, being respectful and being a landlord our residents can trust.

We welcome the Regulator of Social Housing's new Consumer Standards which are part of the regulatory regime for Registered Providers. Our performance against the Tenant Satisfaction Measures for the year ended 31 March 2024 was reported to the Regulator of Social Housing in June 2024, with performance against a selection of the measures included on page 14 of this report.

We seek to continually improve our services. During the year we have:

- Improved the identification process for urgent repairs to ensure they are triaged appropriately.
- Created dedicated service improvement roles to help drive continuous improvement across the organisation, informed by the issues we see most frequently in complaints.

- Reviewed our approach to supporting residents with vulnerabilities through service adjustments.
- Started a repairs and complaints core working group consisting of managers and senior leaders to review and ensure we learn from all repair related complaints and any adverse determinations from the Housing Ombudsman.
- Improved the way anti-social behaviour cases (ASB) are recorded in our systems and reviewed our approach to handling ASB. A new model will be introduced in 2024/25.
- Surveyed residents to understand the factors that most influence satisfaction with property condition and with the neighbourhood environment.

## Investing in Existing Homes

Ensuring our residents continue to be safe and our homes well maintained remains our top priority. During the year we invested £178.8m in our existing homes which included responsive and planned maintenance, building safety remediation and improvement works, and major improvement works and major repairs to a number of estates. Our Financial Plan includes £1.4bn for further investment in our existing homes (excluding responsive repairs). Completing our building safety remediation programme and making sure all of our homes have an Energy Performance rating of EPC-C or above by 2030 are important medium-term objectives. Making our homes net zero carbon and resilient to climate risk is a priority in the longer term, with more details provided on pages 11-12.

During the year we continued to deliver our comprehensive Building Safety Action Plan and ensure we are meeting our obligations under the Building Safety Act 2022. We have 41 buildings that meet the definition of Higher Risk Residential Buildings (HRRBs) under the Building Safety Act 2022. All of these have had PAS9980 assessments completed and some form of remediation work is required to seven of these. Remediation work is in progress at four buildings and is being planned for the remaining three. We have 206 medium rise buildings, 95 of which require investigation. Investigation has been performed at 60 of these with the remaining investigations due to complete by the end of the 2025/26 financial year. Of the buildings inspected so far, 23 require remediation which is currently being planned. The review and investigation programme on our 2,408 low rise buildings, deemed to have the lowest risk from a building safety perspective, will commence during 2025/26.

During the year we delivered the following aspects of our Building Safety Action Plan:

- Conducted 1,467 Fire Risk Assessments (FRA's) and completed 12,403 actions which arose from FRA's.
- Inspected 12,954 fire doors.
- Installed sprinkler systems in three buildings and a new evacuation alert system in one further building.
- Completed 55 external wall investigations which completes our investigation programme on our High-Rise Residential Buildings (HRRB). Any remediation work has either been completed or is within our planned programmes.

- Improved the sprinkler system and progressed the replacement of cladding on our four high-rise building at Suttons Wharf (London), a 100% leasehold scheme.
- Rectified compartmentation issues and substantially completed the installation of sprinklers and fire doors and a new alarm system at India House (Manchester).
- Commenced major works at our Castle Court scheme (Sheffield). This programme includes significant building safety improvements including installing sprinklers and an evacuation alert system, compartmentation works, upgrades to the communal fire alarm system and new door installation, as well as internal upgrades to homes.

## Investing in New Homes

Our original 2025 Strategy target was to build 5,500 new homes, including 5,000 homes under our Homes England and GLA Strategic Partnership programmes. The operating environment changed significantly since the start of the strategy period. Significant construction cost inflation, higher interest rates, the failure of a number of contractors and the need to prioritise investment in our existing homes, means we have had to review the number of homes we will deliver, and we now expect to deliver 4,000 new homes by 2025. By 31 March 2024 we had delivered 3,081 of these.

During the year we invested £315m in the development of new homes, completing 608 and starting on site with a further 576. Of the 608 homes that were completed during the year, 293 were for shared ownership, 308 were for Affordable or Social Rent and 7 were for open market sale.

Our development programme is focussed on continuing to deliver 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 programmes which run to 2029.

Our development programme is discussed further on pages 10 and 32.

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 completed in May 2024 and work to Phase 3 (321 homes) has resumed on site following a delay resulting from the original contractor going into administration during the year.

## Silvertown Quays – Newham (London)

We are the Registered Provider partner for 734 affordable homes being delivered as part of a major regeneration at Silvertown, East London. This project is being led by The Silvertown Partnership, a joint venture between Lendlease and Starwood Capital. Construction work is underway with the first phase of 106 homes expected to handover in 2025/26.

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

Our Signal Park scheme will provide up to 1,100 homes in two phases. The first phase of 211 homes completed in September 2023. Of these, 119 are shared ownership homes, 92 are for rent, 89 of them are homes available at London Living Rent and three at London Affordable Rent. The second phase of circa 900 homes will be delivered through a joint venture with Countryside Partnerships. The planning application for Phase 2 will be submitted during 2024/25.

## Matalan – Stevenage

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

## Points Cross – Leeds

Points Cross will deliver 928 mixed tenure homes in the Leeds South Bank Regeneration and Innovation District. Phase 1, comprising 311 homes is expected to complete in spring 2025. The second phase of 183 homes which started on site in March 2023 is due to complete in December 2025.

## McArthur's Yard – Bristol

This mixed tenure 142 home development scheme at McArthur's Yard in Bristol, adjacent to the historic SS Great Britain, is expected to complete in the summer of 2024.

## Trinity Road – Bristol

Trinity Road, a former police station located in Bristol, will deliver 104 homes for Social Rent, a replacement police facility, and a commercial unit by mid-2026. Early works, including the demolition of existing buildings on the site, are close to being concluded.

## Chelsea Creek – Hammersmith & Fulham

Chelsea Creek is a scheme of 146 homes acquired by SBHA under a s106 agreement. This is part of a wider mixed tenure development in Hammersmith and Fulham and includes homes for Affordable Rent and Intermediate Rent. During the year TGPL acquired these homes from SBHA.

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



## Property Sales

We have a modest sales pipeline and completed 251 first tranche Shared Ownership sales and nine outright sales during the year. On average we sold first tranches of 31% which generated sales proceeds of £29.8m. The sale of 9 homes on the open market generated a profit of £0.7m.

Scheme delays, construction cost pressures and higher interest rates have impacted actual and forecast sales margins on some of our schemes which is reflected in the impairment charges recognised in this financial year.

## 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.

Our Environment and Sustainability Strategy has 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 educating and upskilling our people and our residents to strengthen our knowledge and expertise to improve the sustainability of our homes and services and reduce our impact on the environment.
- 2) Data – We will collect, store, and analyse the data necessary to understand our environmental impact and shape the decisions we make about our homes.

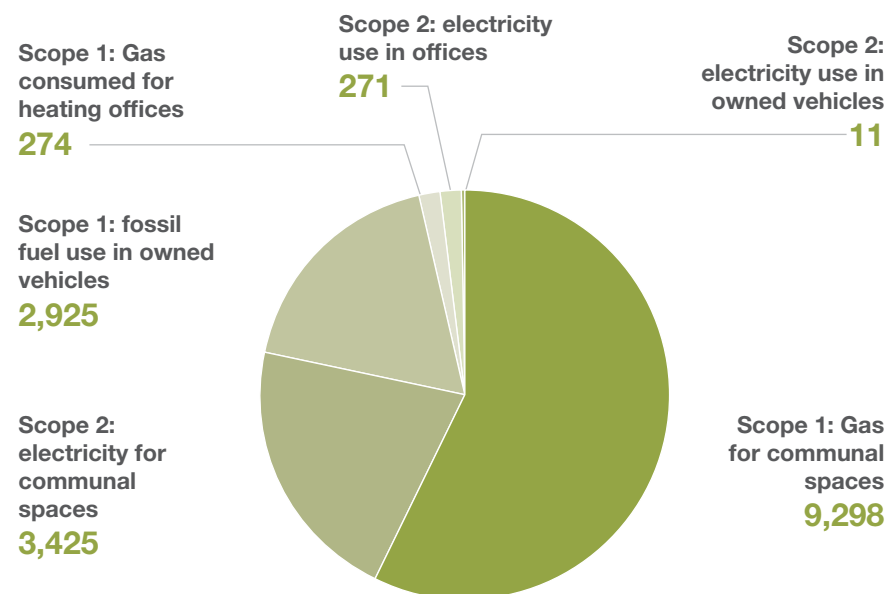
Delivery of the Strategy is consistent with our broader values and social purpose and will help ensure our homes are affordable to heat and more resilient to the effects of climate change. The UK Government has pledged that the UK will be net zero carbon by 2050. Our Home Energy Standard aims to bring all our homes up to a minimum EPC rating of C (SAP 69) by 2030 and we have provided for this in our Financial Plan, and to bring our homes to net zero carbon by 2050.

We calculate our scope 1 and 2 carbon emissions annually and will be calculating our scope 3 emissions every two years from 2024/25 onwards.

The diagram opposite shows the breakdown of our Scope 1 and 2 carbon emissions for the year ended 31 March 2024:

In 2023/24 our scope 1 emissions (not including SBHA) were 12,497 tCO<sub>2</sub>e (2023: 12,022 tCO<sub>2</sub>e) and our scope 2 emissions were 3,706 tCO<sub>2</sub>e (2023: 3,729 tCO<sub>2</sub>e).

Breakdown of Scope 1 and 2 emissions (total 16,203 tCO<sub>2</sub>)



Our scope 3 emissions were 140,000 tCO<sub>2</sub>e in our carbon baseline year of 2021/22, and will next be recalculated in 2024/25.

During the year we developed our roadmap to reach a net zero carbon position by 2050 in line with the Science Based Targets Initiative (SBTI). Our carbon baseline shows that 73% of our total emissions are from our existing homes.

Our roadmap targets a 90% reduction in Scope 1 and 2 emissions by 2035, with a 90% reduction in emissions from construction by 2040, and all other emissions to be reduced by 90% by 2050. The residual 10% of emissions will be offset.



### Carbon Reduction Trajectory with interim targets



### During the year we:

- Retrofitted 246 homes to improve energy efficiency and thermal comfort. This work was part-funded by the Social Housing Decarbonisation Fund with the 504 remaining properties due to be completed under this programme during 2024/25.
- Continued to pilot the installation of Air Source Heat Pumps in a small number of schemes.
- Continued to pilot the use of smart devices which monitor the environment within the home and provide data to support our residents to use their heating systems more effectively. These devices can also identify residents who may be experiencing or at risk of fuel poverty and who might need additional support.
- Trained more than 50 of our Asset Management colleagues in retrofit standard PAS 2035, with three colleagues also being trained as PAS 2035 Assessors. This in-house expertise will enable us to better manage our retrofit programmes.
- Improved our data by surveying over 8,000 homes as part of our stock condition surveying programme, informing our future EPC-C and retrofit programmes.
- Used Geographic Information Systems (GIS) to identify properties suitable for solar panels. This will lead to solar panel installation on 100 additional homes raising their EPC rating to C or above.
- Improved our data on the biodiversity of our green spaces.
- Began working with our insurers to better understand how climate risk might impact our homes in the future.

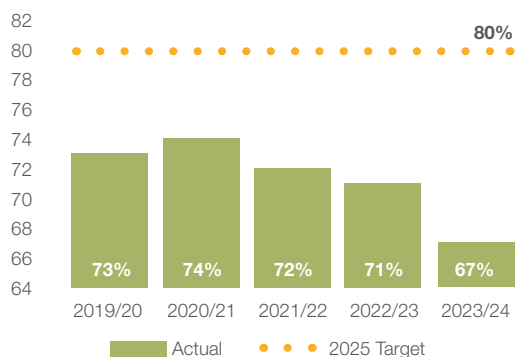
## Our Performance in 2023/24

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

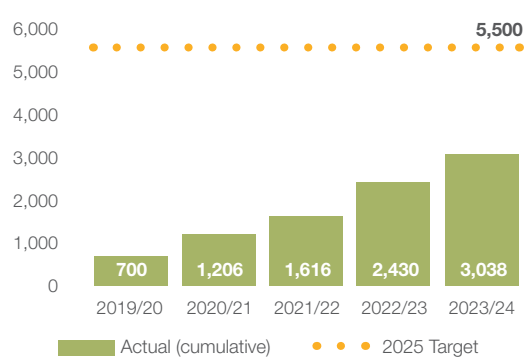
### Overview

Progress towards each of our 2025 Strategy targets is shown below. Our performance during the year reflects the challenges and complexities of our operating environment. Performance metrics in this section relate to TGPL unless otherwise stated. Summary information on SBHA's performance is provided on page 22.

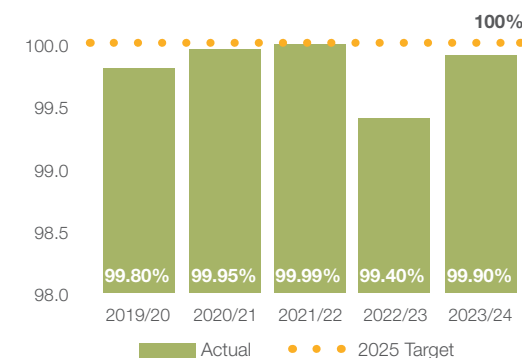
#### Great Service: Customer satisfaction



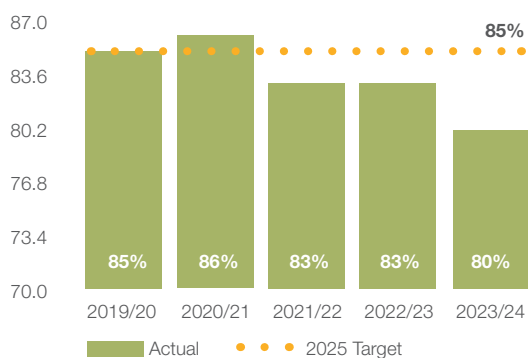
#### Great Homes: Homes completed



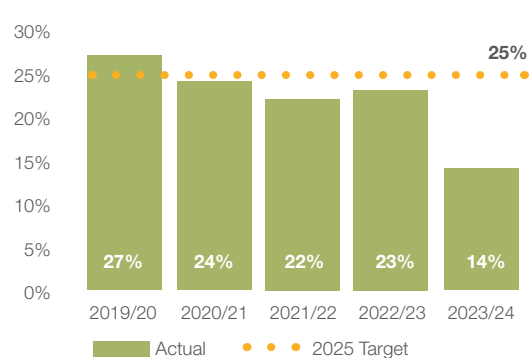
#### Great Homes: Decent homes standard compliance



#### Great Business: Employee engagement



#### Great Business: Operating margin\*



\*Target operating margin is TGPL's operating margin excluding the margin on disposals of housing properties, first tranche shared ownership sales, and outright sales. We recognised when setting our 2024/5 budget that it would reflect the financial pressures we are experiencing, in common with others across the housing sector, and would not meet the 2025 target as set out in our Strategy.

Our Business Plan for 2024/25 is focussed on where we need to improve in order to deliver our goals in the last year of our current Strategy period, and ensure we fully meet the RSH's new Consumer Standards. It sets performance targets, which are supported by KPIs. In setting targets we balance what we aspire to as a good landlord and employer with the practical realities of our current environment.

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	2023/24 Actual	2023/24 Target	2022/23 Actual	2022/23 Target
Tenant satisfaction (TSM Perception %)	67%	75%	71%	75%
Shared Owner satisfaction (TSM Perception %)	49%	52%	47%	54%
Average resolution time for stage 1 complaints (in days)	12.1	10	13.6	10
Empty homes relet time (all homes days)	55.5	38.0	57.2	38.0
Emergency repairs completed on time	92.7%	100%	95.4%	100%
Emergency repairs overdue and yet to be completed (monthly tolerance)	15	0	0	0
Non-emergency repairs completed on time	75.6%	85%	75.4%	87%
Satisfaction with responsive repairs (transactional survey %)	71%	81%	66%	85%

Tenant satisfaction of 67% was below our target and fell 4% year-on-year. Performance in both years has been measured using the definitions required under the Regulator of Social Housing's Tenant Satisfaction Measures (TSM's). Satisfaction varies significantly by geographical region, with the North and North-West regions achieving satisfaction of over 70% whereas London and the South-East achieved satisfaction of under 60%. Shared owner satisfaction has improved by 2% year-on-year to 49%. The perceived value for money of service charges is a significant factor influencing (and tending to depress) the satisfaction of shared-owners and leaseholders.

Levels of tenant satisfaction continue to be impacted by our ability to complete repairs as quickly as we and our residents expect. Demand for responsive repairs increased by 8% year-on-year which has placed pressure on the service, alongside resourcing challenges and variable levels of productivity. During the year 92.7% of emergency repairs and 75.6% of non-emergency repairs were completed on time. A repairs transformation programme is underway which will improve repair diagnostics, scheduling of appointments and levels of first time fix. At the same time we are targeting improved productivity from our in-house workforce and have strengthened our network of sub-contractors.

The changes to our repairs service will support improvement of our empty homes turnaround time which averaged over 55 days for the year, significantly longer than target. We have experienced particular challenges in our South-West region where a backlog of empty homes has taken time to clear.

During the year we improved how we handle complaints and have implemented learnings from a review initiated by our Tenant Scrutiny Panel and learning drawn from findings by the Housing Ombudsman Service. The average time taken to respond to a stage 1 complaint has fallen year-on-year to 12.1 days. This remains outside of our target of 10 days. We have recruited additional specialist resource into our Complaints team to improve the responsiveness of the service and are confident that this will bring handling times within target.

**Customer satisfaction with our care service remains high at 90%, demonstrating the value that our customers place on this service.**

**£178.8m**  
investment in our existing homes



## During the year we:

- Established a new Customer Committee who have so far focussed on our approach to engagement and our approach to resolving cases of damp and mould.
- Engaged with 2,297 residents in focus groups to review policies and to gain their views on aspects of service delivery and our proposed approach to setting rents and service charges.
- Continued to develop the capabilities of our CRM system to ensure all contact with residents is recorded in one place.
- Completed 188,415 responsive repairs which included 10,569 repairs related to damp and mould. We follow-up on completed damp and mould repairs at pre-determined intervals to ensure that the issues have been effectively resolved.
- Responded to 786 reports of Anti-Social Behaviour (ASB) and progressed 265 legal cases against alleged perpetrators.
- Created a centralised customer service transformation function which will deliver improvements to the repairs and lettings services, and other aspects of our services.
- Supported over 14,000 households to access £15.0m in welfare benefits.
- Increased our hardship fund to £1m and used this to help 3,823 households with the cost of food, furniture, consumables and energy costs.

## Our goals and targets for 2024/25:



Listen to our residents so they really shape the services we provide, give us feedback, can raise concerns, and can hold us to account.



Improve resident satisfaction by continuously improving services by making things simpler and easier, showing respect in all that we do.



Know our diverse residents and what they need from us so that we can provide the right services in the right way.



Being local so we are visible, accessible and responsive.



Supporting residents and communities to improve life chances.

## In numbers:

Tenant satisfaction (TSM Perception %)	<b>71%</b>
Shared Owner satisfaction (TSM Perception %)	<b>52%</b>
Average resolution time for stage 1 complaints (in days)	<b>10</b>
Average resolution time for stage 2 complaints (in days)	<b>20</b>
Empty homes relet time (all homes days)	<b>38.0</b>
Emergency repairs completed on time	<b>100%</b>
Emergency repairs overdue and yet to be completed (monthly tolerance)	<b>0</b>
Non-emergency repairs completed on time	<b>85%</b>
Non-emergency repairs overdue and not yet completed	<b>&lt; 1,500</b>
Average call answering time (seconds)	<b>120</b>
Satisfaction with responsive repairs (transactional survey %)	<b>80%</b>

## 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	2023/24 Actual	2023/24 Target	2022/23 Actual	2022/23 Target
Compliance with Decent Homes Standard	99.9%	100%	99.4%	100%
Gas certification compliance (% with a valid certificate)	99.9%	100%	99.9%	100%
Fire Risk recommendations overdue (month-end number)	225	0	218	0
Water safety (% of assessments in date)	100%	100%	100%	100%
Electrical testing (% of communal areas with in-date certificates of compliance)	99.3%	100%	100%	100%
Lift servicing (% of services in date)	100%	100%	100%	100%
New Home completions (number)	608*	1,055	814	771
New Homes starts (number)	576*	576	1,093	1,641

\*Inclusive of SBHA starts and completions since 4 December 2023.

We continued to maintain strong compliance with statutory landlord health and safety requirements during the year with 100% compliance reported on asbestos servicing, water safety assessments and fire risk assessments. We had only one property without an in-date gas safety certificate at year end.

We have continued our programme of stock condition surveys to improve our understanding of our homes. At the end of the year 76% of properties had been surveyed within the last five years, and we aim to increase this to 95% of properties surveyed within the last five years by the end of 2024/25. All homes that did not meet the Decent Homes Standard at the end of the prior year now meet the Standard and works have been prioritised on the 10 homes which did not meet the Standard at the end of March 2024.

99.9%

statutory compliance checks completed

608

new homes completed

During the year we completed construction of 608 new homes, of which 601 were social homes. We started on site with 576 new homes with sites located in Stockport, Bristol, Barnsley, Somerset, Gloucester and North Yorkshire.

### During the year we:

- Invested £178.8m in our existing homes across planned and responsive maintenance.
- Replaced 974 boilers, 187 kitchens and 183 bathrooms, and progressed complex major works programmes at Castle Court (Sheffield), Iveagh House (London), Anderton Place (Northwich) and India House (Manchester).
- Completed work to 1,112 homes to ensure they continued to meet the Decent Homes Standard.
- Secured £1.3m from the Social Housing Quality Fund to improve properties in Greater Manchester. We used this during the year to install 1,000 fans to improve ventilation of the home, and to make improvements to boilers, windows, kitchens, roofs and bathrooms.

99.9%

of our homes meet the Decent Homes Standard

Since April 2018 we have completed 3,038 new homes and have a further 3,563 currently under construction.

## Our goals and targets for 2024/25:



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



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



Delivering a good repairs service that is timely and effective.



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



Build new homes to meet need and tackle the housing crisis.

## In numbers:

Compliance with Decent Homes Standard	<b>100%</b>
Properties with a stock condition survey completed within the past 5 years	<b>95%</b>
Gas certification compliance (% with a valid certificate)	<b>100%</b>
Fire Risk recommendations overdue (month end number)	<b>0</b>
Communal areas with an in-date asbestos survey	<b>100%</b>
Water safety (% of assessments in date)	<b>100%</b>
Electrical testing (% of communal areas with in-date certificates of compliance)	<b>100%</b>
Lift servicing (% of services in date)	<b>100%</b>
Reduction in homes with EPC rating lower than C	<b>575</b>
New Home completions (number)	<b>1,055</b>
Average number of new home defects per property	<b>3.0</b>
New Homes starts (number)	<b>576</b>



## 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	2023/24 Actual	2023/24 Target	2022/23 Actual	2022/23 Target
Employee engagement	80%	84%	83%	85%
Attendance level excluding long-term sick	99.0%	98.5%	98.5%	98.5%
Staff attrition (rolling 12 month %)	16.8%	12%	13.7%	10%
Completion of corporate mandatory training after 1 month*	98.5%	100%	98.6%	100%

\*as at 31 December 2023. System migration means data is not available at 31 March 2024.

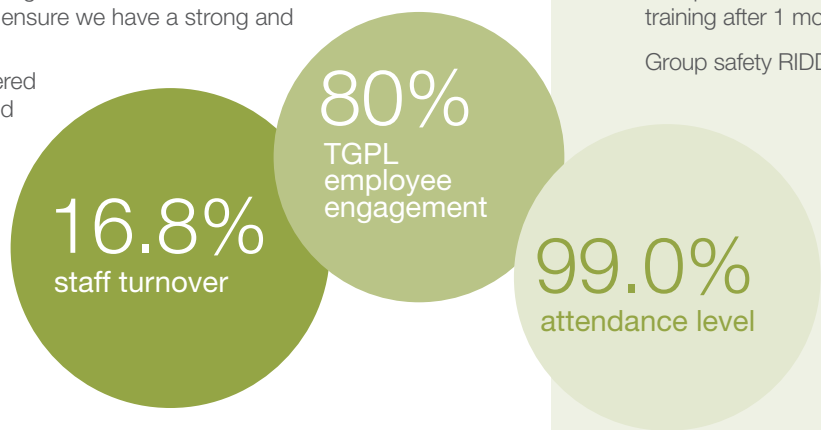
Being a great place to work is part of our vision because it is our people who deliver our services and look after our residents' homes. We are committed to investing in our people. We continued to offer a competitive reward package, in respect of both pay and benefits, across all roles. All colleagues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

We undertake engagement surveys each year and employee engagement levels remain high. We have an active Staff Forum and hold focus groups with colleagues on relevant matters. Our people remain highly motivated and committed to our social purpose.

We have Investors in People Gold accreditation for TGPL and Investors in People Silver accreditation for Guinness Property.

### During the year we:

- Implemented a new HR and payroll and learning management system, replacing seven separate systems.
- Completed a Talent and Succession Planning exercise across all our senior manager roles, creating the foundation to ensure we have a strong and diverse pipeline of talent.
- Supported 43 colleagues to obtain Chartered Institute of Housing qualifications, delivered in-house housing management training to over 850 colleagues and Great Service training to all colleagues.
- Enrolled 122 new apprentices across the Group.
- Were awarded the RoSPA Gold Award and RoSPA Fleet Safety Gold award.



## Our goals and targets for 2024/25:



Provide a great employee experience making Guinness a great place to work.



Create the professional, skilled and motivated workforce we need now and for the future.



Be 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.



Create exciting and fulfilling futures with Guinness by communicating and embedding our sense of purpose and vision.



Make sure we have the right approaches and work environment to support our people and ways of working.

## In numbers:

Employee engagement	<b>83%</b>
Attendance level excluding long-term sick	<b>98.5%</b>
Attendance level including all sick	<b>96.5%</b>
Staff attrition (rolling 12 month %)	<b>12%</b>
Completion of corporate mandatory training after 1 month	<b>100%</b>
Group safety RIDDOR reports	<b>&lt;4</b>

**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	2023/24 Actual	2023/24 Target	2022/23 Actual	2022/23 Target
Operating margin - TGPL*	13.5%	24.3%	21.8%	24.1%
Operating margin – Social housing lettings - TGPL	21.1%	26.8%	22.0%	28.5%
Compliance with loan covenants	100%	100%	100%	100%
Additional liquidity arranged	£181m	£138m	£225m	£220m
Liquidity (months available)	36	24	48	24
Current tenant arrears	4.05%	4.00%	3.81%	3.60%

\*Operating margin excluding the surplus on disposal of fixed assets, first tranche sales, outright sales and fair value movement on investment properties.

Our financial position remains robust with an operating margin of 21.1% achieved by our social housing lettings activities and 13.5% overall. Our overall operating margin in 2023/24 is impacted by impairment charges on certain development schemes and a non-cash pension charge relating to our exit from defined benefit pension schemes in 2023.

We have maintained good levels of liquidity by arranging £181m in new loan facilities and met all loan covenants throughout the year.

Following a Stability Check in March 2024 we retained our G1/V2 gradings for Governance and Financial Viability with the Regulator of Social Housing (RSH).

The Group retains strong external credit ratings of A3 (stable outlook) with Moody's, and A- (stable outlook) with S&P.

Further information on financial performance is included in the Financial Review on pages 23-27 which includes commentary on Group results.

### During the year we:

- Successfully completed our merger with Shepherds Bush Housing Association which strengthens our presence in London.
- Transferred 845 tenanted homes in the East Midlands to Ongo Homes Ltd.
- Invested £9.2m in IT and Business Change including implementing our new HR and payroll system, a new contact management system, and enhancements to our CRM system.
- Mitigated £3.3m of potential contract cost through tendering and commercial negotiation. Notable procurements included insurance, electrical testing, repair materials, mobile telephony, recruitment and retrofit contracts.
- Continued to progress our Cyber Risk Action Plan which included setting up a new Cyber Incident Response Team.

4.05%  
rent arrears

13.5%  
operating  
margin – TGPL

G1/V2  
RSH Governance  
and Financial  
Viability ratings

We have invested £9.2m in our IT systems during the year.

## Our goals and targets for 2024/25:



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



Raise our profile by promoting Guinness and our social purpose.



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



Invest 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)	<b>22.5%</b>
Compliance with loan covenants	<b>100%</b>
Interest Cover TGPL *(tightest lender covenant)	<b>166.9%</b>
EBITDA-MRI interest cover (TGPL, RSH VFM measure)	<b>91.6%</b>
Liquidity (months available)	<b>24</b>
Current tenant arrears	<b>4.00%</b>
Rent collected (rolling 12 months)	<b>100%</b>
New home sales	<b>418</b>
Sales income	<b>£57.1m</b>
Average sales margin	<b>3.2%</b>
Average weeks to sell a property	<b>14</b>



## Great Care

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

Our Operational Performance	2023/24 Actual	2023/24 Target	2022/23 Actual	2022/23 Target
Customer satisfaction	90%	90%	92%	90%
Overall CQC rating (good or above) – all services	100%	100%	100%	100%
Extra Care Market Share - % of customers with care packages delivered by The Guinness Partnership	86.2%	87.5%	Not measured	Not measured
% of Mandatory Training Completed in Regulated Care Services	95.4%	>95%	91.5%	95%
Care hours per week (Extra Care and Supported Living)	6,492	7,000	7,738	7,950

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

The Care and Support market remained challenging during the year with local authority commissioning activity falling and downwards pressure on fees in some areas. Regulated care labour markets remained difficult with high usage of agency staff being necessary, particularly in the first half of the year.

In May 2024 the Guinness Board made the decision to exit from the provision of regulated care services. This exit will take place in a managed way throughout the remainder of 2024.

90%  
care customer satisfaction

6,492  
care hours delivered per week

100%  
of our care services rated as good or outstanding

## Shepherd’s Bush Housing Association Operational Performance

Financial results have been consolidated from the date SBHA joined the Group and Group financial performance is discussed in the Financial Review on pages 23-27.

SBHA’s performance against key performance metrics for the full year is shown below:

SBHA Operational Performance	2023/24 Actual	2023/24 Target	2022/23 Actual
Tenant Satisfaction (TSM perception measure)	60%	75%	62%
Stage 1 Complaints responded to within 10 days	80%	100%	67%
Void turnaround time	158 days	108 days	20 days
Arrears- general needs	3.41%	<5%	4.61%
Satisfaction with last completed repair	77%	77%	85%
Repairs completed on time	74%	>80%	76%
Compliance with Decent Homes Standard	98.4%	100%	96.1%
Properties with in-date Fire Risk Assessment	99.2%	100%	99.1%

SBHA’s performance in a number of important areas has continued to show year-on-year improvement, including in complaints handling, rent collection and asset compliance. Staff attrition has been a key challenge and this has reduced from a high of 23% in July 2023 to 17% in March 2024.

Key drivers of tenant satisfaction for SBHA are around the maintenance of the home and management of repairs. Whilst tenant satisfaction levels of 60% did not meet target, the comparative performance against other London based landlords has improved year on year.

SBHA’s complaints handling performance has improved year-on-year and there has been a reduction in the overall number of complaints and the number of complaints being escalated to Stage 2 year-on-year.

Average void turnaround time was well above target at 158 days. This links to SBHA’s ongoing void disposal programme, with some homes under consideration for sale ultimately being retained, and remobilisation of the void maintenance contract.

Current tenant arrears have reduced year-on-year to 3.41%, with 275 SBHA residents supported to access additional benefits and welfare support to the value of £971k.

Repairs demand increased by 30% during the final quarter of the financial year. This caused significant pressure on SBHA’s ability to complete these repairs within target times. Additional resource has been mobilised to address the increased demand.

Compliance with the Decent Homes Standard has improved to 98.4% at the end of the year with 63 homes requiring works. The majority of the required works will be completed by the end of June 2024.

## FINANCIAL REVIEW (5-year performance summary)

The table below provides a summary of the Group's results and key financial ratios for the last five years. SBHA results have been consolidated from 4 December 2023 when they joined the Group.

	2024	2023	2022 (restated)	2021	2020
<b>Summary: Consolidated income and expenditure, £m</b>					
Turnover from social housing activities	443.8	403.8	384.3	362.0	352.3
Turnover from non-social housing activities	16.0	136.5	3.9	6.2	7.1
Operating costs (and cost of sales)	(415.1)	(452.6)	(310.2)	(294.8)	(272.2)
Surplus on disposal of housing properties	36.3	10.8	18.6	94.0	11.0
<b>Operating surplus excluding fair value movement on commercial properties</b>	<b>81.0</b>	<b>98.5</b>	<b>96.6</b>	<b>167.4</b>	<b>98.2</b>
Movement in fair value of investment properties	(3.1)	-	-	-	-
<b>Operating surplus including fair value movement on commercial properties</b>	<b>77.9</b>	<b>98.5</b>	<b>96.6</b>	<b>167.4</b>	<b>98.2</b>
Surplus on disposal of other fixed assets	0.9	-	0.2	0.2	-
Impairment of fixed asset investment	-	(10.0)	-	-	-
Net interest charges	(62.3)	(41.9)	(58.3)	(99.7)	(58.7)
Fair value and re-measurement movements	(0.9)	-	2.8	1.8	(1.2)
Gain on acquisition	63.0	-	-	-	-
Share of profit/(loss) of joint ventures	(0.1)	-	-	-	-
<b>Surplus for the year before taxation</b>	<b>79.4</b>	<b>46.6</b>	<b>41.3</b>	<b>69.7</b>	<b>38.3</b>
Taxation	1.6	(0.2)	0.1	0.2	(0.1)
<b>Surplus after interest and tax</b>	<b>81.0</b>	<b>46.4</b>	<b>41.4</b>	<b>69.9</b>	<b>38.2</b>
<b>Summary: Statement of financial position, £m</b>					
Intangible fixed assets	15.4	7.6	8.5	6.0	-
Tangible fixed assets	4,322.9	3,814.9	3,561.9	3,304.8	3,204.8
Net current assets/(liabilities)	(71.8)	28.6	217.6	293.1	288.5
Total assets less current liabilities	4,324.0	3,853.1	3,803.0	3,664.7	3,506.8
Long-term liabilities and provisions	(3,192.12)	(2,806.2)	(2,845.0)	(2,776.0)	(2,644.9)
<b>Net assets</b>	<b>1,131.9</b>	<b>1,046.9</b>	<b>958.0</b>	<b>888.7</b>	<b>861.9</b>
<b>Reserves</b>	<b>1,131.9</b>	<b>1,046.9</b>	<b>958.0</b>	<b>888.7</b>	<b>861.9</b>

	2024	2023	2022 (restated)	2021	2020
<b>Summary: Statement of cash flows, £m</b>					
Net cash generated from operating activities	263.1	264.6	135.8	43.4	112.5
Cash flow from investing activities	(337.9)	(238.1)	(230.0)	(51.8)	(146.6)
Cash flow from financing activities	126.7	(53.0)	94.8	(27.1)	53.3
<b>Cash and cash equivalents at the start of the year</b>	<b>53.6</b>	<b>80.1</b>	<b>79.5</b>	<b>115.0</b>	<b>95.8</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>105.5</b>	<b>53.6</b>	<b>80.1</b>	<b>79.5</b>	<b>115.0</b>
<b>Key Financial Ratios</b>					
EBITDA–MRI (as a percentage of interest)	33.1%	107.8%	98.1%	91.2%	130.8%
EBITDA–MRI (as a percentage of interest) – adjusted for non cash items*	79.6%	88.4%	98.1%	91.2%	130.8%
EBITDA interest cover*	159.0%	238%	193%	336%	285%
Operating margin (Group) – excluding surplus on disposal of housing properties, first tranche sales, and outright sales	9.6%	18.2%	21.2%	20.5%	24.4%
Operating margin (Group) – including surplus on disposal of housing properties, first tranche sales, and outright sales	17.6%	18.3%	24.9%	45.5%	48.3%
Gearing % (Net debt as a proportion of housing properties measured at cost)	42.9%	38.2%	40.8%	42.6%	38.1%

\*Adjusted to exclude non cash items, see Note 36 to the Financial Statements (p 87) for reconciliation to RSH metric.

## FINANCIAL REVIEW

### Statement of Comprehensive Income

The Group generated an overall surplus of £81.0m for the year ended 31 March 2024, an increase of £34.6m compared to the prior year. The increased surplus at Group level is due to the recognition £63.0m being the fair value of the net assets relating to Shepherd's Bush Housing Association (SBHA) on the date that SBHA joined the Guinness Group in December 2023. The Group surplus excluding the one-off impact of this transaction was £18m, £28.4m lower than the prior year. Group turnover has decreased to £459.8m (2023: £540.3m) and the overall surplus (excluding the one-off gain noted above) represents an underlying net margin of 3.9% (2023: 8.6%).

The surplus generated by core social housing lettings has decreased by £3.0m to £76.1m (2023: £79.1m). A surplus of £0.9m (2023: £16.0m) was generated from sales of nine new homes on the open market, and a surplus of £2.9m (2023: £2.3m) from the sale of the first tranche of 251 shared ownership homes. A further surplus of £36.3m (2023: £10.8m) was generated from the sale of 945 existing homes during the year, including the sale of 845 tenanted homes in the East of England to another housing provider. The increased income from the sale of existing homes has resulted in a group operating margin, including all property sales, of 17.6% (2023: 18.3%).

The underlying Group operating margin (excluding surplus from the disposal of housing properties, first tranche sales and outright sales) has fallen year-on-year to 9.6% (2023: 18.2%) due to increased responsive and void repair costs of £16.4m, impairment charges of £22.0m across properties under development for rent and sale, provisions totalling £26.9m for building safety remediation costs at two leasehold schemes in London owned by SBHA and a £7.3m non cash pension cessation charge relating to our exit from defined benefit pension schemes in 2023. Impairment charges reflect a combination of increasing construction costs, lower sales values and delays to completion of schemes.

The Group has limited exposure to the private sales market with only 214 homes for outright sale currently on site. Our exposure to the shared-ownership sales market is greater with 1,393 homes currently on site and expected to be made available for sale in future years.

The Group's results include a surplus of £1.2m delivered by SBHA in the four months following their joining the Group in December 2023. SBHA's surplus includes a deficit on core activities after impairment charges and building safety provisions of £3.5m, and a surplus on sales of existing properties of £4.7m.

The Group's core activity remains the letting of social housing, with 87.7% of the Group's turnover being generated from this activity (2023: 66.1%). Our social housing lettings activity delivered an operating surplus of £76.1m and an associated operating margin of 18.9% (2023: £79.1m, 22.1%) for the year. Whilst turnover has increased by £45.8m due to an increase in the number of properties under management and a rent increase of 7.0% being applied to general needs tenancies, we have faced significant cost pressures during the year. Demand for responsive repairs increased year-on-year by over 8% which resulted in significant unbudgeted expenditure.

During the year we increased our levels of financial and other support to customers and ended the year with current tenant arrears at 4.05% (2023: 3.81%). Levels of rent arrears have been managed despite the challenging environment which continues to impact our residents.

During the year we generated profits of £0.9m (proceeds of £3.4m) from the sale of nine homes for outright sale (2023: profit of £16.0m). The prior year included the bulk sale of 204 homes in one block at Leaside Lock (East London) and so the significant reduction in the current year was expected.

Continuing our focus on investing in our existing homes, including both revenue and capital expenditure we invested £69.9m (2023: £53.5m) on responsive and void maintenance and £108.9m (2023: £124.7m) on building safety and planned maintenance.

Group EBITDA-MRI interest cover at the end of the year calculated according to the RSH definition for VfM metrics was 33.1% (2023: 107.8%). TGPL as a standalone entity is reporting EBITDA-MRI interest cover of 59.7% for the year (2023: 118.7%). These results reflect the additional expenditure on responsive and void repairs, impairment, building safety provisions and other one-off non-cash items noted above. If these items are excluded then EBITDA-MRI interest cover of 79.6% is reported for the Group and 90.8% for TGPL. See note 36 in the Financial Statements (page 87) for a reconciliation of these metrics to the RSH metric.

### Statement of Financial Position

At 31 March 2024, the Group has total reserves of £1,131.9m (2023: £1,046.9m). This reflects continued growth over recent years and the incorporation of the fair value of net assets of SBHA in December 2023. The Group generates surpluses each year which are reinvested in existing homes, communities, services and in the development of new homes. The Group Board is satisfied that the reserves at 31 March 2024 were at a level that is appropriate for the business.

The Group owns and manages over 69,000 properties, with the carrying value increasing during the year by £505.3m to £4,324.0m. In addition to acquiring £252.9m of property assets associated with SBHA, we invested £68.2m (2023: £73.1m) in capital improvements to our existing homes and £307.3m (2023: £247.6m) in developing new affordable housing. Housing property depreciation charges for the year totalled £61.2m.

Stock, being homes held for sale, has decreased during the year by £21.4m to £139.0m reflecting a significant number of property sales during the year.

At the end of the year the Group had cash balances totalling £105.5m (2023: £53.6m) 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 2024 the Group had drawn bank and debt facilities totalling £1,941.6m (2023: £1,495.5m). We have further undrawn loan facilities of £955.9m (2023: £745.0m) which together with the cash generated from operations and grant funding, provide strong levels of liquidity to support our investment in existing and new homes. We negotiated £442.8m 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 indications of impairment. As noted above operating costs include impairment charges of £22.0m this year (2023: £4.9m) against specific development schemes where costs have increased or projected sales values have declined compared to those anticipated. In addition to the impairment charges noted above, SBHA has provided £10.8m for the potential future revenue costs associated with resolving building safety issues at a specific building in Greenford in West London and GHIL has provided £7.6m for remediation of specific buildings in East London.

In accordance with the requirements of FRS102 and the SORP, the deficit in respect of defined benefit pension schemes (which totals £24.2m (2023: £23.7m)), 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 £12.5m, changes in the value of the plan assets and changes to the actuarial assumptions used when calculating the liability which has the impact of reducing the present value of future liabilities. As well as this the Group figure now includes the SBHA defined benefit pension deficit of £4.8m. All defined benefit pension schemes are closed to new members and future accrual.

## 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 informs risk appetite and investment decision making.

The Plan is updated at least twice annually. The latest Plan reflects the objectives set out in our Strategy, which include investing in our existing homes to ensure their safety and to maintain full Decent Homes compliance, ensuring we deliver a good service to residents, and ensuring we have the business infrastructure and technology appropriate to our scale and service offer. Our Financial Plan includes the investment needed in our existing homes to achieve EPC-C by 2030 and net zero carbon by 2050. Capacity to develop new homes is constrained by the cost and interest rate increases that we have experienced in recent years and the increasing need for more investment in our existing homes.

We are targeting an underlying Group operating margin (excluding sales) of 22.5% for the year to March 2025, investment in our existing homes of over £170.0m and expenditure of £323.4m to complete 943 new homes.

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

## Treasury Management

The ability to deliver our investment and new development programmes is underpinned by robust treasury management. We manage treasury risks to ensure the Group has sufficient liquidity to fund its operations and development pipeline while always ensuring loan covenant compliance. The interest rate risk exposure of our borrowings is managed in line with a Group Treasury Management policy and cash balances are held with highly rated institutions or funds in order to manage counterparty risk.

A dedicated Treasury team is in place to manage the Group's treasury activities with assurance and advice sought from external treasury advisers where appropriate.

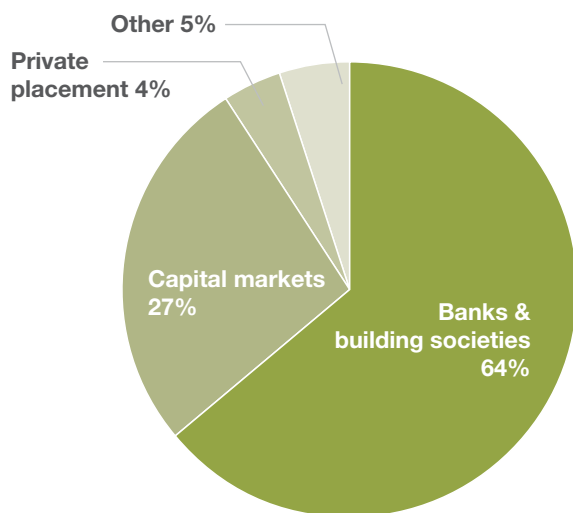
The Group Treasury Policy is reviewed and approved annually by the Group Board. The Group Board reviews treasury management activity on a quarterly basis, with significant transactions considered separately as required. The routine quarterly review includes details of compliance with financial covenants, interest rate management, liquidity projections and securitisation updates. As at 31 March 2024 the Group complied with all financial and non-financial loan covenants.

## Financing

At 31 March 2024 the Group had total loan and debt facilities of £2,800.8m (2023: £2,240.5m) of which £1,941.6m (2023: £1,495.5m) had been drawn. These figures include SBHA facilities of £323m (of which £228m was drawn) together with the retained element (nominal of £150m) of the TGPL 2055 2% Bond that has not yet been sold. As at the end of March, 64% of the Group's debt funding has been sourced from banks and building societies through a combination of term loans and revolving credit facilities. A further 27% of funding has been sourced from the debt capital markets on a longer term basis.

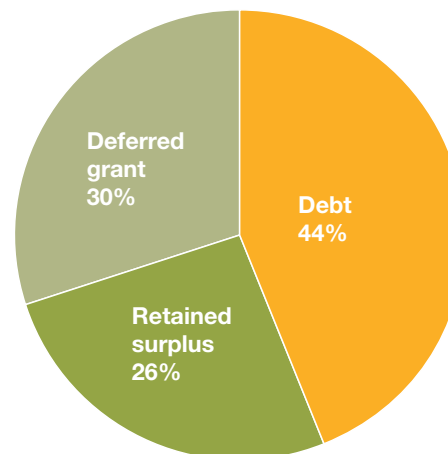
During the year new revolving credit facilities totalling £225m were put in place, and several existing facilities were increased by a combined total of £181m. There were no capital market issues by the Group during the year. After joining the Group, the SBHA Board approved the repayment of one of its bank loan facilities totalling £23.4m.

### Source of funds (% of total borrowings)



At the end of the financial year the Group's overall funding position consists of £1,941.6m of drawn debt (2023: £1,495.5m), £1,131.9m (2023: £1,046.9m) of retained surpluses and £1,339.7m (2023: £1,329.6m) of deferred grant funding.

## Our funding



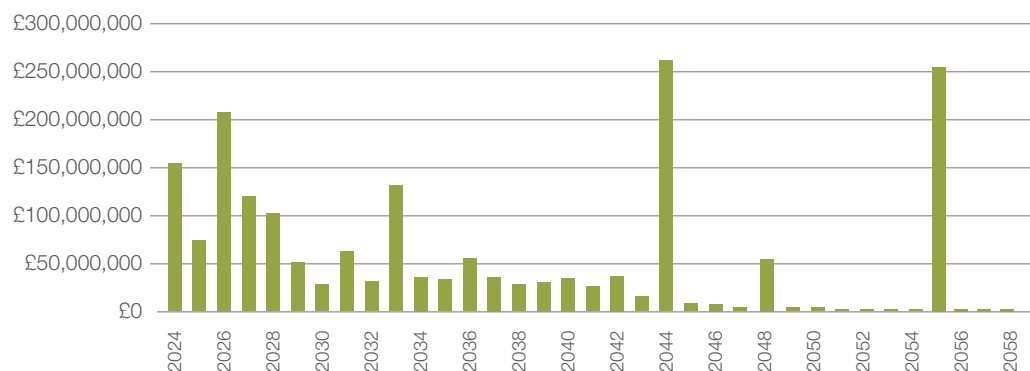
### Interest rate management and re-financing risk

Net interest charges for the year totalled £62.3m (2023: £41.9m) with the year-on-year increase reflecting increased borrowing levels and interest rates, as well as the inclusion of SBHA's interest charges for the period since December 2023. The comparative interest charges for 2023 include a credit of £17.5m reflecting fair value adjustments on the redemption of specific loans and financial instruments.

Interest rates rose during the year and in order to manage interest rate risk the Group maintains a level of borrowings at fixed rates. At 31 March 2024, 68% (2023: 76%) of the Group's debt was at fixed rates with maturities between 1 and 34 years. At 31 March 2024 the weighted average maturity of our debt was 13 years.

The Group has limited re-financing risk, with 66% of the Group's drawn debt due for repayment in more than five years, and 71% due for repayment in more than four years. During the last financial year, £290m was drawn by TGPL against revolving credit facilities which have an average final maturity of over a year.

### Drawn debt maturity profile



Of our fixed rate debt £77.9m (2023: £79.8m) was hedged under ISDA agreements. The mark to-market exposure in respect of these agreements as at 31 March 2024 was £4.2m adverse (2023: £6.3m adverse) with property security in place to cover this position. All swaps under ISDA agreements achieve hedge effectiveness.

### Loan security

Committed loan facilities are secured against our social housing assets. These assets are independently valued to ensure we meet lenders’ asset cover requirements. At 31 March 2024, 42,524 homes (2023: 37,725) were charged as security to lenders and ISDA providers (TGPL, 45,167 Group). Our asset base includes 16,127 unencumbered properties (2023: 21,446). Of the properties charged as loan security at the end of the year, 41% were charged at Existing Use Value – Social Housing (EUV-SH), 48% at Market Value – Subject to tenancy (MV-ST) and 11% on a rental income basis. The majority of properties charged as loan security are general needs rented properties although some shared ownership properties are also charged as loan security.

### Liquidity

The Group’s Treasury Management Policy requires that secured facilities and cash balances held at any time must be sufficient to meet forecast cash outflow for at least the next 18 months. The Group met this policy requirement throughout the year. At 31 March 2024 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 £105.5m (2023: £53.6m) of which £51.9m (2023: £24.9m) was held in AAA-rated money market funds. A further £27.2m (2023: £22.6m) was 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. 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 £3.1m through a combination of direct and partnership-based activities. Our work benefitted 15,000 Guinness residents and 35,000 people in the wider communities we work in. Through our partnership-based activities we helped deliver £18m in wider value to society.

In addition to Guinness’s direct funding, we secured £232,000 in social value in-kind and cash contributions from contractors enabling us to invest more in our communities through 40 different initiatives.

### Alleviating hardship

We provide practical support to help residents sustain their tenancies and to alleviate the most acute household economic circumstances.

Our in-house Customer Support Team has supported over 14,000 households to claim £15m in welfare benefits. Of this, £10.5m supported payment of rent, with the remaining £4.5m enabling households to meet other costs. We spent £1m through our hardship fund to support over 3,800 Guinness households with utility bills, food costs and furniture needs.

As well as the direct support we continue to partner with a network to food pantries and food banks across England. During the year we provided £55,000 in direct funding to food bank and food pantry projects, supporting over 4,000 households to access affordable food. This year we entered into a new partnership with Food Cycle who provide free hot meals from locations across the country, enabling us to expand and improve our mobile food offer.

Our partnership with Sal’s Shoes continued into its fourth year, enabling people living in our communities to access high quality, free children’s footwear. Over the four years our partnership has distributed 4,770 pairs of shoes, the equivalent to providing one pair of shoes each year to every child in four primary schools.

During the year we launched The Crib, a new partnership in Rochdale with Shared Health, which offers community-based support to local families referred by health professionals.

### Education, employment and training

We have continued to grow our offer of both direct and partnership-based support to facilitate access to jobs, training, skills-building, and volunteering, supporting nearly 4,900 people across Guinness communities.

We have supported a number of Guinness residents into employment through our partnership with Stay Nimble which provides one to one support and career coaching. Through our partnership with Hatch, we have supported a number of residents to set up their own businesses through access to professional support and mentoring.

Our two-year pilot programme with Rio Ferdinand Foundation in London and Greater Manchester concluded during the year, having supported 98 young people throughout this time. We will continue our partnership with the charity through supporting its Clean Kicks sustainability programme in Greater Manchester. This programme supports children and young people from the Rochdale and Oldham areas to creatively regenerate unwanted trainers destined for landfill. Through this programme participants will gain an arts award accreditation and take part in environmental workshops.

Through our partnership with Skills Builder, we have supported 158 teachers in six schools in Crewe, Gosport, Harrow, Hillingdon and Milton Keynes to deliver their Accelerator programme, reaching nearly 2,200 school pupils. The programme is a year-long training programme that delivers life and employability skills to students.

We supported 65 young people living at our Sheffield Foyer to move on to live independently. During the year specialist staff supported 42 residents into work and 47 residents into training, with these activities alone delivering social value of £3.3m.

Working with Speakers for Schools, our colleagues have delivered career insight and discovery workshops to students aged between 14 and 19 with the aim of inspiring young people to consider housing as a career of choice.

We continue to directly support Guinness residents through our Aspire grant programme. This year we made 21 awards to support residents further their career and life aspirations.

### Inclusive communities

We supported 13 Inclusive Communities partnerships in 2023/24, helping over 3,000 people access a range of community services and support.

Over 90 Guinness housing for older people schemes celebrated the King's Coronation by arranging afternoon teas, community get-togethers, garden parties and barbeques.

We supported over 300 families through our partnership with Off The Record in Havant. This partnership provides access to a range of parental capacity and relationship counselling services to families who need them.

We have enabled access to mental health support for 70 Guinness residents directly through our longstanding partner Talk, Listen, Change.

We have also supported young people through the provision of school holiday activities across the country which have been delivered by partners Motiv8, Wishing Well and Cracking Good Food.

During the year we entered into several new partnerships. We are working with Andy's Man Club, a men's suicide prevention charity that creates spaces and support for men to voice their worries or concerns. The Baytree Community Centre is delivering after school activities and a parenting course, and we have established a partnership with Think Outside the Blox in London. Think Outside the Blox promotes unity against gang violence and knife crime through working with young people. It has used football as a unifier through organising the 32 Boro Cup in London and with our support has started delivering youth services from our community centre in Northwold, Hackney.

### 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 requirements of the Care Act 2014. 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 an annual report on safeguarding summarising safeguarding cases and our response and learnings. In addition, the Care Committee receives assurance and performance updates on Health 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. In January 2024 we were the first housing association to be awarded the Enhanced Domestic Abuse Housing Alliance accreditation by the Domestic Abuse Housing Alliance.

## Equity, Diversity and Inclusion

Our commitment to equity, diversity and inclusion (EDI) is set out in our EDI Strategy “everyone” and is extended through our People Strategy, our Customer Engagement Strategy, our approach to investing in our communities, and our Procurement Strategy.

EDI 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 residents 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 resident 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 they 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.

All colleagues must complete EDI training and during the year we continued delivery of Race Fluency training for all colleagues. In our most recent colleague survey 94% of colleagues said they had read and understood our anti-racism statement and 82% of colleagues knew about and understood our EDI Strategy.

During the year, following consultation with colleagues, we launched two network groups - a Women’s Network and a Race and Ethnicity Network. These groups, along with our EDI Steering Group, support us to provide a diverse calendar of events which have included South Asian History Month, Pride Month, Black History Month and International Womens’ Day.

Information on diversity statistics across the Group (excluding SBHA which will be included from next year) is provided in the table below:

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

2023/24							
GROUP*				TGPL			
Total Employees	%Ethnic Minority	% Female	% Disabled	Total Employees	% Not declared	% Female	% Disabled
2,442	14.1%	47.6%	9.5%	1,793	15.6%	60.4%	11%

GP			
Total Employees	%Ethnic Minority	% Female	% Disabled
649	10.0%	12.3%	5.6%

\*Not including SBHA.

Our gender pay gap statistics are shown below (positive values indicate a gap in favour of men). Data is for the year ended 31 March 2023, we typically report our pay gap information a year in arrears.

	Mean	Median
TGPL	13.5%	0.5%
Guinness Property	11.1%	24.4%
National benchmark	13.2%	14.3%

\*Positive values indicate a gap in favour of men

Our ethnicity pay gap by company and by the minority groups most represented in our workforce is shown below (positive values indicate a gap in favour of white employees):

	Mean	Median
TGPL	8.7%	9.9%
Guinness Property	2.50%	-5.10%

	Mean	Median
Asian	0.10%	7.50%
Black	6.90%	3.60%
Mixed and multiple ethnicity	11.30%	0.00%

### Value for Money

#### 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. We separately identify Business Plan activities which specifically contribute to value for money.

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, existing homes and communities, and new homes;
- Clearly highlighting activities in our Business Plan which will contribute to delivering VfM;
- 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 which includes category planning and supplier relationship management;
- 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; and,
- 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:

- 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.
- With the **G15 Group** of large providers who operate primarily in London, of which we are a member, many of whom publish the wider set of metrics formerly contained within the Sector Scorecard.
- With the wider sector through benchmarking performed by Housemark and other organisations.

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 current external operating environment is particularly volatile and therefore, as in recent years, caution is required when comparing current year performance against these benchmarks.

The 15 measures formerly included within the Sector Scorecard are grouped into Business Health, Development – Capacity and Supply, Outcomes Delivered, Effective Asset Management and Operating Efficiencies. This includes the seven metrics within the Value for Money Standard. The Sector Scorecard is no longer published however the metrics continue to be a useful indication of performance. Our performance against other performance targets is presented earlier in this Strategic Report.

Metrics calculated from our financial statements include the performance of SBHA for the 4 months of the year that they were part of the Group. All other metrics do not include SBHA, SBHA have included a VfM report in their Report and Financial Statements.

## Business health

Scorecard metric	2024 Group**	2024 TGPL	2023 Group	2023 TGPL	National median benchmark 2023	G15 median Benchmark 2023
Operating margin (overall)*	9.72%	12.84%	16.20%	20.70%	18.20%	16.00%
Operating margin (social housing lettings)*	18.87%	21.10%	22.10%	22.30%	19.80%	20.00%
EBITDA-MRI (as % interest)*	33.07%	59.73%	107.80%	118.70%	128.00%	74.00%
EBITDA-MRI (as a % interest) – excluding one-off non-cash items.	79.58%	90.79%	88.40%	97.30%	128.00%	74.00%

\* These indicators are those included within the VfM Regulatory standard with the National median benchmark for 2023 contained in the Annex to the 2023 Global Accounts rather than from the Sector Scorecard.

\*\*All metrics inclusive of SBHA results.

Operating margins are a key measure of financial resilience. Guinness has experienced a decline in overall operating margin in common with many in the sector, both at Group level and within TGPL. The overall operating margin of the Group (excluding sales of empty homes) has been impacted by higher levels of responsive and voids maintenance expenditure, provisions for building safety works to certain leasehold buildings, impairment charges and an additional pension provision. It is also significantly impacted 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 vary each year making objective comparison with peers difficult.

Our operating margin on social housing lettings reflects the distorting impact of some of the one-off items noted above, and has fallen year-on-year to 18.87% for the Group and 21.10% for TGPL. If the impact of the one-off items is excluded then our operating margin on social housing lettings would demonstrate a greater level of consistency with the prior year and would compare favourably to peer and sector benchmarks.

Reported levels of EBITDA (MRI) interest cover have been falling over recent years both for Guinness and the wider housing sector. The investment requirements of our existing homes have increased at the same time as the level at which we are permitted to increase our rents has been limited. High levels of cost inflation and rising interest rates have compounded this impact. If the one-off non-cash items noted above are excluded from the calculation of EBITDA (MRI) interest cover, performance improves to 79.58% at Group level and 90.79% for TGPL.



## Development – capacity and supply

Scorecard metric	2024 Group**	2024 TGPL	2023 Group	2023 TGPL	National median benchmark 2023	G15 median Benchmark 2023
New supply % (social) *	0.99%	1.00%	0.80%	0.81%	1.30%	1.20%
New supply % (non-social) *	0.02%	0.02%	0.46%	0.47%	Not available	0.30%
Gearing*	39.8%	42.8%	38.2%	39.2%	45.0%	46.0%

\* These indicators are those included within the VfM Regulatory standard with the National median benchmark for 2023 contained in the Annex to the 2023 Global Accounts rather than from the Sector Scorecard.

\*\*All metrics inclusive of SBHA results.

During the year we completed 608 homes, of which 601 were social homes (being 308 for affordable or social rent and 293 for shared ownership). We completed fewer homes than originally targeted as we experienced the failure of contractors on a number of large sites which has led to delays as new contractors were sourced. Planning delays and viability challenges on some sites has also led to some schemes progressing more slowly than anticipated.

We started on site with 576 homes during the year with a total of 3,563 homes on site at the end of the year. Of the total homes on site 94% are for affordable tenures.

During the year we reprogrammed delivery of our commitments to Homes England and the GLA under Strategic Partnerships in light of prevailing economic conditions and the status of our delivery programme. We expect to deliver 4,498 homes under the 2018-23 Strategic Partnership with Homes England and the 2016-23 Strategic Partnership with the GLA as well as further homes through other grant funding programmes and non grant funded homes.

Our level of gearing has increased year on year as we have increased our group borrowings. The increase was anticipated and reflects the funding needs of our development programme. Gearing levels are regularly monitored and are forecast within each edition of our Long Term Financial Plan.

608  
new homes  
completed

576  
homes started  
on site

3,563  
new homes  
pipeline

67%  
tenant  
satisfaction

## Outcomes delivered

Scorecard metric	2024 Group**	2024 TGPL	2023 Group	2023 TGPL	National median benchmark 2023	G15 median Benchmark 2023
Tenant satisfaction	67%	67%	71%	71%	Not available	76%
Reinvestment *	8.77%	8.57%	8.40%	9.20%	6.70%	6.0%
Investment in communities	£3,100,000	£3,100,000	£2,800,000	£2,800,000	Not available	£3.1m

\* These indicators are those included within the VfM Regulatory standard with the National median benchmark for 2023 contained in the Annex to the 2023 Global Accounts rather than from the Sector Scorecard.

\*\*Metrics do not include SBHA results.

This represents the first year of reporting under Tenant Satisfaction Measures (TSMs) introduced by the Regulator of Social Housing (RSH) in April 2023. Further detail on our performance against certain of the TSMs is included in the Operating Performance section earlier in this report. Full comparative reporting on the TSMs across the wider housing sector will be available later in the year. The TSMs provide greater consistency between landlords in how satisfaction is measured and allow for more meaningful comparisons to be made.

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 on the status of repairs. Satisfaction varies across our operating regions with higher levels of satisfaction in Manchester and the North-West and lower levels in London and the South Coast. Initial benchmarking of TSM results suggests that our satisfaction levels in London are lower than benchmark but that outside of London our relative performance improves.

Reinvestment in our homes across the Group increased to 8.77% in 2024. This reflects our ongoing commitment to the quality and safety of our existing homes. Expenditure on new homes has increased as the larger schemes in our pipeline are now on-site. We expect levels of investment in existing homes to increase over the coming years with expenditure on new homes being largely focussed on completing those that are already on-site.

We have continued to invest in our communities beyond our expenditure on social housing activities, spending £3.1m in the year. 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.

£3.1m  
investment in  
communities

8.8%  
re-investment  
in properties

## Effective asset management

Scorecard metric	2024 Group**	2024 TGPL	2023 Group	2023 TGPL	National median benchmark 2023	G15 median Benchmark 2023
Return on capital employed (ROCE) *	1.9%	2.3%	2.6%	2.5%	2.8%	2.2%
Occupancy	98.60%	98.60%	99.12%	99.12%	Not available	98.90%
Ratio of responsive repairs to planned maintenance	0.67	0.66	0.51	0.51	Not available	0.62

\* These indicators are those included within the VfM Regulatory standard with the National median benchmark for 2023 contained in the Annex to the 2023 Global Accounts rather than from the Sector Scorecard.

\*\* ROCE and Ratio of responsive repairs to planned maintenance include SBHA results, Occupancy does not include SBHA.

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 have fallen over recent years, so has our ROCE. TGPL's performance continues to compare well, with the Group result impacted by the one-off provisions and charges noted previously in this report.

Occupancy of our homes decreased during the year to 98.6%. Performance has been impacted by continued challenges in reducing our empty homes turnaround time, which remains above target. We also have a relatively high proportion of supported housing properties and housing for older people in our portfolio at 11%, these properties are typically more difficult to re-let. As noted previously we are taking action to improve our turnaround time with a focus on the performance of our repairs service.

Our ratio of responsive repairs to planned maintenance has increased at Group level to 0.67 and in TGPL to 0.68. Expenditure on responsive repairs has increased during the year reflecting higher expenditure linked to demand. At the same time expenditure on planned maintenance in TGPL has reduced year-on-year. We expect the ratio to fall in future years as we increase investment in planned maintenance and improve the efficiency of our in-house responsive maintenance service and contracting arrangements.

98.6%  
occupancy of our homes

£178.8m  
investment in our existing homes

99.6%  
rent was collected

## Operating efficiencies

Scorecard metric	2024 Group**	2024 TGPL	2023 Group	2023 TGPL	National median benchmark 2023	G15 median Benchmark 2023
Headline social housing cost per unit *	£4,902	£5,304	£5,130	£4,930	£4,082	£6,239
Rent collected	99.60%	99.50%	99.61%	99.60%	Not available	99.60%
Overheads as a percentage of adjusted turnover	10.90%	11.25%	11.20%	11.30%	Not available	11.20%

\* These indicators are those included within the VfM Regulatory standard with the National median benchmark for 2023 contained in the Annex to the 2023 Global Accounts rather than from the Sector Scorecard.

\*\*Headline social housing cost per unit and overheads as a percentage of adjusted turnover include SBHA results, rent collected does not include SBHA.

Our reported headline social housing cost per unit has decreased to £4,902. While this reflects continued high levels of cost inflation, particularly in utilities and insurance, higher responsive and void repair costs and our continued programme of investment in our existing homes, the average cost per unit has decreased due to the addition of 4,567 social housing units from SBHA. The 2023 benchmarks do not reflect the more recent impacts of cost inflation which has impacted the housing sector making objective comparisons difficult. Our lower cost per unit when compared to our G15 peers is likely explained in part by the national spread of our homes. We anticipate that our unit costs will increase as we continue to deliver our programme of building safety improvements, invest to ensure our homes continue to meet the Decent Homes Standard, and ensure that all of our homes achieve EPC-C by 2030.

Rent collection performance has been maintained at a high level despite continuing cost of living pressures for our residents. We take a data-led approach to identify residents who may be at greater risk of rent arrears and intervene at an early stage to help them sustain their tenancies through provision of debt and benefits advice.

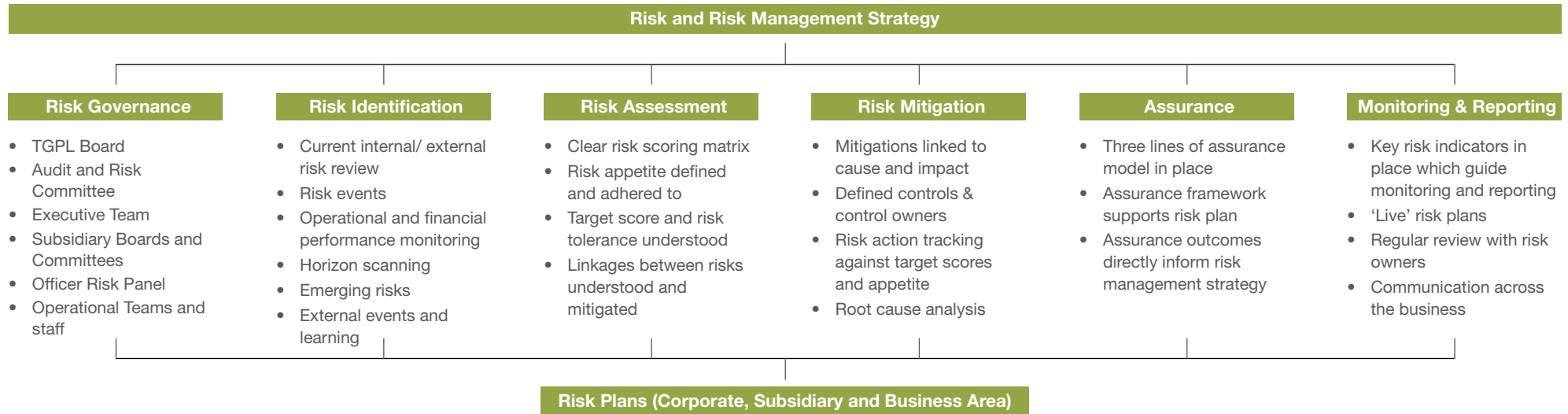
Overheads as a percentage of adjusted turnover for the Group decreased slightly to 10.90%, slightly better than our G15 peers. This improvement reflects rigorous budgeting and effective control of corporate overhead costs.

£4,902  
housing cost per unit

1.87%  
return on capital employed

Managing our Risks

We take a Group-wide approach to Risk Management through our Risk Management Strategy and Framework and supporting Corporate Risk Plan. 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 the Board is prepared to accept and is considered across different risk categories. The assessment of risk appetite takes into account the varying levels of financial and operational stresses being faced. Risk appetite provides a framework which enables Guinness to make informed decisions, setting out an acceptable position in the pursuit of our strategic objectives.

We have identified nine key categories of risk that are critical to the success of the business (aligned to our strategic objectives). These are Strategic, Compliance, Financial, Operations, Reputation, People, Change, Innovation and Technology, and Joint Venture and Non-core Activity.

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, our maintenance company. A separate risk appetite statement has been created for Shepherd's Bush Housing Association which reflects the differences in service delivery model and financial capacity.

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

- 2023/24 context**
- CPI at 8.3% in April 2023, but has fallen to 3.2% by the end of the year.
  - Bank of England base interest rate rose to 5.25% in August 2023.
  - Increased costs of labour and materials due to supply chain challenges.
  - Contractor failure.
  - High utility costs.

#### Short term view

- Potential increase in rent arrears.
- Cost of living challenges for customers and employees.
- Fuel and food poverty for customers.
- Reduced affordability of mortgages for prospective purchasers.
- Increased development and maintenance costs.

#### Longer-term view

- Inflation is expected to fall back below 2%.
- Interest rates are predicted to slowly reduce over the period to 2026.
- Property price inflation expected to slow, with price reductions in some areas.

- Risk mitigations**
- Increase in Hardship Fund available to support the residents.
  - A pay award for all employees from April 2024 with the Real Living Wage introduced for all Care and Support roles.
  - Fixed price contracts in place on most development schemes and mitigation strategies in place should contractor failure occur.
  - Effective contract management framework in place with enhanced monitoring of key suppliers.
  - Regular stress testing of Financial Plans and robust recovery strategies in place.
  - Regular review of utility costs with procurement strategies developed accordingly.

## Key risk area – Cybersecurity

- 2023/24 context**
- The Government’s cyber security breaches survey for 2024 found 50% of business had experienced a cybersecurity breach.
  - State cyber capabilities continued to develop, becoming more sophisticated, increasingly targeting third-party technology and service supply chains, as well as exploiting software vulnerabilities.

### Short term view

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

### Longer-term view

- Risk of reputational damage and loss of trust.
- Move to Cloud based applications changes but does not eliminate risks.
- Sophistication of potential cyber-attacks continues to increase.

### Risk mitigations

- Security monitoring in place provided by a reputable third party.
- Regular penetration testing programme.
- Desktop infrastructure and network segmentation protections in place.
- Cyber security action plan in place which is subject to regular expert third party assurance.
- Cyber security communications plan and phishing testing in place.
- Development of specialist cyber risk management.

## Key risk area – Investment in existing homes and their safety and quality

- 2023/24 context**
- Condition of social homes highlighted in media investigations and recognised in Better Social Housing Review.
  - Net Zero Carbon targets.
  - Building Safety improvement programmes.
  - Rising incidence of disrepair claims across the housing sector.
  - Focus on damp and mould.
  - Introduction of new RSH Consumer Standards.
  - Creation of Awaab’s Law through amendments to the Social Housing Regulation Bill.
  - Labour and materials price inflation.

### Short term view

- Harm caused to residents.
- Pressure on cashflows and key financial metrics.
- Reduced capacity to develop new homes.
- Reputational damage arising from negative media coverage.
- Increased repair and maintenance costs.
- Increased costs of handling disrepair cases.
- Heightened risk of Regulatory intervention.
- Increased volume of complaints and resulting resident dissatisfaction.

### Longer-term view

- Increased investment costs if new/more stringent obligations are introduced.
- Capacity to develop new homes further eroded.
- Performance against key financial metrics deteriorates.
- Reputational damage impacting ability to secure future funding.
- Loss of trust from residents.

### Risk mitigations

- Regular updates to stock condition data to inform our understanding of amount and timing of investment need.
- Financial Plan regularly reviewed and updated to reflect latest investment programmes.
- Stress testing of Financial Plans to understand the impact of increased investment costs.
- Roadmap to achieve EPC-C by 2030 and net zero carbon by 2050 included in our Environmental and Sustainability Strategy.
- Robust asset option appraisal process in place.
- Proactive approach to seek out and resolve damp and mould issues through communication with residents.
- Asset compliance programmes in place with performance reported at Executive and Board level.

## Key risk area – Climate change

- 2023/24 context**
- Warming temperature in the UK and globally.
  - Wetter and more extreme weather conditions in the UK.
  - Government Net Zero Carbon Strategy: Build Back Greener.

### Short term view

- Increased flooding and storm events causing damage to homes.
- Adverse weather events impact service delivery.
- Increased insurance premiums.
- Skills shortage to understand and prepare for climate change.
- Increased investment required in our homes.

### Longer-term view

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

### Risk mitigations

- Environmental and Sustainability Strategy in place supported by a detailed action plan.
- Development Design Guide principles focus on sustainability and consider the future sustainability and climate resilience of new homes.
- Future investment requirements of existing homes are validated by a qualified third party with appropriate provision contained within our Financial Plan.
- Investment plans in place to ensure all homes meet EPC-C by 2030.
- Early warning system for flooding events in place.

## Key risk area – Development and sales

- 2023/24 context**
- Increased costs of labour and materials.
  - Interest rate rises through 2023/24.
  - Challenges in the contracting market.
  - Uncertain outlook for the UK's property market.
  - Mortgage availability and affordability challenges resulting in a slowdown in the property market.

### Short term view

- Higher costs and potential delays to development schemes.
- Reduced demand from purchasers due to mortgage affordability challenges.
- Property value fluctuations at local and national level.
- Increased risk of failure of key contractors.

### Longer-term view

- Inflation has reduced and is expected to stabilise.
- Uncertainty in the property market is likely to continue.
- Capacity of the contractor supply chain will be limited if a number of key contractors fail.

### Risk mitigations

- Regular stress testing of Financial Plans and robust recovery strategies in place.
- Regular review of size and profile of development programme.
- Regular review of development schemes and ability to respond to changes.
- Good working relationships with Homes England and Greater London Authority.
- Regular monitoring of the Financial Health of key suppliers.

## Key Risk Area – Service delivery

- 2023/24 context**
- Increasing demand for repairs.
  - Some remaining recruitment challenges in certain fields and locations.
  - New RSH consumer regulation with greater focus on transparency and engagement with residents.
  - New statutory powers for the Housing Ombudsman around complaints handling and poor policies and practices.
  - Social and mainstream media investigations into quality of homes and services across the housing sector.

### Short term view

- High volumes of resident complaints.
- Reputational damage if service failures are not rectified quickly.
- Significant cost associated with service failure.
- Severe maladministration and maladministration findings from the Housing Ombudsman.

### Longer-term view

- Declining resident satisfaction.
- Failure to comply with regulatory requirements.
- Reputational damage.

### Risk mitigations

- Proactive work with residents to identify and resolve damp and mould and other repairs issues.
- Key performance indicators reported to Executive and Board to understand and determine action required to improve services to residents.
- Tracking of regulatory changes and responses provided to consultation.
- Transactional satisfaction surveys conducted for key service areas.
- Programme of continuous improvement to key services.
- Programme of Great Service training for all employees.
- Focus on improving the quality and use of resident data.

## Key Risk Area – Health and Safety

- 2023/24 context**
- Building Safety Act.
  - New Building Safety Regulator.
  - Continued compliance with Health and Safety Law and Regulation.
  - Continued focus of the Regulator of Social Housing on the safety of our homes and buildings.

### Short term view

- Risk of harm to customers, employees or members of the public.
- Potential regulatory downgrades.
- Financial loss through fines or compensation.
- Increased insurance premiums.

### Longer-term view

- Increasing compliance costs.
- Regulatory intervention.
- Reputational damage impacting ability to secure future funding.

### Risk mitigations

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

## 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.

Shepherds Bush Housing Association (SBHA) is an exempt charity and a registered society under the Co-operative and Community Benefit Societies Act 2014 and a Registered Provider of Social Housing.

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

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.

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 assessment has been carried out for the year ended 31 March 2024 and that TGPL and the other RPs within the Group were compliant with all aspects of the Standard throughout 2023/24, or in the case of Shepherds Bush Housing Association, since joining the Guinness Group, and continue to be compliant at the date of the Financial Statements.

Following an annual stability check the RSH re-confirmed the Group's regulatory rating of G1 for Governance and V2 for Viability. Following Shepherds Bush Housing Association (SBHA) joining the Group as a subsidiary of TGPL in December 2023 and the de-registration of former subsidiary Guinness Care & Support Limited in March 2024, the RSH issued an updated regulatory judgment for the Group confirming the G1/V2 in March 2024. The separate gradings for SBHA were withdrawn at this point.

### 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 those entities within the Group which are not RPs), 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 2024, other than in relation to Board size. As part of the merger with SBHA, Board membership was increased to 14, with a commitment to reduce the Board size over time back to 12 or fewer members. Changes to TGPL's Rules were made during the year to permit the increased Board size.

Comprehensive governance policies are 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 maximum of 15 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 2024 the Board consisted of 14 members. Board and Committee members bring a wide range of strengths, skills and experience to our Boards and Committees. The Board includes 3 members who are residents of housing associations. The names and biographies of all Board members are provided on pages 89-91.

The Board is responsible for:

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



All legal entities within the Group have Boards that are responsible for the strategic, operational and financial performance of that entity. Both SBHA and GHA, being the other two RPs in the Group, have a majority of non-executive directors on their Boards.

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.

Boards and Committees are appraised on an annual basis with formal appraisal of individual members and collective appraisal of Boards and Committees conducted in alternate years.

An independent Review of Board and Committee Effectiveness was last carried out in 2022/23 and was reported to the Remuneration and Nominations Committee in February 2023, and to the TGPL Board in March 2023, with the Board approving a Board Action Plan, progress on which was monitored by the Remuneration and Nominations Committee during the year. The next Board Effectiveness Review will be undertaken in 2024/25.

Individual Board and Committee member appraisals were carried out for all TGPL Board and Committee members between September and November 2023 and themes from the reviews were reported to the Remuneration & Nominations Committee in November 2023 and to the TGPL Board in February 2024. Actions arising from the thematic review were added to a refreshed Board Action Plan. Individual appraisals are next due to be carried out in September 2025.

A Board and Committee members' skills assessment was also undertaken during 2022 and 2023 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. The next Board and Committee members' skills assessment will be carried out in September 2024.

SBHA joined the Group as a wholly owned subsidiary of TGPL in December 2023. Prior to joining the Group, SBHA had undertaken a Board effectiveness review in May 2022, which fed into a Governance Recovery and Improvement Plan, progress against which has been monitored by the SBHA Board (and by the Group Audit and Risk Committee after joining the Group). A Board Member skills assessment was undertaken during the summer of 2023, which was reported to the SBHA Board in October 2023. The SBHA Board now adopts Group processes and the Group timetable for Board effectiveness and appraisal.

## Board membership details and meeting attendance for the year:

Name / remuneration	TGPL Board	Subsidiary roles	Audit & Risk Committee	Care Committee	Customer Committee (est. 01.01.2024)	Remuneration & Nominations Committee	TGPL Board attendance
<b>Number of meetings in 2023/24</b>	9		5	4	1	9	
<b>Chris Wilson £30,750</b>	Chair	Member of Guinness Housing Association Board				●	9
<b>Gina Amoh £13,000</b>	●	Member of Guinness Housing Association Board	●				9
<b>Nick Apetroaie £18,875</b>	●	Member of Guinness Housing Association Board		Chair	●		8
<b>Amanda Carey-McDermott £13,000</b>	●	Member of Guinness Housing Association Board Member of Shepherds Bush Housing Association Board (from 04.12.2023)		●			9
<b>Angelica Chaffey £13,000</b>	●	Member of Guinness Housing Association Board	●				8
<b>Emma Fosuhene £13,000</b>	●	Member of Guinness Housing Association Board		●			7
<b>Tom Ground (from 01.01.2024) £3,250</b>	●	Member of Shepherds Bush Housing Association Board Member of Guinness Housing Association Board (from 01.01.2024)					1
<b>Lester Hampson £13,000</b>	●	Member of Guinness Housing Association Board	●				9

Name / remuneration	TGPL Board	Subsidiary roles	Audit & Risk Committee	Care Committee	Customer Committee (est. 01.01.2024)	Remuneration & Nominations Committee	TGPL Board attendance
<b>Number of meetings in 2023/24</b>	9		5	4	1	9	
<b>Sue Hunt</b> £18,875	●	<b>Member of Guinness Housing Association Board</b> (from 04.12.2023) <b>Member of Shepherds Bush Housing Association Board</b>	<b>Chair</b>			●	8
<b>Martin Hurst</b> (from 01.01.2024) £4,718.75	●	<b>Chair, Shepherds Bush Housing Association Board.</b> <b>Member of Guinness Housing Association Board</b> (from 01.01.2024)					2
<b>Ben Laryea</b> £13,000	●	<b>Member of Guinness Housing Association Board</b>			●	●	8
<b>Phil Morgan</b> £20,000	<b>Deputy Chair and Senior Independent Director</b>	<b>Chair, Guinness Housing Association</b>		●	<b>Chair</b>	<b>Chair</b>	9
<b>Jonny Shapiro</b> (from 01.01.2024) £3,250	●	<b>Member of Shepherds Bush Housing Association Board.</b> <b>Member of Guinness Housing Association Board</b> (from 01.01.2024)					2
<b>Catriona Simons</b> Chief Executive	●	<b>Chair, Guinness Property, Guinness Developments Limited, Guinness Homes Limited, Guinness Platform Limited, Hallco 1397 Limited</b> <b>Member Guinness Housing Association Board.</b> <b>Member Shepherds Bush Housing Association Board</b> (from 04.12.2023)		●	●		9

## Committees

The Board delegates certain governance responsibilities to Group committees, which have terms of reference approved by the Board. 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 and the Subsidiary Boards:

### 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 Customer Committee

The Customer Committee was formed following a recommendation from the last Board Effectiveness Review to ensure that Board Members were able to hear clearly the voice of residents and that residents were able directly to influence and participate in decision making. The Committee is formed of up to 15 members (up to five TGPL or Subsidiary Board members and up to ten residents of TGPL or any Subsidiary, at least five of whom must be tenants). The Customer Committee superseded the Tenant Scrutiny Panel. The Committee's role is to monitor and provide assurance to the Board on service performance, including fair outcomes for all residents, resident engagement, resident scrutiny, and resident influence on decision making and on compliance with the RSH's Consumer Standards. The Committee also carries out scrutiny reviews.

## Residents

We provide a range of ways for our residents to engage, across tenures and geographical areas, including participating in Boards and Committees. In addition to the Customer Committee referred to above, we have residents on the TGPL, GHA and SBHA Boards. During the year the Customer Committee replaced the Tenant Scrutiny Panel, but while in place the Panel started an in depth scrutiny review of Customer Engagement which, when finalised, will be reported to the Customer Committee.

New regional panels to align with our operational structure and to scrutinise performance and service delivery at a more local level have also been approved (initially as a pilot in two regions) and recruitment to those has recently been completed. SBHA also retained in its structure a Resident Voice Scrutiny Panel which reports directly to the SBHA Board. This Panel ensures that tenants' and leaseholders' feedback, and priorities are central to improving SBHA's service delivery and performance.

## 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 88 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, the Group HR Director and the Managing Director of SBHA. 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. SBHA formally adopted the Guinness Behaviours in April 2024.

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 the sharing of 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. Whistleblowing, fraud reports and investigations are reported to the Audit & Risk Committee.

### Statement on Internal Control

The TGPL 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 (supplemented during a transitional period by the SBHA Audit Task and Finish Group which meets regularly with the SBHA internal and external auditors).
- A rolling programme of internal controls assurance reviews conducted by suitably qualified Guinness employees.
- Internal audit assurance provided by independent firms of professional advisors who review 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 Boards, 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 Project Review Group, the Executive Team and/or the Board.
- A Treasury Strategy which is subject to regular review and approval by the TGPL Board.
- The Group's whistleblowing policy which enables employees to raise issues on a confidential basis.

The Audit and Risk Committee reviews reports 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 TGPL Board.

In reviewing the effectiveness of internal controls, the TGPL 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 considered 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 2024, and up to the date of signing these financial statements. It has not identified any weaknesses sufficient to cause material misstatement or loss which require disclosure in the financial statements.

## Viability Statement

The Board has assessed the viability of the Group over a five-year period. This assessment is informed by a 30-year Financial Plan which is shared annually with the Regulator of Social Housing, 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.

The 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, stable outlook) and Standard and Poor's (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.

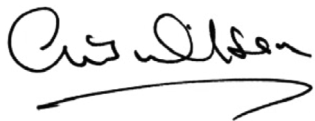
### Statement of compliance

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  
6 September 2024  
Charitable and Community Benefit Society No. 31693R  
Regulator for Social Housing Registration no. 4729



## 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 2024 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; and
- 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 2024 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 2026 and concluded on the consistency of such calculations with the ratios stated in the relevant lender agreements;
- Considering the appropriateness of the Board's forecasts by testing their mathematical accuracy, assessing historical forecasting accuracy and understanding the Board's 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; and
- Assessing the going concern disclosures against the requirements of the accounting standards and assessed the consistency of the disclosures with the Board's forecasts.

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

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

## Overview

<b>Coverage:</b>	90% (2023: 100%) of Group surplus before tax 90% (2023: 100%) of Group revenue 85% (2023: 100%) of Group total assets		
<b>Key audit matters:</b>		2024	2023
	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	✓	✓
	SBHA acquisition - Valuation of housing properties	✓	✗
<b>Materiality:</b>	Group financial statements as a whole £71.3m (2023: £7m) based on 1.6% (2023: 7.5% of adjusted operating surplus) of total assets. Group specific £9.0m (2023: N/A) based on 2% of turnover (2023: N/A).		

## 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. All components other than Shepherds Bush Housing Association are audited by the Group auditor.

We identified four 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 Shepherds Bush Housing Association were identified as significant components due to their size.

### Our involvement with component auditors

During the year, Shepherds Bush Housing Association was audited by a component auditor, which is not a member firm of BDO LLP, who report to BDO LLP as part of the Group audit process.

For the work performed by the component auditor, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Issue of Group reporting instructions, which included the significant areas to be covered by their audit (including all significant areas covered by the audit team), materiality levels, and required procedures relating to irregularities and fraud. The instructions also set out the information required to be reported to the Group audit team;
- Regular communication with the component auditors throughout the planning, execution and completion phases of the audit;
- Members of the Group audit team attended the key meetings and had detailed discussions with the component auditors and component Management throughout the audit process in respect of the significant risk areas;
- Review of the component auditors' Group Reporting Pack, considering the findings and conclusions reached by the component audits in relation to all significant risks of material misstatement relevant to the group, the suitability of the going concern basis of preparation, their audit consideration of fraud and error, compliance with laws and regulations, and the completeness of disclosures relevant to related party transaction; and

- Review of the component auditors working papers, including all areas of significant risk of material misstatement, both in relation to the group and the component audit, and other areas of the financial statements material to the group.

## 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
<p><b>Carrying amount of property developed for sale and land bank sites</b></p> <p>As described in Note 2 (Accounting Policies) and Note 17 (Stock), the Group carries property developed for sale, including land bank sites, at the lower of cost and net realisable value. As at 31 March 2024, the Group held property developed for sale of £138.6m (2023: £159.6m).</p> <p>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.</p>	<p>For all schemes assessed as significant risks, we have:</p> <ul style="list-style-type: none"> <li>• Having obtained management's assessment of the net realisable value of properties developed for sale, we tested all schemes under construction that meet a certain set of criteria at the year-end.</li> <li>• In assessing the suitability of anticipated sales prices, we compared amounts to relevant information, including: <ul style="list-style-type: none"> <li>• Post year end sale of units in the site – taking account of the number of units compared to the total site</li> <li>• 3rd party valuation of the site, considering the suitability of valuations</li> </ul> </li> <li>• In addition, we consulted with internal valuation experts, who considered the suitability of valuation methods, including key valuation assumptions.</li> </ul> <p>In assessing the suitability of costs to compete, we compared amounts to relevant information, including:</p> <ul style="list-style-type: none"> <li>• Obtaining the latest cost consultant report or build contractor's invoice and reviewing construction costs against the total contract value taking into account contract variations</li> </ul>

Key audit matter	How the scope of our audit addressed the key audit matter	Key audit matter	How the scope of our audit addressed the key audit matter
<p>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 on the high value or low margin schemes. We consider this a key audit matter.</p>	<ul style="list-style-type: none"> <li>Obtaining details of the expected costs to complete from the scheme budget for that development and agreeing the budgeted contracted cost of the development to the latest contract documentation and considering the appropriateness of estimates used.</li> <li>Discussing with the project manager whether there is any indication of any potential cost issues in relation to price inflation, contractor solvency or variations, including contractor request to increase the price of a fixed price contract.</li> <li>Reviewing invoices and payments after year end to ensure completeness of expenditure (capital or revenue in nature) recorded for the current year</li> <li>Obtaining a copy of management's latest scheme appraisal and considering the impact adverse variances to costs to complete, due either to post year end expenditure or inaccurate pre year end budgeting.</li> </ul> <p>We assessed the accuracy of cost forecasting by looking at outturn costs compared to budget on schemes that completed in the year.</p> <p>For a sample of completed properties, we agreed the amounts involved to supporting documentation where the property was sold post year-end. Where the property was not yet sold we obtained third-party housing market information to confirm that properties were held at the lower of cost and net realisable value.</p> <p>For schemes not yet under construction, we reviewed documentation associated with planning permission, with specific consideration of key factors or conditions that may indicate that either planning may not be granted or where terms and conditions may prevent the construction of a viable development.</p> <p><b>Key observations</b></p> <p>Based on our procedures we noted no exceptions.</p>	<p><b>Impairment of social housing rental property assets in the course of construction and those subject to remediation</b></p>	<p>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.</p> <p>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.</p> <p>As at 31 March 2024, the Group held housing properties of £4,282m (2023: £3,776m).</p> <p>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) we consider there is a significant risk that social housing assets under construction or remediation may be impaired. We therefore consider this to be a key audit matter.</p>

Key audit matter		How the scope of our audit addressed the key audit matter
<p><b>SBHA acquisition - Valuation of housing properties</b></p>	<p>During the year, Shepherds Bush Housing Association (SBHA) joined the group with SBHA becoming a wholly owned and controlled subsidiary of The Guinness Partnership Limited.</p> <p>Business combinations are complex transactions and contain a number of audit risks.</p> <p>We consider that the Fair Value adjustment in connection with housing properties involves some complex estimates and judgements and therefore a significant risk and key audit matter.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained housing property valuations performed by Management Experts.</li> <li>• Held discussions with management experts to review the main assumptions and estimates used in their valuations.</li> <li>• Tested input data for accuracy and completeness</li> <li>• Re-performed the valuation of a sample of properties</li> <li>• Checked the treatment of the stock condition survey and other remediation commitments and considered the appropriateness of their incorporation in the fair value calculation</li> <li>• Performed a consultation with internal valuation experts, seeking their consideration of the procedures performed, the reasonableness of conclusions reached and details of any additional steps that should be taken to gain assurance over the valuation of housing properties.</li> </ul> <p><b>Key observations</b></p> <p>Based on our procedures we noted no exceptions.</p>

### 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	
	2024 £m	2023 £m	2024 £m	2023 £m
<b>Financial statement materiality</b>				
<b>Materiality</b>	71.3	7.0	64.1	6.0
<b>Basis for determining materiality</b>	1.6% of total assets	7.5% of adjusted operating surplus*	1.6% of total assets	7.5% of adjusted operating surplus*
<b>Performance materiality</b>	46.3	4.5	41.7	3.9
<b>Basis for determining performance materiality</b>	65% (2023: 65%) of materiality			
<b>Specific materiality</b>				
<b>Specific Materiality</b>	9.0	N/A	8.1	N/A
<b>Basis for determining specific materiality</b>	2% of revenue	N/A	2% of revenue	N/A
<b>Specific performance materiality</b>	5.8	N/A	5.2	N/A
<b>Basis for determining specific performance materiality</b>	65% (2023: N/A) of materiality			

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

### *Rationale for the benchmarks applied*

The materiality benchmark in the previous year was adjusted operating surplus. We have reflected on our approach to materiality and concluded that for housing associations key stakeholders are primarily focused on the value of the stable, rented asset portfolio, as their debt is secured on these assets. Total assets is therefore considered to be the appropriate benchmark for determining overall materiality. However, we also determined that for other classes of transactions and balances in income and expenditure recognised within the statement of comprehensive income that are used in covenant calculations and sector benchmarking metrics, as well as other financial statement areas such as property for sale stock and rent arrears that are subject to greater scrutiny by key stakeholders, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements. As a result, we applied a specific materiality calculated using Revenue as the benchmark to these balances and transactions. Revenue is considered to be a more stable metric to use for this purpose than adjusted operating surplus and is also more transparent and more easily understood by the users of the financial statements.

We have determined that 65% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as the low levels of misstatements previously identified partially offset by some areas of the financial statements subject to significant estimation uncertainty.

### *Component materiality*

Component materiality ranged from £0.03m to £64.1m (2023: £0.07m to £6m). In the audit of each component, we further applied performance materiality levels of 65% (2023: 65%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

### *Reporting threshold*

We agreed with the Group Audit and Risk Committee that we would report to them all individual audit differences in excess of £1.4m (2023: £0.14m) for the financial statements as a whole. 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; or
- we have not received all the information and explanations we need for our audit.

## **Responsibilities of the Board**

As explained more fully in the 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 of the Group and the Association and the sector in which it operates;
- Discussion with management and those charged with governance including the Group Audit Committee; and
- Obtaining and understanding of the Group and the Association's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Housing SORP, 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.

The Association is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, UK tax legislation, Employment Taxes and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;

- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

#### *Fraud*

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

- Enquiry with management and those charged with governance including the Group Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group and the Association's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular assumptions and estimates associated with Fair Values for Shepherds Bush Housing Association;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be improper revenue recognition and management override in relation to accounting estimates and journal posting.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the recoverable amount of property developed for sale (see key audit matters), impairment of housing properties (see key audit matters), fair valuation associated with SBHA acquisition (see key audit matters), fire provisions, rent arrears provision, derivatives and defined benefit pension scheme assumptions;
- Testing the application of cut off on revenue, notably shared ownership and outright property sales, for the evidence that the sale was recorded in the correct period;
- Testing the existence and accuracy of leaseholders and freeholders income;
- Testing for the improper recognition of surplus on disposal of housing properties.

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.



Laurence Elliott  
BDO LLP  
Statutory Auditor  
Gatwick  
United Kingdom

Date: 10 September 2024

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



## Financial Statements for the year ended 31 March 2024

### Group Statement of Comprehensive Income for the year ended 31 March 2024

	Note	2024 £m	2023 £m
<b>Turnover</b>	3	<b>459.8</b>	<b>540.3</b>
Cost of sales	3	(30.2)	(143.8)
Operating expenditure	3	(377.6)	(308.8)
Pension cessation costs	3	(7.3)	-
Surplus on disposals of housing property	6	36.3	10.8
<b>Operating surplus before change in investment property valuations</b>		<b>81.0</b>	<b>98.5</b>
Movement in fair value of investment properties		(3.1)	-
<b>Operating surplus</b>		<b>77.9</b>	<b>98.5</b>
Surplus on disposals of other fixed assets	6	0.9	-
Impairment of fixed asset investment	14	-	(10.0)
Interest receivable		3.4	0.8
Interest payable and financing costs	8	(65.7)	(42.7)
Gift on Acquisition	35	63.0	-
Share of joint ventures profit or loss		(0.1)	-
<b>Surplus before taxation</b>		<b>79.4</b>	<b>46.6</b>
Taxation	10	1.6	(0.2)
<b>Surplus for the year</b>		<b>81.0</b>	<b>46.4</b>
<b>Other comprehensive income</b>			
Actuarial gain in respect of pension schemes	27	1.9	25.4
Change in fair value of hedged financial instrument		2.1	17.1
<b>Total comprehensive income for the year</b>		<b>85.0</b>	<b>88.9</b>

All amounts relate to continuing activities. The notes on pages 59-87 form part of these financial statements.

### The Guinness Partnership Limited Statement of Comprehensive Income for the year ended 31 March 2024

	Note	2024 £m	2023 £m
<b>Turnover</b>	3	<b>465.1</b>	<b>408.1</b>
Cost of sales	3	(61.5)	(35.5)
Operating expenditure	3	(336.6)	(288.3)
Pension cessation costs	3	(7.3)	-
Surplus on disposals of housing property	6	31.0	10.8
<b>Operating surplus before change in investment property valuations</b>		<b>90.7</b>	<b>95.1</b>
Movement in fair value of investment properties		1.0	-
<b>Operating surplus</b>		<b>91.7</b>	<b>95.1</b>
Surplus on disposals of other fixed assets	6	0.9	-
Interest receivable		6.4	10.7
Interest payable and financing costs	8	(67.0)	(46.5)
<b>Surplus before taxation</b>		<b>32.0</b>	<b>59.3</b>
Taxation	10	-	-
<b>Surplus for the year</b>		<b>32.0</b>	<b>59.3</b>
<b>Other comprehensive income</b>			
Actuarial gain in respect of pension schemes	27	1.9	24.1
Change in fair value of hedged financial instrument		2.1	17.1
<b>Total comprehensive income for the year</b>		<b>36.0</b>	<b>100.5</b>

All amounts relate to continuing activities. The notes on pages 59-87 form part of these financial statements.

**Group Statement of Financial Position**  
at 31 March 2024

	Note	2024 £m	2024 £m	2023 £m	2023 £m
<b>Fixed assets</b>					
Intangible assets	13		15.4		7.6
<b>Tangible fixed assets:</b>					
Housing properties	11	4,281.7		3,776.4	
Other tangible fixed assets	12	25.8		30.9	
			<b>4,322.9</b>		<b>3,814.9</b>
Investment properties	14		50.8		1.0
Homebuy equity loans	15		18.7		7.6
Investment in joint venture			3.4		1.0
			<b>4,395.8</b>		<b>3,824.5</b>
<b>Current assets</b>					
Stock	17	139.0		160.4	
Trade and other debtors	18	62.9		47.9	
Cash and cash equivalents		105.5		53.6	
		<b>307.4</b>		<b>261.9</b>	
<b>Creditors:</b> amounts falling due within one year	19	(379.2)		(233.3)	
<b>Net current (liabilities)/assets</b>			<b>(71.8)</b>		<b>28.6</b>
<b>Total assets less current liabilities</b>			<b>4,324.0</b>		<b>3,853.1</b>
<b>Creditors:</b> amounts falling due after one year	20		(3,130.6)		(2,780.2)
<b>Provisions for liabilities:</b>					
Pension liability	27		(24.3)		(23.7)
Other provisions	26		(37.2)		(2.3)
<b>Total net assets</b>			<b>1,131.9</b>		<b>1,046.9</b>
<b>Reserves</b>					
Income and expenditure reserve			1,134.5		1,051.2
Cash flow hedge reserve			(4.2)		(6.3)
Restricted reserves			1.6		2.0
<b>Total reserves</b>			<b>1,131.9</b>		<b>1,046.9</b>

The notes on pages 59-87 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board on 6 September 2024 and signed on its behalf by:



Board Member



Board Member



Secretary

# Financial Statements for the year ended 31 March 2024

## The Guinness Partnership Limited Statement of Financial Position at 31 March 2024

	Note	2024 £m	2024 £m	2023 £m	2023 £m
<b>Fixed assets</b>					
Intangible assets	13		15.4		7.6
<b>Tangible fixed assets:</b>					
Housing properties	11	3,928.8		3,701.0	
Other tangible fixed assets	12	24.7		30.4	
			<b>3,968.9</b>		<b>3,739.0</b>
Investment properties	14		26.2		1.0
Homebuy equity loans	15		7.9		7.6
Investment in subsidiaries	16		43.7		43.7
			<b>4,046.7</b>		<b>3,791.3</b>
<b>Current assets</b>					
Stock	17	61.2		79.9	
Trade and other debtors	18	139.3		133.9	
Cash and cash equivalents		69.8		33.5	
		<b>270.3</b>		<b>247.3</b>	
<b>Creditors: amounts falling due within one year</b>					
	19	(286.5)		(202.0)	
<b>Net current assets</b>					
			<b>(16.2)</b>		<b>45.3</b>
<b>Total assets less current liabilities</b>					
			<b>4,030.5</b>		<b>3,836.6</b>
<b>Creditors: amounts falling due after one year</b>					
	20		(2,921.3)		(2,760.0)
<b>Provisions for liabilities:</b>					
Pension liability	27		(19.2)		(23.4)
Other provisions	26		(3.1)		(2.3)
<b>Total net assets</b>					
			<b>1,086.9</b>		<b>1,050.9</b>
<b>Reserves</b>					
Income and expenditure reserve			1,089.5		1,055.2
Cash flow hedge reserve			(4.2)		(6.3)
Restricted reserves			1.6		2.0
<b>Total reserves</b>					
			<b>1,086.9</b>		<b>1,050.9</b>

The notes on pages 59-87 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board on 6 September 2024 and signed on its behalf by:



Board Member



Board Member



Secretary

**Group Statement of Changes in Reserves**  
for the year ended 31 March 2024

	Income and expenditure reserve	Cash flow hedge reserve	Restricted reserves	Total
	£m	£m	£m	£m
At 1 April 2023	1,051.2	(6.3)	2.0	1,046.9
Surplus/(deficit) for the year	81.4	-	(0.4)	81.0
Actuarial (loss)/gain in respect of pension scheme	1.9	-	-	1.9
Change in fair value of hedged financial instrument	-	2.1	-	2.1
<b>At 31 March 2024</b>	<b>1,134.5</b>	<b>(4.2)</b>	<b>1.6</b>	<b>1,131.9</b>
At 1 April 2022	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>

**The Guinness Partnership Limited Statement of Changes in Reserves**  
for the year ended 31 March 2024

	Income and expenditure reserve	Cash flow hedge reserve	Restricted reserves	Total
	£m	£m	£m	£m
At 1 April 2023	1,055.2	(6.3)	2.0	1,050.9
Surplus for the year	32.4	-	(0.4)	32.0
Actuarial gain in respect of pension scheme	1.9	-	-	1.9
Change in fair value of hedged financial instrument	-	2.1	-	2.1
<b>At 31 March 2024</b>	<b>1,089.5</b>	<b>(4.2)</b>	<b>1.6</b>	<b>1,086.9</b>
At 1 April 2022	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>

The notes on pages 59-87 form part of these financial statements.

# Financial Statements for the year ended 31 March 2024

## Group Statement of Cashflows for the year ended 31 March 2024

	Group 2024 £m	Group 2023 £m
<b>Cash flow from operating activities</b>		
Surplus for the year	81.0	46.4
<b>Adjustments for:</b>		
Taxation	(1.6)	0.2
Interest payable	65.7	42.7
Interest receivable	(3.4)	(0.8)
Receipts from sale of housing properties	60.6	22.4
Surplus on disposal of housing properties	(36.3)	(10.8)
Receipts from sale of other fixed assets	0.6	0.1
(Surplus) on disposal of other fixed assets	(0.9)	-
Net fair value losses recognised in profit and loss	3.1	-
Gain on acquisition of SBHA excluding cash (note 35)	(63.0)	
Depreciation and impairment of fixed assets	87.8	62.5
Impairment of fixed asset investments	-	10.0
Impairment of current assets	3.3	-
Amortisation of deferred Government grant	(19.9)	(16.5)
Difference between net pension expense and cash contribution	(4.7)	(11.3)
Decrease in stock	39.7	85.4
(Increase) in trade and other debtors	(9.7)	(4.2)
Increase in trade and other creditors	59.2	38.6
Taxation paid or refunded	1.6	(0.1)
<b>Net cash inflow from operating activities</b>	<b>263.1</b>	<b>264.6</b>
<b>Cash flow from investing activities</b>		
Cash acquired on acquisition	43.6	-
Acquisition and construction of housing property	(352.9)	(280.4)
Acquisition and construction of investment properties	(24.9)	-
Purchase of other fixed assets	(0.9)	(7.9)
Purchase of intangible assets	(9.8)	(0.8)
Receipt of Government grants	4.6	51.7
Repayment of Government grants	-	(5.5)
Investment in joint ventures	(1.0)	-
Repayment of other investments	-	4.0
Interest received	3.4	0.8
<b>Net cash outflow from investing activities</b>	<b>(337.9)</b>	<b>(238.1)</b>

	Group 2024 £m	Group 2023 £m
<b>Cash flows from financing activities</b>		
Interest paid	(85.7)	(76.9)
New loans	290.0	207.5
Debt issue costs	(2.9)	(0.1)
Repayment of loans	(74.7)	(183.5)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>126.7</b>	<b>(53.0)</b>
<b>Net change in cash and cash equivalents</b>	<b>51.9</b>	<b>(26.5)</b>
Cash and cash equivalents at beginning of the year	53.6	80.1
<b>Cash and cash equivalents at end of the year</b>	<b>105.5</b>	<b>53.6</b>

The notes on pages 59-87 form part of these financial statements.

## 1 Company information

The Guinness Partnership Limited (TGPL) is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 (No 31693R). TGPL is an exempt charity and is registered with The Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 350 Euston Road, Regent's Place, London NW1 3AX

## 2 Principal accounting policies

### Basis of accounting

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

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

### Basis of preparation

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

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

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

### Parent Company disclosure exemptions

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

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

### Basis of consolidation

The consolidated financial statements incorporate the results of TGPL and all of its subsidiary undertakings as at 31 March 2024. 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, with £955.9m of undrawn loan facilities in place as at the reporting date.

The following specific activities have taken place:

- The Board reviewed and approved the Financial Plan and associated stress testing in May 2024. The Financial Plan spans the ten-year period following the reporting date.
- The Board considered the Group Risk Plan and approved the 2024/25 Risk Management Strategy at its meeting in May 2024.
- The Board considered liquidity levels and approved its Treasury Strategy for 2024/25 at its meeting in March 2024.
- The liquidity management policies contained within the Treasury management policy were approved by the Board in March 2024.

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

### Turnover

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

Turnover also includes open market sales of properties developed for outright sale, and first tranche sales of shared ownership properties. The corresponding portion of the shared ownership asset is recognised in cost of sales. Turnover from these open market and first

tranche shared ownership sales is recognised at the point of legal completion of the sale. Subsequent staircasing receipts relating to shared ownership properties are included not in turnover but in surplus on disposals of housing properties.

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

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

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

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

### Property managed by others

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

### Property managed for others

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

### Current and deferred taxation

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

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

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

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

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

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

### Value Added Tax (VAT)

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

### Pension costs

The Group participated in both defined benefit and defined contribution pension schemes during the year. All defined benefit pension schemes are closed to future accrual.

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.

Pension cessation events are treated in accordance with FRS 102 and, where FRS 102 does not provide sufficient clarity, in accordance with IAS 19. Where the Group has exited from defined benefit schemes that were in a surplus position, the full amount of the surplus at the cessation date (calculated on an FRS 102 basis), which had previously not been recognised as an asset, has been recognised as a gain in Other Comprehensive Income. The difference between that surplus valuation and the cessation valuation (being lower, as calculated on a least risk basis) has been recognised as a cost within operating surplus.

### 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:

<b>Component</b>	<b>Useful economic life</b>
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.

### 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 using a risk-based approach. The customers are categorised into low, medium and high-risk profiles. Provisions are made based on the risk category and observed trends around arrears and write offs.

## 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 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.

## 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:

- Housing property depreciation is calculated on by component. The identification of such component assets is a matter of judgement and may have a material impact on the depreciation charge. The components to which costs are allocated reflect how major repairs to the property are managed. Costs incurred during the construction of a property are allocated to components using a RICS schedule.
- 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 27.
- 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. Impairment indicators for existing fixed assets are those prescribed by paragraph 27.9 of FRS 102 and paragraph 14.6 of the Housing SORP.

Indicators of impairment for housing properties under development include:

- Forecast sales margins on shared ownership or market sale properties being less than 0%;
- Sales reports for the financial period showing losses at the development scheme level;
- Scheme internal subsidy requirements being greater than the Board approved scheme acceptance threshold and forecast outturn costs being higher than the estimated depreciated replacement cost (DRC).
- Valuations of land held for development being lower than the forecast value in use per development scheme appraisals.
- During the year, the Group recognised impairment charges totalling £18.6m to housing properties under construction (including the retained equity portion of shared ownership units), and £3.3m to properties for sale under construction (including the portion of shared ownership units to be disposed via first tranche sales).
- The calculation of these impairments involved the use of estimates, principally the assessment of net realisable value (by reference to open market value or replacement cost) and the estimation of further costs to complete. £11.3m of the total impairment charges were based on land valuations, provided by independent third parties, that were lower than the carrying amounts of the assets. A further £8.9m of the impairment charges were based on estimated costs of completing the schemes (based on the input of third-party surveyors) that resulted in total forecast costs for each scheme exceeding the assessed net realisable value.
- Completed units held for sale are also assessed for impairment by comparing forecast sales receipts (net of selling costs) with the carrying amounts per scheme. Forecast receipts are based on valuations provided by RICS-accredited third parties.
- On 4 December 2023, TGPL combined with Shepherds Bush Housing Association Limited (SBHA). The business combination established TGPL as the group parent. Because TGPL

and SBHA are public benefit entities, and no consideration was paid by the acquiring party (TGPL), the transaction has been judged, in accordance with FRS 102, to be a combination at nil consideration which is in substance a gift. The transaction was not considered to have met the criteria for merger accounting, and acquisition accounting has therefore been applied instead. As a consequence of these judgements, the financial results of SBHA are consolidated into the Group results only from the acquisition, and the fair value of the net assets and liabilities are recognised as a gain in the Group Statement of Comprehensive Income.

- In order to determine the amount to be recognised as a gift on acquisition, an exercise was undertaken to assess the fair value of SBHA's assets and liabilities as at the transaction date (see Note 35 for summary results of this exercise). Independent third-party valuations were obtained for the key areas of SBHA's balance sheet: housing properties; properties under development and held for sale; investment properties; loans and borrowings. A valuation of the defined benefit pension liability as at the acquisition date was obtained from the scheme administrator. The valuations of housing and investment properties (both completed and under construction) are necessarily estimates; however they were obtained from suitably qualified persons with appropriate knowledge of the sector.
- One of the key judgements in assessing the fair value of SBHA's liabilities was to recognise no liability in respect of SBHA's deferred capital grant repayable. This judgement follows the Housing SORP, which states that where housing properties are measured at valuation (using EUV-SH, or existing use value for social housing), the performance model is the appropriate method of accounting for the social housing grant attached to housing properties. Under the performance model, the entire grant amount relating to a property is recognised upon its construction, rather than amortised over the property's estimated useful economic life. In this case, applying the performance model to the fair value determination means that, in the Group Statement of Financial Position, no grant liability is recognised in respect of social housing grant received by SBHA but not yet amortised. Because the EUV-SH valuation already contains a discount to market value for which the grant is meant to compensate, the Housing SORP (paragraph 13.9) considers that "applying the accrual model and carrying forward the unamortised grant as a liability would be double counting".
- Provisions are recognised where TGPL or the Group has an obligation at the reporting date as a result of a past event; it is probable that settlement of this obligation will require a transfer of economic benefits; and the amount of the obligation can be estimated reliably. An obligation could be either a legal obligation (i.e. that is enforceable by law) or a constructive obligation, whereby the entity has created valid expectations that the obligation will be discharged.
- The Group Statement of Financial Position contains a number of provisions relating to building safety costs. In SBHA, provisions totalling £23.0m have been recognised for schemes in West London; in Guinness Homes Limited, a provision of £7.6m has been recognised in respect of one scheme in East London. For all of these provisions, it has been judged that a constructive obligation exists due to specific communications to residents that works will be undertaken.

# Notes to the Financial Statements for the year ended 31 March 2024

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

	Group 2024					
	Turnover	Cost of sales	Operating expenditure	Pension Cessation Costs	Surplus on disposals of housing property	Operating surplus
	£m	£m	£m		£m	£m
<b>Social housing lettings</b>	<b>403.2</b>	<b>-</b>	<b>(327.1)</b>		<b>-</b>	<b>76.1</b>
<b>Other social housing activities:</b>						
Surplus on disposals of housing property	-	-	-		36.3	<b>36.3</b>
First tranche property sales	29.8	(26.7)	(0.2)		-	<b>2.9</b>
Care and support services	6.9	-	(10.4)		-	<b>(3.5)</b>
Other	3.9	-	(12.2)		-	<b>(8.3)</b>
<b>Total other social housing activities</b>	<b>40.6</b>	<b>(26.7)</b>	<b>(22.8)</b>		<b>36.3</b>	<b>27.4</b>
<b>Non-social housing activities:</b>						
Market sales	3.4	(2.5)	-		-	<b>0.9</b>
Pension Cessation Costs	-	-	-	(7.3)	-	<b>(7.3)</b>
Other	12.6	(1.0)	(27.7)		-	<b>(16.1)</b>
<b>Total</b>	<b>459.8</b>	<b>(30.2)</b>	<b>(377.6)</b>	<b>(7.3)</b>	<b>36.3</b>	<b>81.0</b>

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

	TGPL 2024					
	Turnover	Cost of sales	Operating expenditure	Pension Cessation Costs	Surplus on disposals of housing property	Operating surplus
	£m	£m	£m		£m	£m
<b>Social housing lettings</b>	<b>387.4</b>	<b>-</b>	<b>(305.6)</b>		<b>-</b>	<b>81.8</b>
<b>Other social housing activities:</b>						
Surplus on disposal of housing property	-	-	-		31.0	<b>31.0</b>
First tranche property sales	29.5	(28.5)	-		-	<b>1.0</b>
Development costs not capitalised	-	-	(0.6)		-	<b>(0.6)</b>
Care and support services	7.0	-	(10.4)		-	<b>(3.4)</b>
Other	6.6	-	(14.7)		-	<b>(8.1)</b>
<b>Total other social housing activities</b>	<b>43.1</b>	<b>(28.5)</b>	<b>(25.7)</b>		<b>31.0</b>	<b>19.9</b>
<b>Non-social housing activities:</b>						
Gift Aid	0.7	-	-		-	<b>0.7</b>
Pension Cessation Costs	-	-	-	(7.3)	-	<b>(7.3)</b>
Other	33.9	(33.0)	(5.3)		-	<b>(4.4)</b>
<b>Total</b>	<b>465.1</b>	<b>(61.5)</b>	<b>(336.6)</b>	<b>(7.3)</b>	<b>31.0</b>	<b>90.7</b>

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

#### 4 Particulars of turnover and operating expenditure from social housing lettings

	Group					
	General needs	Supported/ housing for older people	Care homes	Shared ownership	Total 2024	Total 2023
	£m	£m	£m	£m	£m	£m
<b>Income from social housing lettings</b>						
Rent receivable net of identifiable service charges and voids	275.9	46.0	0.3	27.8	<b>350.0</b>	314.5
Service charges receivable	14.9	13.0	0.1	5.0	<b>33.0</b>	26.3
Net rents receivable	290.8	59.0	0.4	32.8	<b>383.0</b>	340.8
Amortisation of Government grants	14.6	1.9	-	3.4	<b>19.9</b>	16.6
Other grant income receivable	-	-	-	0.3	<b>0.3</b>	-
<b>Turnover from social housing lettings</b>	<b>305.4</b>	<b>60.9</b>	<b>0.4</b>	<b>36.5</b>	<b>403.2</b>	357.4
<b>Expenditure on social housing letting activities</b>						
Service charge costs	(19.3)	(10.4)	(0.1)	(4.0)	<b>(33.8)</b>	(28.8)
Management	(71.7)	(19.3)	-	(10.8)	<b>(101.8)</b>	(86.1)
Planned repairs	(23.7)	(4.3)	(0.1)	(0.5)	<b>(28.6)</b>	(40.5)
Routine repairs and maintenance	(61.0)	(10.3)	-	(0.6)	<b>(71.9)</b>	(60.1)
Major repairs expenditure	(8.9)	(0.9)	-	(0.3)	<b>(10.1)</b>	(3.1)
Rent losses from bad debts	(0.1)	(0.4)	(0.3)	(0.2)	<b>(1.0)</b>	(1.9)
Depreciation of housing properties	(54.7)	(6.4)	-	(0.2)	<b>(61.3)</b>	(57.4)
Impairment of housing properties	(16.9)	0.2	(0.1)	(1.8)	<b>(18.6)</b>	(0.4)
<b>Operating expenditure on social housing letting activities</b>	<b>(256.3)</b>	<b>(51.8)</b>	<b>(0.6)</b>	<b>(18.4)</b>	<b>(327.1)</b>	<b>(278.3)</b>
<b>Operating surplus/(deficit) on social housing lettings</b>	<b>49.1</b>	<b>9.1</b>	<b>(0.2)</b>	<b>18.1</b>	<b>76.1</b>	<b>79.1</b>
Rent losses from voids (included in rent receivable above)	(1.3)	(0.9)	(0.1)	-	<b>(2.3)</b>	(2.4)

Management costs relative to the size of the landlord are calculated as total management costs relating to social housing lettings divided by the total number of social housing units owned and/or managed at the end of the reporting period. For the Group, management costs were £1,573 per social housing units (2023: £1,413). For TGPL, management costs were £1,593 per social housing unit (2023: £1,404).

	TGPL					
	General needs	Supported/ housing for older people	Care homes	Shared ownership	Total 2024	Total 2023
	£m	£m	£m	£m	£m	£m
<b>Income from social housing lettings</b>						
Rent receivable net of identifiable service charges and voids	272.3	40.2	0.3	23.6	<b>336.4</b>	309.8
Service charges receivable	15.4	12.2	0.1	3.5	<b>31.2</b>	24.9
Net rents receivable	287.7	52.4	0.4	27.1	<b>367.6</b>	334.7
Amortisation of Government grants	14.6	1.8	-	3.4	<b>19.8</b>	16.3
<b>Turnover from social housing lettings</b>	<b>302.3</b>	<b>54.2</b>	<b>0.4</b>	<b>30.5</b>	<b>387.4</b>	<b>351.0</b>
<b>Expenditure on social housing letting activities</b>						
Service charge costs	(20.1)	(9.3)	(0.1)	(2.7)	<b>(32.2)</b>	(26.7)
Management	(76.1)	(14.7)	-	(5.5)	<b>(96.3)</b>	(85.6)
Planned repairs	(23.5)	(3.9)	(0.1)	(0.5)	<b>(28.0)</b>	(40.2)
Routine repairs and maintenance	(57.1)	(9.3)	-	(0.1)	<b>(66.5)</b>	(58.9)
Major repairs expenditure	(8.9)	(0.9)	-	(0.3)	<b>(10.1)</b>	(3.0)
Rent losses from bad debts	(0.3)	(0.3)	(0.3)	(0.2)	<b>(1.1)</b>	(1.8)
Depreciation of housing properties	(52.8)	(5.9)	-	(0.2)	<b>(58.9)</b>	(56.1)
Impairment of housing properties	(10.8)	0.2	(0.1)	(1.8)	<b>(12.5)</b>	(0.4)
<b>Operating expenditure on social housing letting activities</b>	<b>(249.6)</b>	<b>(44.1)</b>	<b>(0.6)</b>	<b>(11.3)</b>	<b>(305.6)</b>	<b>(272.7)</b>
<b>Operating surplus/(deficit) on social housing lettings</b>	<b>52.7</b>	<b>10.1</b>	<b>(0.2)</b>	<b>19.2</b>	<b>81.8</b>	<b>78.3</b>
Rent losses from voids (included in rent receivable above)	(1.8)	(0.8)	(0.1)	-	<b>(2.7)</b>	(2.5)

# Notes to the Financial Statements for the year ended 31 March 2024

## 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 2024
	At 1 April 2023	Disposal/ demolition	RTA, RTB, stair-casing	New build	Stock transfer	SBHA Merger	Reclas-sification	Other	
<b>Social housing:</b>									
General needs - social rent	38,410	(630)	(12)	70	69	2872	58	(147)	40,690
General needs - affordable rent	6,969	(52)	(4)	214	2	436	(31)	-	7,534
General needs total	45,379	(682)	(16)	284	71	3,308	27	(147)	48,224
Housing for older people	7,795	(79)	-	-	-	73	(2)	(24)	7,763
Low cost (shared) ownership	6,736	(79)	(139)	293	2	696	2	-	7,511
Social leaseholders	3,574	(15)	127	-	4	347	5	2	4,044
Supported living	908	(1)	-	-	-	112	(13)	(1)	1,005
Care homes	87	(6)	-	-	-	25	(5)	6	107
Intermediate rent	40	-	-	24	35	6	(10)	-	95
Staff accommodation	8	-	-	-	-	-	1	(1)	8
<b>Social housing units</b>	<b>64,527</b>	<b>(862)</b>	<b>(28)</b>	<b>601</b>	<b>112</b>	<b>4,567</b>	<b>5</b>	<b>(165)</b>	<b>68,757</b>
<b>Non-social housing:</b>	<b>182</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>197</b>	<b>300</b>	<b>(6)</b>	<b>680</b>
<b>Total units</b>	<b>64,709</b>	<b>(862)</b>	<b>(28)</b>	<b>608</b>	<b>112</b>	<b>4,764</b>	<b>305</b>	<b>(171)</b>	<b>69,437</b>

	TGPL							At 31 March 2024
	At 1 April 2023	Disposal/ demolition	RTA, RTB, staircasing	New build	Stock transfer	Reclas-sification	Other	
<b>Social housing:</b>								
General needs - social rent	38,410	(630)	(12)	70	69	58	(147)	37,818
General needs - affordable rent	6,969	(52)	(4)	214	2	(31)	-	7,098
General needs total	45,379	(682)	(16)	284	71	27	(147)	44,916
Housing for older people	7,795	(79)	-	-	-	(2)	(24)	7,690
Low cost (shared) ownership	6,736	(79)	(139)	293	2	2	-	6,815
Social leaseholders	3,574	(15)	127	-	4	-	2	3,692
Supported living	902	(1)	-	-	-	(13)	(1)	887
Care homes	87	(6)	-	-	-	(5)	6	82
Intermediate rent	40	-	-	24	35	(10)	-	89
Staff accommodation	8	-	-	-	-	1	(1)	8
<b>Social housing units</b>	<b>64,521</b>	<b>(862)</b>	<b>(28)</b>	<b>601</b>	<b>112</b>	<b>-</b>	<b>(165)</b>	<b>64,179</b>
<b>Non-social housing:</b>	<b>182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(6)</b>	<b>175</b>
<b>Total units</b>	<b>64,703</b>	<b>(862)</b>	<b>(28)</b>	<b>601</b>	<b>112</b>	<b>(1)</b>	<b>(171)</b>	<b>64,354</b>

	Group		TGPL	
	2024 Number	2023 Number	2024 Number	2023 Number
Owned and managed	67,733	63,190	62,102	62,490
Owned but managed by others	1,532	1,216	1,426	1,210
Managed only	172	303	826	1,003
	<b>69,437</b>	<b>64,709</b>	<b>64,354</b>	<b>64,703</b>

## 6 Surplus on disposals of fixed assets

Housing properties	Right to Buy/ Acquire	Second & subsequent staircasing	Disposal of other properties	Group Total 2024	Group Total 2023
	£m	£m	£m	£m	£m
<b>Group</b>					
Proceeds	1.8	7.9	52.1	<b>61.8</b>	<b>22.9</b>
Disposals at cost	(1.0)	(2.7)	(32.5)	<b>(36.2)</b>	<b>(11.9)</b>
Cost of sales	(0.1)	(0.4)	(0.8)	<b>(1.3)</b>	<b>(0.5)</b>
Depreciation on disposals	0.1	-	11.9	<b>12.0</b>	<b>0.3</b>
<b>Surplus on disposals of housing properties</b>	<b>0.8</b>	<b>4.8</b>	<b>30.7</b>	<b>36.3</b>	<b>10.8</b>

Housing properties	Right to Buy/ Acquire	Second & subsequent staircasing	Disposal of other properties	TGPL Total 2024	TGPL Total 2023
	£m	£m	£m	£m	£m
<b>TGPL</b>					
Proceeds	1.8	7.2	47.2	<b>56.2</b>	<b>22.9</b>
Disposals at cost	(1.0)	(3.5)	(31.4)	<b>(35.9)</b>	<b>(11.9)</b>
Cost of sales	(0.1)	(0.4)	(0.8)	<b>(1.3)</b>	<b>(0.5)</b>
Depreciation on disposals	0.1	-	11.9	<b>12.0</b>	<b>0.3</b>
<b>Surplus on disposals of housing properties</b>	<b>0.8</b>	<b>3.3</b>	<b>26.9</b>	<b>31.0</b>	<b>10.8</b>

Other fixed assets	Group 2024	TGPL 2024	Group 2023	TGPL 2023
	£m	£m	£m	£m
Proceeds	1.5	1.5	-	-
Disposals at cost	(1.0)	(1.0)	(0.6)	(0.6)
Depreciation on disposals	0.4	0.4	0.6	0.6
<b>Surplus on disposals of other fixed assets</b>	<b>0.9</b>	<b>0.9</b>	<b>-</b>	<b>-</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 £162,289 in their capacity as members of The Guinness Partnership Limited Board (2023: £174,129). TGPL Board members received payments of £3,500 (2023: £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 (2023: seven).

	Group		TGPL	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Aggregate emoluments payable to the Executive Team, excluding Board members:</b>				
Emoluments	1,284	1,260	1,284	1,260
Benefits in kind	-	2	-	2
Pension contributions	72	65	72	65
	<b>1,356</b>	<b>1,327</b>	<b>1,356</b>	<b>1,327</b>
<b>Aggregate emoluments payable to the Board and Executive Team, including non-executive directors:</b>				
Emoluments	1,476	1,433	1,446	1,433
Benefits in kind	-	3	-	3
Pension contributions	72	65	72	65
	<b>1,548</b>	<b>1,501</b>	<b>1,519</b>	<b>1,501</b>
<b>Highest paid director:</b>				
Emoluments	299	285	299	285
Pension contributions	13	-	13	-
Pension equivalents	-	14	-	14
	<b>312</b>	<b>299</b>	<b>312</b>	<b>299</b>

In accordance with the Accounting Direction for registered providers of social housing (2022), directors' remuneration includes wages and salaries (including performance-related pay), fees, pension contributions and benefits-in-kind, as well as any termination payments.

In the year to 31 March 2024, the highest paid director was the Group Chief Executive. During the year, the Group Chief Executive was enrolled in the defined contribution pension scheme.

The remuneration paid to the highest paid director for the year, relative to the size of the housing association group, was £4.62 per social housing unit, excluding leasehold properties (2023: £4.68). For TGPL, the remuneration per social housing unit, excluding leasehold properties, was £4.95 (2023: £4.68).

Total remuneration paid to the Board and Executive Team, relative to the size of the housing association group, was £23.93 per social housing unit, excluding leasehold properties (2023: £24.92). For TGPL, the remuneration per social housing unit, excluding leasehold properties, was £24.82 (2023: £24.63).

# Notes to the Financial Statements for the year ended 31 March 2024

## 7 Key management personnel and employee information continued

	Group 2024 Number	TGPL 2024 Number	Group 2023 Number	TGPL 2023 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	91	77	68	62
£70,001 to £80,000	62	49	50	42
£80,001 to £90,000	47	41	35	31
£90,001 to £100,000	16	13	19	16
£100,001 to £110,000	13	11	9	7
£110,001 to £120,000	8	8	3	3
£120,001 to £130,000	3	2	4	3
£130,001 to £140,000	6	5	4	4
£140,001 to £150,000	7	6	3	3
£150,001 to £160,000	4	3	1	1
£160,001 to £170,000	1	1	2	2
£170,001 to £180,000	3	3	-	-
£180,001 to £190,000	1	1	1	1
£190,001 to £200,000	-	-	1	1
£200,001 to £210,000	-	-	2	2
£210,001 to £220,000	3	3	1	1
£220,001 to £230,000	1	-	-	-
£290,001 to £300,000	-	-	1	1
£310,001 to £320,000	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 2024 was 2,555 (2023: 2,296) and in TGPL was 1,685 (2023: 1,427).

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
<b>Staff costs – excluding non-executive directors</b>				
Wages and salaries	93.3	65.7	94.4	62.5
Redundancy costs	1.5	1.3	1.9	1.7
Social security costs	9.1	6.3	8.7	5.8
Pension costs (employer's contributions)	5.3	4.1	4.6	3.4
	<b>109.2</b>	<b>77.4</b>	<b>109.6</b>	<b>73.4</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	93.5	65.9	94.6	62.7
Redundancy costs	1.5	1.3	1.9	1.7
Social security costs	9.1	6.3	8.7	5.8
Pension costs (employer's contributions)	5.3	4.1	4.6	3.4
	<b>109.4</b>	<b>77.6</b>	<b>109.8</b>	<b>73.6</b>

## 8 Interest payable and financing costs

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m (Restated)	TGPL 2023 £m
On loans repayable on maturity within five years	2.7	2.6	2.4	2.4
On loans wholly or partly repayable in more than five years	82.4	80.3	63.4	63.4
Amortisation of loan issue costs	2.0	1.7	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 27)	1.0	0.9	1.9	1.8
	<b>88.1</b>	<b>85.5</b>	<b>56.7</b>	<b>56.6</b>
Interest capitalised in respect of housing properties	(22.4)	(18.5)	(14.0)	(10.1)
<b>Total interest payable and similar charges</b>	<b>65.7</b>	<b>67.0</b>	<b>42.7</b>	<b>46.5</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 4.9% (2023: 4.5%).

## 9 Surplus before taxation

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
<b>Surplus for the year is stated after charging/(crediting):</b>				
Depreciation of housing properties	61.2	59.3	57.4	56.2
Depreciation of other fixed assets	6.0	5.8	3.4	3.4
Amortisation of intangible fixed assets	2.0	2.0	1.7	1.7
Amortisation of Government grants	(19.9)	(19.8)	(16.6)	(16.3)
Impairment of housing properties and other fixed assets	18.6	12.5	1.8	1.9
Impairment of fixed asset investments	-	-	10.0	-
Auditor's remuneration in their capacity as auditors, excl. VAT	0.4	0.2	0.3	0.2
Remuneration of component auditor, excluding VAT	0.1	-	-	-
Surplus on disposal of tangible fixed assets	(37.2)	(31.9)	(10.8)	(10.8)
Rent payable under operating leases	2.6	1.9	1.8	1.7

## 10 Taxation on surplus for year

The Guinness Partnership Limited and Shepherds Bush Housing Association have charitable status and are not subject to corporation tax on surpluses derived from their charitable activities.

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
<b>Current tax:</b>				
UK corporation tax on surplus for the year	-	-	0.2	-
Adjustments in respect of previous years	(1.6)	-	-	-
<b>Total tax (credit)/charge on surplus on ordinary activities</b>	<b>(1.6)</b>	<b>-</b>	<b>0.2</b>	<b>-</b>
<b>Factors affecting tax (credit)/charge for the year:</b>				
Surplus before taxation	79.4	32.0	46.6	59.3
Adjustment for surpluses not subject to tax	(79.4)	(32.0)	(46.4)	(59.3)
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	(1.6)	-	-	-
<b>Total tax (credit)/charge for the year</b>	<b>(1.6)</b>	<b>-</b>	<b>0.2</b>	<b>-</b>

# Notes to the Financial Statements for the year ended 31 March 2024

## 11 Tangible fixed assets – housing properties

	Group				Total £m
	Completed rented £m	Care & Supported £m	Leasehold & shared ownership £m	Under construction £m	
<b>Cost</b>					
At 1 April 2023	3,587.4	101.6	385.9	520.6	4,595.5
Reclassification	7.1	-	0.3	(7.4)	-
Additions - components capitalised	67.0	0.4	0.8	-	68.2
Additions - properties under construction	-	-	-	307.3	307.3
Transfer from SBHA (see note 35)	146.6	-	92.0	14.3	252.9
Transferred to Investment Property	(0.4)	-	-	-	(0.4)
Transferred to Government Grants	0.6	-	-	1.7	2.3
Schemes completed	126.6	-	85.6	(212.2)	-
Disposals - Components	(9.2)	-	(0.2)	-	(9.4)
Disposals – Property	(44.8)	-	(6.9)	-	(51.7)
<b>At 31 March 2024</b>	<b>3,880.9</b>	<b>102.0</b>	<b>557.5</b>	<b>624.3</b>	<b>5,164.7</b>
<b>Depreciation and leasehold amortisation</b>					
At 1 April 2023	(769.6)	(23.7)	(17.1)	-	(810.4)
Depreciation charge for year	(59.9)	(0.8)	(0.7)	-	(61.2)
Disposals - Components	9.1	0.1	0.2	-	9.4
Disposals - Property	11.9	-	0.6	-	12.5
<b>At 31 March 2024</b>	<b>(808.5)</b>	<b>(24.4)</b>	<b>(16.8)</b>	<b>-</b>	<b>(849.7)</b>
<b>Impairment</b>					
At 1 April 2023	(1.5)	(0.9)	(1.5)	(4.8)	(8.7)
Reclassified from Current Assets	-	-	-	(6.1)	(6.0)
Impairment charge for year	0.4	(0.3)	0.1	(18.8)	(18.6)
Disposals - Property	0.1	-	-	-	0.1
<b>At 31 March 2024</b>	<b>(1.0)</b>	<b>(1.2)</b>	<b>(1.4)</b>	<b>(29.7)</b>	<b>(33.3)</b>
<b>Net book value</b>					
<b>At 31 March 2024</b>	<b>3,071.4</b>	<b>76.4</b>	<b>539.3</b>	<b>594.6</b>	<b>4,281.7</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>

	TGPL				Total £m
	Completed rented £m	Care & Supported £m	Leasehold & shared ownership £m	Under construction £m	
<b>Cost</b>					
At 1 April 2023	3,557.9	101.3	384.4	469.7	4,513.3
Additions – components capitalised	60.9	0.4	0.8	-	62.1
Additions – properties under construction	-	-	-	274.5	274.5
Transferred to Investment Property	(0.4)	-	-	-	(0.4)
Transferred to Government Grants	0.6	-	-	1.7	2.3
Schemes completed	132.9	-	89.6	(222.5)	-
Disposals – Components	(9.0)	-	(0.2)	-	(9.2)
Disposals – Property	(44.9)	-	(6.1)	-	(51.0)
<b>At 31 March 2024</b>	<b>3,698.0</b>	<b>101.7</b>	<b>468.5</b>	<b>523.4</b>	<b>4,791.6</b>
<b>Depreciation and leasehold amortisation</b>					
At 1 April 2023	(763.8)	(23.4)	(16.3)	-	(803.5)
Depreciation charge for year	(57.6)	(0.8)	(0.5)	-	(58.9)
Disposals – Components	9.0	-	0.2	-	9.2
Disposals – Property	11.7	-	0.7	-	12.4
<b>At 31 March 2024</b>	<b>(800.7)</b>	<b>(24.2)</b>	<b>(16.0)</b>	<b>-</b>	<b>(840.9)</b>
<b>Impairment</b>					
At 1 April 2023	(1.5)	(0.9)	(1.6)	(4.8)	(8.8)
Reclassified from Current Assets	-	-	-	(0.7)	(0.7)
Charge for the year	0.4	(0.3)	-	(12.6)	(12.5)
Disposals	0.1	-	-	-	0.1
<b>At 31 March 2024</b>	<b>(1.0)</b>	<b>(1.2)</b>	<b>(1.6)</b>	<b>(18.1)</b>	<b>(21.9)</b>
<b>Net book value</b>					
<b>At 31 March 2024</b>	<b>2,896.3</b>	<b>76.3</b>	<b>450.9</b>	<b>505.3</b>	<b>3,928.8</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>

## 11 Tangible fixed assets – housing properties continued

	Group	
	2024 £'000	2023 £'000
<b>Expenditure on completed housing properties comprises the following:</b>		
Capitalised costs in respect of existing properties	68.2	73.8
Costs charged to Statement of Comprehensive Income	110.6	103.7
<b>Total costs in year incurred on existing properties</b>	<b>178.8</b>	<b>177.5</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	5.9	5.8

	TGPL	
	2024 £'000	2023 £'000
<b>Expenditure on completed housing properties comprises the following:</b>		
Capitalised costs in respect of existing properties	62.1	73.1
Costs charged to Statement of Comprehensive Income	104.5	102.1
<b>Total costs in year incurred on existing properties</b>	<b>166.6</b>	<b>175.2</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	5.9	5.8

Capitalised costs in respect of existing properties include capitalised communal assets of £28.6m (2023: £26.2m). These communal assets include equipment such as sprinkler and fire alarm systems which relate to multiple rather than individual dwellings.

## 12 Other tangible fixed assets

	Group		
	Freehold and leasehold offices £m	Plant, vehicles and equipment £m	Total £m
<b>Cost</b>			
At 1 April 2023	36.5	56.0	<b>92.5</b>
Transfer from Shepherds Bush Housing Association (note 35)	0.3	0.3	<b>0.6</b>
Additions	0.4	0.5	<b>0.9</b>
Disposals at cost	(1.0)	-	<b>(1.0)</b>
<b>At 31 March 2024</b>	<b>36.2</b>	<b>56.8</b>	<b>93.0</b>
<b>Depreciation, impairment and leasehold amortisation</b>			
At 1 April 2023	(17.2)	(44.4)	<b>(61.6)</b>
Depreciation charge for year	(4.0)	(2.0)	<b>(6.0)</b>
Disposals	0.4	-	<b>0.4</b>
<b>At 31 March 2024</b>	<b>(20.8)</b>	<b>(46.4)</b>	<b>(67.2)</b>
<b>Net book value</b>			
<b>At 31 March 2024</b>	<b>15.4</b>	<b>10.4</b>	<b>25.8</b>
<b>At 31 March 2023</b>	<b>19.3</b>	<b>11.6</b>	<b>30.9</b>

# Notes to the Financial Statements for the year ended 31 March 2024

## 12 Other tangible fixed assets continued

	TGPL		Total £m
	Freehold and leasehold offices £m	Plant, vehicles and equipment £m	
<b>Cost</b>			
At 1 April 2023	35.8	55.8	<b>91.6</b>
Additions	0.3	0.4	<b>0.7</b>
Disposals at cost	(1.0)	-	<b>(1.0)</b>
<b>At 31 March 2024</b>	<b>35.1</b>	<b>56.2</b>	<b>91.3</b>
<b>Depreciation, impairment and leasehold amortisation</b>			
At 1 April 2023	(17.0)	(44.2)	<b>(61.2)</b>
Depreciation charge for year	(4.0)	(1.8)	<b>(5.8)</b>
Disposals	0.4	-	<b>0.4</b>
<b>At 31 March 2024</b>	<b>(20.6)</b>	<b>(46.0)</b>	<b>(66.6)</b>
<b>Net book value</b>			
<b>At 31 March 2024</b>	<b>14.5</b>	<b>10.2</b>	<b>24.7</b>
<b>At 31 March 2023</b>	<b>18.8</b>	<b>11.6</b>	<b>30.4</b>

## 13 Intangible fixed assets

	Group £m	TGPL £m
<b>Cost</b>		
At 1 April 2023	11.1	11.1
Additions	9.8	9.8
<b>At 31 March 2024</b>	<b>20.9</b>	<b>20.9</b>
<b>Amortisation</b>		
At 1 April 2023	(3.5)	(3.5)
Amortisation charge for year	(2.0)	(2.0)
<b>At 31 March 2024</b>	<b>(5.5)</b>	<b>(5.5)</b>
<b>Net book value</b>		
<b>At 31 March 2024</b>	<b>15.4</b>	<b>15.4</b>
<b>At 31 March 2023</b>	<b>7.6</b>	<b>7.6</b>

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

## 14 Fixed asset investments – Investment Properties

	Group		Total £m
	Investment Properties £m	Investment Properties under construction £m	
At 1 April 2023	1.0	-	1.0
Additions	7.8	21.4	29.2
Transfer from Shepherds Bush Housing Association (note 35)	23.8	-	23.8
Revaluation	1.3	(4.5)	(3.2)
Schemes completed	5.0	(5.0)	-
<b>At 31 March 2024</b>	<b>38.9</b>	<b>11.9</b>	<b>50.8</b>

#### 14 Fixed asset investments – Investment Properties continued

	TGPL		Total £m
	Investment Properties £m	Investment Properties under construction £m	
At 1 April 2023	1.0	-	1.0
Additions	7.8	16.4	24.2
Revaluation	5.5	(4.5)	1.0
Schemes completed	0.4	(0.4)	-
<b>At 31 March 2024</b>	<b>14.7</b>	<b>11.5</b>	<b>26.2</b>

#### 15 Fixed asset investments – Homebuy and equity Loans

	Group 2024 £m	TGPL 2024 £m
At 1 April 2023	7.6	7.6
Additions	0.4	0.4
Disposals	(0.6)	(0.1)
Transfer from Shepherds Bush Housing Association (note 35)	11.3	-
<b>At 31 March 2024</b>	<b>18.7</b>	<b>7.9</b>

#### 16 Investment in subsidiaries

	Group	
	2024 £m	2023 £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>

#### 17 Stock

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Properties completed for outright sale	6.9	-	4.0	-
Properties completed for shared ownership	15.7	15.0	13.4	13.4
Properties under development for outright sale	45.7	-	67.0	-
Properties under development for shared ownership	70.2	46.1	75.2	66.3
Stocks of maintenance materials	0.5	0.1	0.8	0.2
<b>Total stock</b>	<b>139.0</b>	<b>61.2</b>	<b>160.4</b>	<b>79.9</b>

#### 18 Debtors

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
<b>Amounts falling due within one year</b>				
Rents and service charges receivable	32.9	29.3	22.5	22.5
Less: provision for bad and doubtful debts	(11.8)	(9.6)	(9.8)	(9.8)
	<b>21.1</b>	<b>19.7</b>	<b>12.7</b>	<b>12.7</b>
Amounts due from group companies	-	90.8	-	94.5
Other debtors and prepayments	30.2	17.2	22.2	15.1
	<b>51.3</b>	<b>127.7</b>	<b>34.9</b>	<b>122.3</b>
<b>Amounts falling due after one year</b>				
Debt service reserves	11.6	11.6	11.6	11.6
Other	-	-	1.4	-
	<b>62.9</b>	<b>139.3</b>	<b>47.9</b>	<b>133.9</b>

# Notes to the Financial Statements for the year ended 31 March 2024

## 19 Creditors: amounts falling due within one year

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Loans repayable within one year (note 21)	154.3	151.6	78.5	78.5
Trade creditors	49.0	9.9	10.8	3.3
Taxation and social security	0.8	1.6	2.5	1.8
Corporation tax	0.1	-	0.1	-
Amounts due to subsidiary undertakings	-	2.0	-	9.9
Social Housing Grant repayable	0.4	0.4	-	-
Other creditors	57.1	44.0	43.5	41.2
Accruals and deferred income	96.7	58.0	82.3	51.8
Government grants - deferred income (note 23)	19.1	18.9	15.1	15.0
Recycled Capital Grant Fund (note 24)	1.7	0.1	0.5	0.5
	<b>379.2</b>	<b>286.5</b>	<b>233.3</b>	<b>202.0</b>

As at 31 March 2024, the Group held £33.3m (2023: £27.1m) and TGPL held £27.0m (2023: £26.3m) relating to tenants' and leaseholders' sinking funds included within other creditors. These funds are held as cash.

Deferred income includes £2.4m of income from the Social Housing Decarbonisation Fund (SHDF), for the retrofit of homes, grant income is recognised on the accruals basis according to the useful economic life of the assets funded.

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

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Trade creditors	8.1	6.8	8.9	0.6
Loans & borrowings (note 21)	1,787.3	1,603.2	1,417.1	1,415.5
Derivative financial instruments	4.2	4.2	6.3	6.3
Government grants - deferred income (note 23)	1,320.6	1,300.6	1,329.2	1,318.9
Recycled Capital Grant Fund (note 24)	10.4	6.5	18.7	18.7
	<b>3,130.6</b>	<b>2,921.3</b>	<b>2,780.2</b>	<b>2,760.0</b>

## 21 Loans & borrowings

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
<b>Loans repayable by annual instalments:</b>				
Within one year	23.1	20.5	78.5	78.5
One to two years	24.3	16.3	26.0	26.0
Two to five years	225.7	200.4	92.5	92.5
More than five years	527.3	424.3	517.9	516.5
	<b>800.4</b>	<b>661.5</b>	<b>714.9</b>	<b>713.5</b>
<b>Loans repayable by maturity:</b>				
Within one year	131.2	131.1		
One to two years	51.6	51.6		
Two to five years	202.2	194.9	126.7	126.7
More than five years	756.2	715.7	653.9	653.8
	<b>1,141.2</b>	<b>1,093.3</b>	<b>780.6</b>	<b>780.5</b>
	<b>1,941.6</b>	<b>1,754.8</b>	<b>1,495.5</b>	<b>1,494.1</b>

**Loan portfolio:** All balances include addition of SBHA. During the year, including the addition of SBHA loans and fair value, the Group increased its borrowing by £446.1m and TGPL increased its borrowing by £260.7m (2023: Group: £8.7m decrease, TGPL: £10.8m decrease). At 31 March 2024, total borrowing for the Group, including derivative financial instruments, was £1,945.8m and for TGPL was £1,759.0m (2023: Group: £1,501.8m, TGPL: £1,500.4m). The loans repayable by instalments after five years are due for repayment within 34 years and include £7.8m in fair value adjustments. The loans repayable on maturity after five years are due for repayment within 31 years. Loans are secured by specific charges on the Group's housing properties.

### 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. The Partnership maintains a DSR 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 retained bond was 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 18).

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 2024 is as follows:

	Financial liabilities £m	Undrawn facilities £m	Total facilities £m
<b>As at 31 March 2024</b>			
Less than one year	154.3	164.6	<b>318.9</b>
Within one to two years	75.9	70.0	<b>145.9</b>
Within two to five years	427.9	376.3	<b>804.2</b>
In five years or more	1,283.5	345.0	<b>1,628.5</b>
	<b>1,941.6</b>	<b>955.9</b>	<b>2,897.5</b>
<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>

	Fixed rate maturities £m	Average interest %
<b>As at 31 March 2024</b>		
Less than one year	30.2	6.0%
Within one to two years	143.6	5.0%
Within two to five years	157.1	5.8%
In five years or more	980.6	4.1%
	<b>1,311.5</b>	<b>4.5%</b>
<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>

At 31 March 2024 67.6% (2023: 76.3%) of the Group's borrowing was at fixed rates of interest. TGPL's borrowing at fixed rates of interest was 63.3% (2023: 76.4%). The period for which interest rates are fixed is up to 34 years (TGPL: 31 years).

At 31 March 2024, 32.4% (TGPL: 36.7%) of borrowing was at variable rates of interest. The weighted average interest rate for all loans at 31 March 2024 including margin was 5.05% (2023: 5.0%).

**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 2024 totalled £50.5 million (2023: £50.5 million) covering terms of between one year and twenty one years and option periods from three months to five years. At 31 March 2024 transactions under ISDA Agreements totalled £77.9 million (2023: £79.5 million). The mark-to-market exposure on these was adverse to the value of £4.2 million (2023: £6.3 million adverse). Positions in excess of unsecured threshold levels are secured by property.

**Fair value:** The Guinness Trust £100 million debenture stock has a market value at 31 March 2024 of £90.0m (2023: £92.2 million). The Harbour (Hermitage) £45 million debenture stock has a market value at 31 March 2024 of £45.2 million (2023: £45.6 million).

The Guinness Partnership Ltd £250 million secured bond issued on 24 October 2014 has a market value at 31 March 2024 of £213.3 million (2023: £217.0 million). Guinness Partnership Ltd issued £400m secured bonds due 2055 on 22 April 2020 and has a market value at 31 March 2024 of £129.7m (2023: £133.4 million), 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 the 2 Guinness Partnership Ltd Bonds detailed above, as at 31 March 2024, is estimated at £833 million including SBHA loans (2023: £631.1 million).

# Notes to the Financial Statements for the year ended 31 March 2024

## 22 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 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
<b>Financial assets measured at cost</b>				
Homebuy and equity loans	18.7	7.9	7.6	7.6
	<b>18.7</b>	<b>7.9</b>	<b>7.6</b>	<b>7.6</b>
<b>Financial assets measured at amortised cost</b>				
Debt service reserve investments	11.6	11.6	11.6	11.6
Rent and service charges receivable	32.9	29.3	22.6	22.5
Other debtors	13.3	8.1	7.7	5.8
Cash and cash equivalents	105.5	69.8	53.6	33.5
	<b>163.3</b>	<b>118.8</b>	<b>95.5</b>	<b>73.4</b>
<b>Financial liabilities measured at fair value</b>				
Standalone hedges	(4.2)	(4.2)	(6.3)	(6.3)
	<b>(4.2)</b>	<b>(4.2)</b>	<b>(6.3)</b>	<b>(6.3)</b>
<b>Financial liabilities measured at amortised cost</b>				
Trade creditors	(57.1)	(16.7)	(19.7)	(5.1)
Other creditors	(57.1)	(44.0)	(43.6)	(41.2)
Amounts owed to subsidiary entities	-	(2.0)	-	(9.9)
Loans repayable within one year	(154.3)	(151.6)	(78.5)	(78.5)
Loans repayable after one year	(1,787.3)	(1,603.2)	(1,417.0)	(1,415.6)
	<b>(2,055.8)</b>	<b>(1,817.5)</b>	<b>(1,558.8)</b>	<b>(1,550.3)</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.

## 23 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		Total £m
	Completed properties & equity loans £m	Properties under construction £m	
<b>Social Housing Grant</b>			
At 1 April 2023	1,252.3	325.5	<b>1,577.8</b>
Grant receivable	-	4.6	<b>4.6</b>
Grant recycled from Recycled Capital Grant Fund	-	14.4	<b>14.4</b>
Grant transferred on acquisition of SBHA (see note 35)	4.4	-	<b>4.4</b>
Transferred from other group companies	0.6	-	<b>0.6</b>
Transferred to other group companies	(0.2)	-	<b>(0.2)</b>
Transferred from Housing Properties	-	2.3	<b>2.3</b>
Grant transferred at completion	50.1	(50.1)	-
Grant transferred on disposals	(22.4)	-	<b>(22.4)</b>
<b>At 31 March 2024</b>	<b>1,284.8</b>	<b>296.7</b>	<b>1,581.5</b>
<b>Other capital grants</b>			
At 1 April 2023	115.4	-	<b>115.4</b>
Grant transferred on acquisition of SBHA (see note 35)	5.7	-	<b>5.7</b>
<b>At 31 March 2024</b>	<b>121.1</b>	<b>-</b>	<b>121.1</b>
<b>Amortisation</b>			
At 1 April 2023	(348.9)	-	<b>(348.9)</b>
Released to income during the year	(19.9)	-	(19.9)
Transferred on disposals	5.9	-	<b>5.9</b>
<b>At 31 March 2024</b>	<b>(362.9)</b>	<b>-</b>	<b>(362.9)</b>
<b>Net deferred income at 31 March 2024</b>			
Deferred income to be released in less than one year	19.1	-	19.1
Deferred income to be released in more than one year	1,023.9	296.7	<b>1,320.6</b>
<b>At 31 March 2024</b>	<b>1,043.0</b>	<b>296.7</b>	<b>1,339.7</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>

	TGPL		
	Completed properties & equity loans £m	Properties under construction £m	Total £m
<b>Social Housing Grant</b>			
At 1 April 2023	1,240.8	325.5	<b>1,566.3</b>
Grant receivable	-	4.6	<b>4.6</b>
Grant recycled from Recycled Capital Grant Fund	-	14.4	<b>14.4</b>
Transferred from other group companies	0.6	-	<b>0.6</b>
Transferred from Housing Properties	-	2.3	<b>2.3</b>
Grant transferred at completion	50.1	(50.1)	-
Grant transferred on disposals	(22.4)	-	<b>(22.4)</b>
<b>At 31 March 2024</b>	<b>1,269.1</b>	<b>296.7</b>	<b>1,565.8</b>
<b>Other capital grants</b>			
At 1 April 2023	115.4	-	<b>115.4</b>
Grant receivable	-	-	-
<b>At 31 March 2024</b>	<b>115.4</b>	-	<b>115.4</b>
<b>Amortisation</b>			
At 1 April 2023	(347.9)	-	<b>(347.9)</b>
Released to income during the year	(19.7)	-	<b>(19.7)</b>
Transferred on disposals	5.9	-	<b>5.9</b>
<b>At 31 March 2024</b>	<b>(361.7)</b>	-	<b>(361.7)</b>
<b>Net deferred income at 31 March 2024</b>			
Deferred income to be released in less than one year	18.9	-	<b>18.9</b>
Deferred income to be released in more than one year	1,003.9	296.7	<b>1,300.6</b>
<b>At 31 March 2024</b>	<b>1,022.8</b>	<b>296.7</b>	<b>1,319.5</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>

## 24 Recycled Capital Grant Fund

Recycled Capital Grant Fund	Group £m	TGPL £m
At 1 April 2023	19.2	19.2
Inputs to fund:		
Grants recycled during the year	1.7	1.7
Fair Value of SBHA RCGF	4.7	-
Interest added to the fund during the year	0.6	0.6
Repayments made	(0.5)	(0.5)
Recycling of grant:		
New build	(14.4)	(14.4)
<b>At 31 March 2024</b>	<b>12.1</b>	<b>6.6</b>
Amounts 3 years or older where repayment may be required	-	-

## 25 Share capital

	Group 2024 £	TGPL 2024 £	Group 2023 £	TGPL 2023 £
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.

## 26 Provisions for liabilities

	Group 2024 £	TGPL 2024 £	Group 2023 £	TGPL 2023 £
At 1 April	2.3	2.3	4.0	3.9
Transferred from SBHA (see note 35)	23.9	-	-	-
Provided during the year	11.9	1.5	0.9	0.8
Released during the year	(0.9)	(0.7)	(2.6)	(2.4)
<b>At 31 March</b>	<b>37.2</b>	<b>3.1</b>	<b>2.3</b>	<b>2.3</b>

During the year, provisions were made in respect of liabilities for certain building safety costs by members of the Group.

# Notes to the Financial Statements for the year ended 31 March 2024

## 27 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 2024 amounted to £11.7m (2023: £16.2m).

During the year, Shepherds Bush Housing Association Limited (SBHA) became part of the Group (see note 35). SBHA is a member of the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme administered by TPT Retirement Solutions (The Pensions Trust) which provides benefits to more than 500 non-associated housing organisations.

A summary of the Group pension obligations from the Guinness Partnership Pension Scheme (GPPS) and the net liability/(assets) in relation to other defined benefit schemes is as below:

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Guinness Partnership Pension Scheme	26.6	26.4	23.6	23.3
Social Housing Pension Scheme (SBHA)	4.8	-	-	-
Cheshire Pension Fund	(5.3)	(5.3)	-	-
London Pension Fund Authority	(2.0)	(2.0)	-	-
Unfunded scheme	0.1	0.1	0.1	0.1
<b>At 31 March</b>	<b>24.2</b>	<b>19.2</b>	<b>23.7</b>	<b>23.4</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 2024.

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.

Until 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 was closed to new entrants and further accruals, with all current Group employees who are members being enrolled in the Group's defined contribution scheme.

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

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Fair value of plan assets	217.2	214.9	219.6	217.2
Present value of defined benefit obligation	243.8	241.2	(243.2)	(240.5)
Defined benefit liability	(26.6)	(26.3)	(23.6)	(23.3)

### Reconciliation of fair value of employer assets

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Fair value of plan assets at start of period	219.6	217.2	293.4	272.8
Interest income	10.6	10.5	8.2	7.8
Expenses	(0.7)	(0.7)	(0.5)	(0.4)
Experience (losses) on plan assets	(15.9)	(15.8)	(89.6)	(83.6)
Contributions by the employer	11.4	11.3	16.7	16.1
Contributions by plan participants	-	-	0.1	0.1
Benefits paid and expenses	(7.8)	(7.7)	(8.7)	(8.3)
Assets acquired on Transfer of Engagements	-	-	-	12.7
<b>Fair value of plan assets at end of period</b>	<b>217.2</b>	<b>214.8</b>	<b>219.6</b>	<b>217.2</b>

### Reconciliation of defined benefit obligation

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Defined benefit obligation at start of period	243.2	240.5	350.1	325.6
Current service cost	-	-	3.5	3.3
Interest Expense	11.5	11.4	9.6	9.1
Contributions by plan participants	-	-	0.1	0.1
Actuarial losses/(gains) due to scheme experience	1.9	1.8	18.9	17.7
Actuarial losses/(gains) due to changes in demographic assumptions	1.4	1.4	(11.2)	(10.5)
Actuarial (gains) due to changes in financial assumptions	(6.3)	(6.2)	(119.2)	(111.4)
Benefits paid and expenses	(7.9)	(7.7)	(8.6)	(8.3)
Liabilities acquired on Transfer of Engagements (note 34)	-	-	-	14.9
<b>Defined benefit obligation at end of period</b>	<b>243.8</b>	<b>241.2</b>	<b>243.2</b>	<b>240.5</b>

### Defined benefit costs recognised in Statement of Comprehensive Income

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Current Service cost	-	-	3.5	3.3
Expenses	0.7	0.7	0.5	0.3
Net interest expense	0.9	0.9	1.4	1.3
Loss on Transfer of Engagements	-	-	-	2.2
<b>Defined benefit costs recognised in SoCI</b>	<b>1.6</b>	<b>1.6</b>	<b>5.4</b>	<b>7.1</b>

### Defined benefit costs recognised in Other Comprehensive Income

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Return on assets excluding interest income	(15.9)	(15.8)	(89.6)	(83.6)
Experience (losses)/gains on liabilities	(1.9)	(1.8)	(18.9)	(17.7)
Effects of changes in financial assumptions	6.3	6.2	119.2	111.4
Effects of changes in demographic assumptions	(1.4)	(1.4)	11.2	10.5
<b>Defined benefit costs recognised in OCI</b>	<b>(12.9)</b>	<b>(12.8)</b>	<b>21.9</b>	<b>20.6</b>

### Key Assumptions

	2023 p.a.	2022 p.a.
<b>Group</b>		
Inflation (RPI)	3.11%	3.20%
Inflation (CPI)	2.81%	2.85%
Salary growth	3.81%	3.85%
Discount rate	4.91%	4.80%
The mortality assumptions adopted imply the following life expectancies:		
Female pensioners (current age 65)	23.9 years	23.6 years
Male pensioners (current age 65)	21.3 years	21.3 years
Female non-pensioners (current age 45)	25.3 years	25.0 years
Male non-pensioners (current age 45)	22.9 years	22.9 years

The effects of movements in the main assumptions on the value of liabilities are shown in the table below:

### Key Assumptions

	Group & TGPL	
Assumption	Movement in assumption	Change in defined benefit obligation
Discount rate	- 0.1%	+ 1.6%
Inflation (including increase to salary growth assumption)	+ 0.1%	+ 1.2%
CPI	+ 0.1%	+ 0.9%

### Assets

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Equity	24.1	23.8	37.2	36.8
Bonds	26.6	26.3	13.4	13.2
Property	11.2	11.0	10.7	10.5
Cash	9.2	9.1	8.2	8.1
Liability Driven Investment	102.7	101.6	76.7	75.9
Liquid Alternatives	7.7	7.6	14.7	14.6
Private Credit	15.2	15.0	32.9	32.6
Other	20.5	20.3	25.8	25.5
<b>Total assets</b>	<b>217.2</b>	<b>214.7</b>	<b>219.6</b>	<b>217.2</b>

### Other defined benefit pension schemes

In addition to the GPPS and SHPS schemes, the Group and TGPL also contributed 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.

As of 1 April 2023, TGPL had exited the Cheshire Pension Fund (CPF) and LPFA schemes. 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.

As at 31 March 2023, the Cheshire Pension Fund was reporting assets of £43.6m and obligations of £32.3m, resulting in a net pension asset of £11.3m. The LPFA scheme was reporting assets of £17.5m and obligations of £14.2m resulting in a net pension asset of £3.3m. However, due to uncertainty over TGPL's rights to and ability to recover the net pension assets in each scheme, an asset ceiling adjustment was made, meaning that no asset was recognised in TGPL's accounts in respect of either scheme.

# Notes to the Financial Statements for the year ended 31 March 2024

## 27 Pension obligations continued

TGPL has subsequently received cessation settlement valuations from the administrators of both schemes, allowing TGPL to recognise an asset as at 31 March 2024 for the value repayable to TGPL (£5.3 from CPF; £2.0m from LPFA). These valuations were calculated by the schemes' actuaries on a 'least-risk basis' and represent the amounts the scheme administrators are willing to release to TGPL after assessing the risk contained in the liabilities which TGPL is divesting in exiting the scheme. The asset ceiling adjustment previously restricting recognition of the surplus on each scheme was released, resulting in a total credit of £14.3m to Other Comprehensive Income in the year.

### Social Housing Pension Scheme (Shepherds Bush Housing Association Limited)

Shepherds Bush Housing Association Limited (SBHA) became part of the Group during the year (see note 35). Movements in scheme balances are therefore shown from the date of transfer, 4 December 2023 and no prior year comparatives are shown.

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

	Group 2024 £m	Group 2023 £m
Fair value of plan assets	20.4	-
Present value of defined benefit obligation	(25.2)	-
<b>Defined benefit liability at end of period</b>	<b>(4.8)</b>	-

### Reconciliation of fair value of employer assets

	Group 2024 £m	Group 2023 £m
Fair value of plan assets at date of transfer	19.3	-
Return on assets excluding amounts included in net interest	0.6	-
All other movements impacting fair value of employer assets	0.5	-
<b>Fair value of plan assets at end of period</b>	<b>20.4</b>	-

All other movements include impacting the fair value of assets include interest income on plan assets, expenses, benefits paid and employer contributions.

### Reconciliation of defined benefit obligation

	Group 2024 £m	Group 2023 £m
Defined benefit obligation at date of transfer	24.6	-
Current service cost & other movements impacting the defined benefit obligation valuation	1.3	-
Actuarial (gains) due to changes in financial assumptions	(0.7)	-
<b>Defined benefit obligation at end of period</b>	<b>25.2</b>	-

Current service costs and other movements impacting the defined benefit obligation include interest cost, actuarial gains due to changes in demographic assumptions and scheme experience and expenses and benefits paid.

### Defined benefit costs recognised in Statement of Comprehensive Income

	Group 2024 £m	Group 2023 £m
Net interest expense	0.1	-
<b>Defined benefit costs recognised in SoCI</b>	<b>0.1</b>	-

### Defined benefit costs recognised in Other Comprehensive Income

	Group 2024 £m	Group 2023 £m
Experience gain on plan assets	0.5	-
Experience gain on plan liabilities	0.7	-
Effects of changes in demographic assumptions	0.3	-
Effects of changes in financial assumptions	(1.3)	-
<b>Defined benefit costs recognised in SoCI</b>	<b>0.2</b>	-

### Key assumptions

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

	2024 p.a.	2023 p.a.
Inflation (CPI)	2.77%	-
Salary growth	3.77%	-
Discount rate	4.89%	-
The mortality assumptions adopted imply the following life expectancies:		
Current pensioners - Female	23.0 years	-
Current pensioners - Male	20.5 years	-
Future pensioners - Female	24.4 years	-
Future pensioners - Male	21.8 years	-

### Assets

The assets held by the scheme are categorised as follows:

	Group 2024 £m	Group 2023 £m
Global Equity	2.0	-
Absolute Return	0.8	-
Distressed Opportunities	0.7	-
Credit Relative Value	0.7	-
Alternative Risk Premia	0.6	-
Risk Sharing	1.2	-
Property and Infrastructure	3.0	-
Opportunistic Illiquid Credit	0.8	-
Secured Income	0.6	-
Liability Driven Investment	8.3	-
Private Debt	0.8	-
Other	0.5	-
Cash	0.4	-
<b>Total assets</b>	<b>20.4</b>	<b>-</b>

### Cheshire Pension Fund

	Group & TGPL 2024 £m	Group & TGPL 2023 £m
Fair value of plan assets	43.6	43.6
Present value of defined benefit obligation	(32.3)	(32.3)
Scheme surplus	11.3	11.3
Asset ceiling adjustment	(11.3)	(11.3)
Cessation settlement amount repayable to TGPL	5.3	-
<b>Defined benefit asset at end of period</b>	<b>5.3</b>	<b>-</b>

### Reconciliation of fair value of employer assets

	Group & TGPL 2024 £m	Group & TGPL 2023 £m
Fair value of plan assets at start of period	43.6	55.5
Return on assets excluding amounts included in net interest	-	(12.4)
All other movements impacting fair value of employer assets	-	0.5
<b>Fair value of plan assets at end of period</b>	<b>43.6</b>	<b>43.6</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 2024 £m	Group & TGPL 2023 £m
Defined benefit obligation at start of period	32.3	46.6
Current service cost & other movements impacting the defined benefit obligation valuation	-	2.7
Actuarial (gains) due to changes in financial assumptions	-	(17.0)
<b>Defined benefit obligation at end of period</b>	<b>32.3</b>	<b>32.3</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 2024

## 27 Pension obligations continued

### Key assumptions

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

	2024 p.a.	2023 p.a.
<b>Group</b>		
Inflation (CPI)	n/a	2.95%
Salary growth	n/a	3.65%
Discount rate	n/a	4.75%

The mortality assumptions adopted imply the following life expectancies:

Current pensioners - Female	n/a	24.6 years
Current pensioners - Male	n/a	21.5 years
Future pensioners - Female	n/a	26.3 years
Future pensioners - Male	n/a	22.8 years

### Assets

The assets held by the scheme are categorised as follows:

	Group 2024 £m	Group 2023 £m
Equity	-	-
Bonds	37.9	37.9
Property	-	-
Cash	5.7	5.7
<b>Total assets</b>	<b>43.6</b>	<b>43.6</b>

### London Pensions Fund Authority (LPFA)

	Group & TGPL 2024 £m	Group & TGPL 2023 £m
Fair value of plan assets	17.5	17.5
Present value of defined benefit obligation	(14.2)	(14.2)
Scheme surplus	3.3	3.3
Asset ceiling adjustment	(3.3)	(3.3)
Cessation settlement amount repayable to TGPL	2.0	-
<b>Defined benefit asset at end of period</b>	<b>2.0</b>	<b>-</b>

### Reconciliation of fair value of employer assets

	Group & TGPL 2024 £m	Group & TGPL 2023 £m
Fair value of plan assets at start of period	17.5	17.7
Return on assets excluding amounts included in net interest	-	(0.2)
All other movements impacting fair value of employer assets	-	-
<b>Fair value of plan assets at end of period</b>	<b>17.5</b>	<b>17.5</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 2024 £m	Group & TGPL 2023 £m
Defined benefit obligation at start of period	14.2	21.0
Current service cost & other movements impacting the defined benefit obligation valuation	-	2.7
Actuarial (gains) due to changes in financial assumptions	-	(9.5)
<b>Defined benefit obligation at end of period</b>	<b>14.2</b>	<b>14.2</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.

### Defined benefit costs recognised in Statement of Comprehensive Income

	Group & TGPL 2024 £m	Group & TGPL 2023 £m
Current Service cost	-	0.2
Net interest expense	-	0.1
<b>Defined benefit costs recognised in SoCI</b>	<b>-</b>	<b>0.3</b>

### Defined benefit costs recognised in Other Comprehensive Income

	Group & TGPL 2024 £m	Group & TGPL 2023 £m
Return on plan assets	-	(0.2)
Experience (loss) arising on plan liabilities	-	(2.5)
Effects of changes in actuarial assumptions	-	9.5
<b>Defined benefit costs recognised in SoCI</b>	<b>-</b>	<b>6.8</b>

### Key assumptions

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

	2024 p.a.	2023 p.a.
Inflation (CPI)	n/a	2.90%
Salary growth	n/a	3.90%
Discount rate	n/a	4.80%
The mortality assumptions adopted imply the following life expectancies:		
Female retiring today	n/a	23.7 years
Male retiring today	n/a	20.8 years
Female retiring in 20 years	n/a	25.8 years
Male retiring in 20 years	n/a	21.6 years

### Assets

The assets held by the scheme are categorised as follows:

	Group & TGPL 2024 £m	Group & TGPL 2023 £m
Equity	10.3	10.3
Target return portfolio	3.3	3.3
Infrastructure	2.2	2.2
Property	1.7	1.7
Cash	-	-
<b>Total assets</b>	<b>17.5</b>	<b>17.5</b>

### Unfunded scheme

	Group & TGPL 2024 £m	Group & TGPL 2023 £m
Present value of defined benefit obligation	0.1	0.1
<b>Net pension obligation at end of period</b>	<b>0.1</b>	<b>0.1</b>

### Reconciliation of defined benefit obligation

	Group & TGPL 2024 £m	Group & TGPL 2023 £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)
<b>Defined benefit obligation at end of period</b>	<b>0.1</b>	<b>0.1</b>

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

	2024 p.a.	2023 p.a.
<b>Group</b>		
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 2024

## 28 Analysis of changes in net debt

	At 1 Apr 2023	Cash flows	Other non-cash changes	At 31 Mar 2024
	£m	£m	£m	£m
<b>Cash and cash equivalents</b>				
Cheshire Pension Fund	53.6	51.9	-	105.5
<b>Borrowings</b>				
Debt due within one year (note 19)	(78.4)	(68.4)	(7.3)	(154.3)
Debt due after one year (note 20)	(1,417.1)	(146.9)	(223.2)	(1,787.1)
<b>Total</b>	<b>(1,495.5)</b>	<b>(215.3)</b>	<b>(230.5)</b>	<b>(1,941.3)</b>

## 29 Capital commitments

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Capital expenditure that has been contracted for but has not been provided for in these financial statements	549.7	530.5	708.0	644.0
Capital expenditure that has been authorised by the Board but has not been contracted for	27.9	27.9	47.2	47.1
	<b>577.6</b>	<b>558.4</b>	<b>755.2</b>	<b>691.1</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 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Social Housing Grant	-	-	-	-
Loan finance	400.7	409.5	361.7	436.9
First tranche sales/outright sales	149.0	121.0	346.3	207.1
	<b>549.7</b>	<b>530.5</b>	<b>708.0</b>	<b>644.0</b>

## 30 Contingent liabilities

The Group occasionally enters into stock swaps with (or acquisitions from) other registered providers of social housing, which involve the transfer into (or out of) 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 £66.4m (2023: £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 acquired housing properties from other housing providers that have social housing grant funding attached of £5.3m (2023: £nil).

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.

## 31 Operating leases

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

At 31 March 2024, the Group had minimum lease payments under such leases as set out below:

	Group 2024 £m	TGPL 2024 £m	Group 2023 £m	TGPL 2023 £m
Operating leases which expire:				
Within one year	4.2	2.3	1.9	1.6
Within one to five years	16.8	6.6	9.9	5.8
After five years	-	-	1.5	1.5
	<b>21.0</b>	<b>8.9</b>	<b>13.3</b>	<b>8.9</b>

### 32 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	
	2024 Number	2023 Number	2024 Number	2023 Number
<b>Agency:</b>				
Homes for Change	75	75	75	75
Comfort Care Services	58	58	58	58
MENCAP	49	49	49	49
London Borough of Hillingdon	48	48	48	48
Creative Support	48	49	48	49
Turning Point	47	47	47	47
Bangla Housing Association Ltd	42	42	42	42
Caring for Communities and People	36	16	36	16
Riverside	36	36	36	36
Derby Peoples	33	33	33	33
Community Integrated Care	32	32	32	32
Lifeways	31	25	31	25
HumanKind	28	28	28	28
Metropolitan Thames Valley Housing (MTVH)	21	29	21	29
Making Space	20	20	20	20
Karin	20	20	20	20
Sheffield Health & Social Care	18	18	18	18
Southdown H.A.	18	18	18	18
MYCWA	16	16	16	16
Look Ahead	16	16	16	16
Others	840	541	734	535
	<b>1,532</b>	<b>1,216</b>	<b>1,426</b>	<b>1,210</b>

### 33 Subsidiary undertakings and joint ventures

Subsidiary	Note	Status	Activity
City Response Limited	a	Registered under the Companies Act 2006	Property Maintenance 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	c	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
Shepherds Bush Housing Association	d	Registered Provider	Supplier of social housing
The Guinness Trust	b	Registered Charity	Dormant
Joint Venture	Note	Status	Activity
Forge New Homes LLP	e	Limited Liability Partnership	Property Development
Signal Park LLP	f	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: 350 Euston Road, Regent's Place, London NW1 3AX.
- b) TGPL is the Corporate Trustee of The Guinness Trust. Registered office: 350 Euston Road, Regent's Place, London NW1 3AX.
- c) Guinness Housing Association Limited is a non-charitable provider of social housing. Registered office: 350 Euston Road, Regent's Place, London NW1 3AX.
- d) Shepherds Bush Housing Association became part of the Guinness Partnership Group on 4th December 2023. Shepherds Bush Housing Association is a charitable provider of social housing. Registered office: Mulliner House, Flanders Rd, Chiswick, London W4 1NN.
- 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.
- f) Guinness Developments Limited is part of a joint venture arrangement called Signal Park LLP, for the development of new homes. Registered office: Countryside House, The Drive, Brentwood, Essex, United Kingdom, CM13 3AT

# Financial Statements for the year ended 31 March 2024

## 34 Related party transactions

During the year there were two members (2023: none) of the Board within the Group who had tenancy agreements with the Group and one member who is a leaseholder (2023: 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 2023/24	Services provided 2023/24	Debtor balances as at 31 March 2024
	£'000	£'000	£'000
<b>Regulated</b>			
Guinness Housing Association Limited	-	580	-
Shepherds Bush Housing Association Limited	-	-	-
<b>Non-Regulated</b>			
Guinness Developments Limited	132,345	9,812	-
Guinness Homes Limited	-	294	-
Guinness Platform Limited	-	-	-
Hallco 1397 Limited	-	-	-
City Response Limited	74,472	905	-
Forge New Homes LLP	-	-	1,360
Signal Park LLP	-	-	1,161

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	Drawn as at 31 March 2023	Drawn as at 31 March 2022
	£m	£m	£m
Guinness Developments Limited (*)	272.4	-	-
Guinness Homes Limited (*)	272.4	8.0	80.0
Hallco 1397 Limited (*)	272.4	-	-
City Response Limited	10.0	-	-
Shepherds Bush Housing Association Limited	30.0	20.0	-

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.

## 35 Business combination - SBHA acquisition

On 4 December 2023, Shepherds Bush Housing Association Limited (SBHA) joined the group as a wholly-owned subsidiary of TGPL. In accordance with the FRS102 guidance on public benefit entity combinations, the transaction has been accounted for as a combination at nil consideration which is in substance a gift. Consequently, the excess of the fair value of the assets received over the fair value of liabilities assumed is recognised as a gain in the Consolidated Statement of Comprehensive Income.

A fair value assessment was completed for the assets and liabilities of SBHA as at 4 December 2023, with relevant third-party valuations obtained where appropriate. The key areas impacted by the valuation were housing properties, properties held for sale, investments in Homebuy loans, deferred grant liabilities, third party loans and pension liabilities. The total fair value of net assets acquired, net of costs relating to the transaction, was £63.0m.

The assets acquired and liabilities assumed were as follows:

	Book value £'000	Fair value £'000	Fair value adjustment £'000
<b>Fixed assets</b>			
Intangible fixed assets	224	-	(224)
Tangible fixed assets – housing properties	515,295	252,834	(262,461)
Other tangible fixed assets	557	557	-
Investment properties	24,725	23,801	(924)
Investments - Homebuy loans	4,832	11,257	6,425
<b>Total non-current assets</b>	<b>545,633</b>	<b>288,449</b>	<b>(257,184)</b>
<b>Current assets</b>			
Properties held for sale	25,742	21,670	(4,072)
Debtors receivable within one year	7,871	6,615	(1,256)
Cash and cash equivalents	43,617	43,617	-
	77,230	71,902	(5,328)
<b>Creditors: amounts falling due within one year</b>	<b>(18,051)</b>	<b>(18,051)</b>	<b>-</b>
<b>Net current Assets</b>	<b>59,179</b>	<b>53,849</b>	<b>(5,328)</b>
<b>Total assets less current liabilities</b>	<b>604,812</b>	<b>342,300</b>	<b>(262,512)</b>
<b>Creditors: amounts falling due after one year</b>	<b>(471,123)</b>	<b>(248,966)</b>	<b>222,157</b>
Provisions for liabilities	(23,948)	(23,948)	-
Defined benefit pension liability	(5,257)	(5,257)	-
<b>Total net assets</b>	<b>104,484</b>	<b>64,129</b>	<b>(40,355)</b>

### Alignment of accounting policies

Due to the similar nature of TGPL and SBHA's business activities, and the two entities being subject to the same regulatory standards, the pre-acquisition accounting policies and estimation methodologies were closely aligned. Adjustments to SBHA's accounting policies in order to align with the group were made in respect of provisions for bad and doubtful debt and fixed asset useful economic lives.

### Non- recurring costs

TGPL and SBHA incurred one-off costs totalling £1.1m associated with the business combination. These costs consist mainly of fees for due diligence work and fees associated with loans and borrowings.

## 36 Alternative performance measures

This note provides a reconciliation of alternative performance measures ('APMs') with measures based on statutory financial results in accordance with FRS 102 and Value for Money Metrics as defined by the RSH in their Value for Money (VfM) Standard.

### Value for Money Metrics

Value for money metrics are calculated based on statutory results as disclosed in the primary statements and notes to the financial statements as per FRS 102 and according the definition within the RSH's Value for Money Standard Technical Note.

### APMs

The Group's Strategic Report shows discloses 'operating margin (overall)', 'operating margin (social housing lettings)' and 'EBITDA-MRI as a % of interest' as defined by the RSH's VfM Standard. In addition to this we disclose the below adjusted metrics which the Board believe are useful for understanding the Group's underlying performance.

We view operating margin excluding property sales as sales can vary significantly year on year depending on the status of our development programme. We remove non cash or one off items that are not likely to recur year on year from the calculation of EBITDA-MRI, identifying one off items involves management judgement.

	Group 2023/24	TGPL 2023/24
<b>Operating Surplus (Overall) (per VfM Standard)</b> calculated as operating surplus excluding gain/(loss) on disposal of fixed assets and revaluation of investment properties ÷ turnover	(£81.0m - £36.3m) ÷ £459.8m <b>= 9.7%</b>	(£90.7m - £31.0m) ÷ £465.1m <b>= 12.8%</b>
<b>Operating Surplus Social Housing Lettings (per VfM Standard)</b> calculated as Social housing lettings operating surplus per note 3 ÷ Social housing lettings turnover per note 3	£76.1m ÷ £403.2m <b>= 18.9%</b>	£81.7m ÷ £387.4m <b>= 21.1%</b>
<b>Operating margin – excluding surplus on disposal of housing properties, first tranche sales, and outright sales</b> calculated as operating surplus excluding gain/(loss) on disposal of fixed assets, surplus on first tranche sales and surplus on market sales and revaluation of investment properties ÷ turnover excluding turnover on first tranche sales and turnover on market sales	(£81.0m - £36.3m - £2.9m - £0.9m) ÷ (£459.8m - £29.8m - £3.4m) <b>= 9.6%</b>	(£90.7m - £31.0m - £1.0m) ÷ (£465.1m - £29.5m) <b>= 13.5%</b>
<b>Operating margin – including surplus on disposal of housing properties, first tranche sales, and outright sales</b> calculated as operating surplus excluding movement in fair value of investment properties ÷ turnover	£81.0m ÷ £459.8m <b>= 17.6%</b>	£90.7m ÷ £465.1m <b>= 19.5%</b>
<b>EBITDA-MRI (as a percentage of interest) (per VfM standard)</b> calculated as (operating surplus – gain/(loss) on disposal of fixed assets – amortised government grant + interest receivable – capitalised major repairs expenditure + depreciation cessation) ÷ (interest payable and financing costs + interest capitalised)	(£81.0m - £36.3m - £19.9m + £3.4m - £68.2m + £69.2m) ÷ (£22.6m + £65.7m) <b>= 33.1%</b>	(£90.7m - £31.0m - £19.8m + £6.4m - £62.1m + £6.8m) ÷ (£18.5m + £67.0m) <b>= 59.7%</b>
<b>EBITDA-MRI (as a percentage of interest) – adjusted for non-cash items</b> calculated as per the above adding the following non cash items back to operating surplus: impairment charges, building safety provisions, I&E charge relating to pension cessation. Also added back is grant received to fund capital asset management works during the year, not recognised in income.	As per the above in addition adding back: impairment charges (£22.0m), building safety provisions (£7.6m), pension cessation I&E charge (£7.3m), cash grants received towards capitalised major repairs spend (£4.1m) <b>= 79.6%</b>	As per the above in addition adding back: impairment charges (£15.1m), pension cessation I&E charge (£7.3m), cash grants received towards capitalised major repairs spend (£4.1m) <b>= 90.8%</b>

# Registered Office, Principle Advisors and Lenders

## Registered Office, Principle Advisors and Lenders

### Registered Office

The Guinness Partnership Limited  
350 Euston Road  
Regent's Place  
London  
NW1 3AX

### Statutory Auditor

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

### Solicitors

Trowers & Hamblins LLP  
3 Bunhill Row  
London  
EC1Y 8YZ

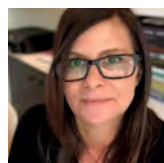
### Bankers

National Westminster Bank plc  
Barclays Bank plc  
Lloyds Bank plc  
Nationwide Building Society  
Santander UK plc

### Lenders

Aviva Life & Pensions UK Ltd  
ABN AMRO Bank NV  
Barclays Bank plc  
HSBC UK Bank plc  
Lloyds Banking Group  
MUFG Bank Ltd  
Nationwide Building Society  
Orchardbrook Limited  
The Royal Bank of Scotland plc  
Santander UK plc  
Sumitomo Mitsui Banking Corporation  
Warrington Borough Council  
Yorkshire Building Society

## The Guinness Partnership Executive Team



### Catriona Simons

Group Chief Executive  
Appointed: December 2009;  
Appointed Group Chief Executive:  
July 2015



### Ian Joynson

Executive Director  
of Asset Management  
Appointed: November 2014



### Jon Milburn

Group Development Director  
Appointed: June 2016  
Resigned: April 2023



### Philip Day

Group Finance Director  
Appointed: July 2017



### Trafford Wilson

Executive Director  
of Customer Services  
Appointed: August 2019



### Kevin Williams

Executive Director of  
Development and  
Commercial Services  
Appointed: January 2021



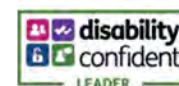
### Andrew Warner

Managing Director,  
Shepherds Bush Housing  
Association Limited  
Appointed: December 2023



### Paul Love

Group Director of  
Care and Support  
Appointed: December 2022



## Our Board



**Chris Wilson**  
Chair (from 01.10.22)  
Appointed: **01.10.18**  
Effective from: **01.10.18**

Chris is Chair of The Guinness Partnership Limited, a Deputy Chair 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.



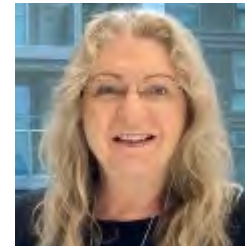
**Amanda Carey-McDermott**  
Appointed: **20.07.22**  
Effective from: **01.10.22**

Amanda is a Board member of The Guinness Partnership Limited, a Board member of Guinness Housing Association Limited, a Board member of Shepherds Bush Housing Association Limited and a member of the Care Committee. She is the Chief Operating Officer at The Confederation Hillingdon CIC. 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.



**Phil Morgan**  
Deputy Chair  
(from 01.10.22)  
Appointed: **31.01.17**  
Effective from: **31.01.17**

Phil is Deputy Chair of The Guinness Partnership Limited, Chair of Guinness Housing Association Limited, Chair of the Remuneration and Nominations Committee, Chair of the Customer 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; a member of the Panel of Advisors to the Housing Ombudsman; Councillor and a Resident Panel member of the Health and Safety Executive. He was the former Executive Director of Tenant Services at the Tenant Services Authority and former Chief Executive of TPAS.



**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.



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

Catriona is the Group Chief Executive of The Guinness Partnership Limited and an Executive Board member. She is also a Board member of Guinness Homes Limited; Guinness Housing Association Limited; City Response Limited; Guinness Developments Limited; Guinness Platform Limited; Hallico 1397 Limited; Shepherds Bush Housing Association 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: **14.08.20**  
Effective from: **01.09.20**

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 of Ekaya Housing Association, an association which offers good quality housing and support services, primarily to black and ethnic minority women, their families and groups with similar needs. With a career spanning over 30 years, Ben's career in Housing began as a Positive Action Trainee with the London Borough of Greenwich, learning about housing & estate management. He has since risen through the ranks, and held a variety of leadership roles within the Housing sector, including three years' experience as an independent Housing professional, supporting organisations through change, performance improvement and service transformation. Ben has acted as a Mentor on mentoring 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 & Risk Committee of the Dolphin Square Foundation. He is a Board member of Homes for Londoners.

## Our Board continued



**Emma Fosuhene**

Appointed: **29.03.23**

Effective from: **01.04.23**

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.



**Gina Amoh**

Appointed: **14.08.20**

Effective from: **01.09.20**

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 – a group of small and medium housing associations who work in collaboration to deliver support and services to their customers and communities – and is a founder of the Leadership 2025 programme and Chair of its Steering and Advisory Groups. Leadership 2025 is an initiative with a long-term ambition of supporting the creation of a housing sector that is vibrant and diverse at all levels, with better representation of individuals who are from Black Asian and Minority Ethnic backgrounds at leadership levels. She is a member of the NHF's Housing Need group and the GLA's Housing Delivery Group. 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.



**Jonathan Shapiro**

Appointed: **31.10.23**

Effective from: **01.01.24**

Jonny is a Board member of The Guinness Partnership Limited and Shepherds Bush Housing Association Limited. Having been a social housing tenant for some thirty years, Jonny has a history of proactive resident involvement, and is a passionate advocate of the role of housing in creating and supporting communities. He is also a Resident Board member of Shepherds Bush Housing Association.



**Lester Hampson**

Appointed: **08.02.23**

Effective from: **01.03.23**

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.



**Martin Hurst**

Appointed: **31.10.23**

Effective from: **01.01.24**

Martin is a Board member of The Guinness Partnership Limited and Chair of Shepherds Bush Housing Association Limited. Martin has a wealth of experience working within regulated environments, in government, the water industry and social housing. He has held board positions with Wandle (vice-Chair), Radian and BPHA and is a Board member with Sustainability in Housing. He is currently the Chair of the Southern Region Flood and Coastal Defence Committee, Chair of a charity providing housing for adults with severe learning disabilities and a visiting professor at University College London (Bartlett School of Planning).

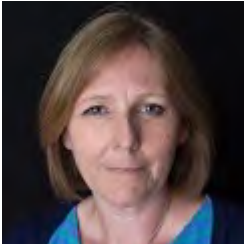


**Nick Apetroaie**

Appointed: **20.07.22**

Effective from: **01.10.22**

Nick is a Board member of The Guinness Partnership Limited, a Board member of Guinness Housing Association Limited, and Chair of the Care Committee and Member of the Customer 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 has been 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.



**Sue Hunt**

Appointed: **20.07.22**  
Effective from: **01.09.22**

Sue is a Board member of The Guinness Partnership Limited, Board member of Guinness Housing Association, Chair of the Audit and Risk Committee, Board member of Shepherds Bush Housing Association Limited 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 was the Deputy Chair of Royal Berkshire NHS Foundation Trust until November 2023 and Non-Executive Director of Connected Places Catapult Limited. She is an Independent Member of Audit and Risk Committee, ARIA (Advanced Research and Invention Agency). She has held previous Board roles in housing, education, health and space technology sectors.



**Thomas Ground**

Appointed: **31.10.23**  
Effective from: **01.01.24**

Tom is a Board member of The Guinness Partnership Limited and Shepherds Bush Housing Association Limited. He is CEO of Standard Life Retirement, the largest division of FTSE 100 Phoenix Plc. Tom previously worked at Legal & General where he was responsible for their investments in housing ventures. Tom also sits on boards of Standard Life Mortgages, Standard Life International and has sat on the Shepherds Bush Housing Association Board since 2020.



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