gentoo

Great homes
Strong communities
Inspired people
for Sunderland

Financial Statements 2023—24

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Strategic report

Principal activities

Our principal activities are the provision of social and affordable homes to those who have a housing need, and the wider regeneration of our communities. We also deliver new build housing development for both sale and rent.

Group structure

Gentoo Group Limited is a charitable Community Benefit Society registered with the Financial Conduct Authority (FCA) and a not-for-profit Private Registered Provider (PRP) regulated by the Regulator of Social Housing (RSH). The Group has exempt charitable status and is treated as charitable by HM Revenue and Customs (reference number EW41411) and is also a Public Benefit Entity.

Corporate Strategy

Our core purpose is to provide safe and decent homes for our customers of today and tomorrow.

Our vision is to provide great homes, strong communities and inspired people, for Sunderland.

About us

The safety of our customers and colleagues will always be our number one priority. We have identified the following additional priorities which will guide the delivery of our services:

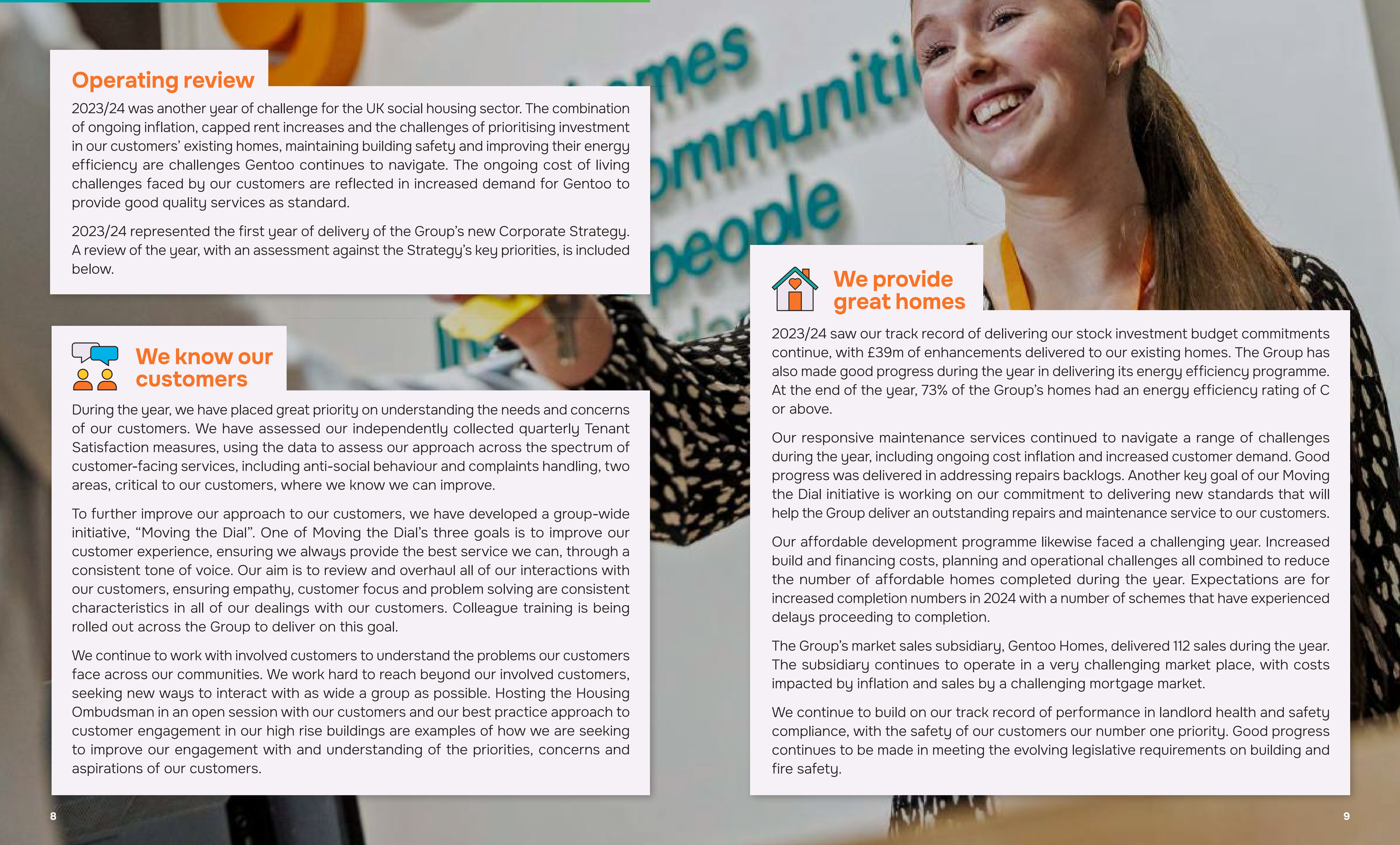
- **We know our customers**
- **We provide great homes**
- **We help communities to thrive**
- **We are a great place to work**
- **We spend our money wisely**
- **We are well governed**

Our values were designed by our colleagues. They set out what we stand for and what we as Gentoo want to be known for. They are what make us, us:

- **We care about people**
- **We take accountability**
- **We shape the future**
- **We bring leadership**
- **We deliver**

Our Corporate Strategy will be further developed during 2024. Enabling strategies to help the new Corporate Strategy for 2025 and beyond are being developed with our colleagues.

Operating review



Operating review

2023/24 was another year of challenge for the UK social housing sector. The combination of ongoing inflation, capped rent increases and the challenges of prioritising investment in our customers' existing homes, maintaining building safety and improving their energy efficiency are challenges Gentoo continues to navigate. The ongoing cost of living challenges faced by our customers are reflected in increased demand for Gentoo to provide good quality services as standard.

2023/24 represented the first year of delivery of the Group's new Corporate Strategy. A review of the year, with an assessment against the Strategy's key priorities, is included below.

We know our customers

During the year, we have placed great priority on understanding the needs and concerns of our customers. We have assessed our independently collected quarterly Tenant Satisfaction measures, using the data to assess our approach across the spectrum of customer-facing services, including anti-social behaviour and complaints handling, two areas, critical to our customers, where we know we can improve.

To further improve our approach to our customers, we have developed a group-wide initiative, "Moving the Dial". One of Moving the Dial's three goals is to improve our customer experience, ensuring we always provide the best service we can, through a consistent tone of voice. Our aim is to review and overhaul all of our interactions with our customers, ensuring empathy, customer focus and problem solving are consistent characteristics in all of our dealings with our customers. Colleague training is being rolled out across the Group to deliver on this goal.

We continue to work with involved customers to understand the problems our customers face across our communities. We work hard to reach beyond our involved customers, seeking new ways to interact with as wide a group as possible. Hosting the Housing Ombudsman in an open session with our customers and our best practice approach to customer engagement in our high rise buildings are examples of how we are seeking to improve our engagement with and understanding of the priorities, concerns and aspirations of our customers.

We provide great homes

2023/24 saw our track record of delivering our stock investment budget commitments continue, with £39m of enhancements delivered to our existing homes. The Group has also made good progress during the year in delivering its energy efficiency programme. At the end of the year, 73% of the Group's homes had an energy efficiency rating of C or above.

Our responsive maintenance services continued to navigate a range of challenges during the year, including ongoing cost inflation and increased customer demand. Good progress was delivered in addressing repairs backlogs. Another key goal of our Moving the Dial initiative is working on our commitment to delivering new standards that will help the Group deliver an outstanding repairs and maintenance service to our customers.

Our affordable development programme likewise faced a challenging year. Increased build and financing costs, planning and operational challenges all combined to reduce the number of affordable homes completed during the year. Expectations are for increased completion numbers in 2024 with a number of schemes that have experienced delays proceeding to completion.

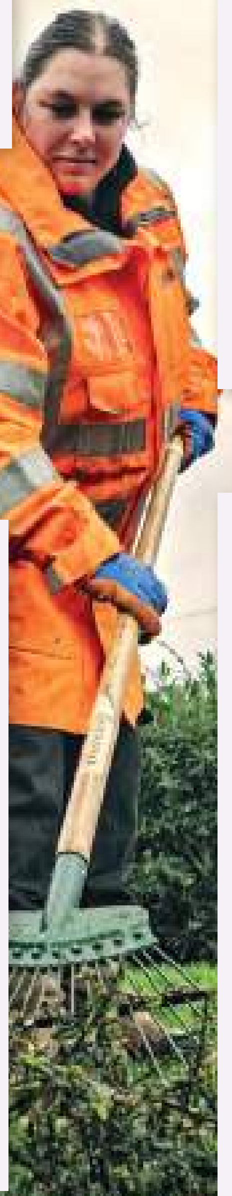
The Group's market sales subsidiary, Gentoo Homes, delivered 112 sales during the year. The subsidiary continues to operate in a very challenging market place, with costs impacted by inflation and sales by a challenging mortgage market.

We continue to build on our track record of performance in landlord health and safety compliance, with the safety of our customers our number one priority. Good progress continues to be made in meeting the evolving legislative requirements on building and fire safety.

We help communities to thrive

We continued our work with a range of key partners during the year. As an anchor institution of the city we view Sunderland City Council as our main strategic partner, our work together spanning grounds maintenance, estate services, community safety, safeguarding and a host of other activities. Our activities with other partners range from employability, health, wellbeing and social welfare and domestic abuse.

The Group is an active member of the North East Housing Partnership (NEHP). The NEHP brings together social housing providers from across North East England, owning over 200,000 homes in the region, with deep roots in our communities. By agreeing to invest, work and plan together, the partnership aims to leverage the opportunities arising from the new North East Combined Authority to the benefit of our communities.



We are a great place to work

Our colleagues are our key resource to deliver our purpose. Our colleagues designed the values which drive how we operate.

We are committed to the continuous improvement of our workplace culture. To that end, during the year we sought our colleagues' views through a Great Place to Work survey. The survey told us that 69% of our colleagues would recommend Gentoo as a great place to work.

The final of our three Moving the Dial goals is to help our colleagues work better together for each other and our customers. This goal has led to an overhaul of the Group's performance management practices, with a focus on establishing "brilliant conversations" as the default means of how our colleagues interact with each other across the Group.

We will measure our progress on this priority with a more detailed Great Place to Work survey later in 2024.

We spend our money wisely

Gentoo's Board is acutely aware of the range of financial and operational challenges faced by the Group and the sector in general. Maintaining, and improving, the Group's financial resilience is an absolute priority. Identifying the strategic trade-offs necessary to maximise the Group's ability to deliver good outcomes for its customers and communities continues to be essential in challenging times. The Board's annual Financial Resilience Workshop continues to scrutinise the Group's financial capacity and prioritises investment of the Group's resources in improving our customers' existing homes.

A key focus of the Corporate Strategy is improving the Group's all round operating efficiency. Improved operating margin and interest cover targets were included in the Strategy and are included in this Strategic report. Performance during the year, with much improved operating margins, reflects the work done throughout Gentoo to prioritise value for money and operational efficiency. Strong core landlord performance, in relation to income collection and voids and arrears management, remains the foundation that enables the Group to invest in our customers' homes and the services we provide. The Group will continue to prioritise improvements in key value for money metrics to further improve our capacity to deliver our purpose.

We are well governed

Our Board and Committee structure continued to operate effectively throughout the year. A new Customer Committee was established and met for the first time in November 2023. The majority of Committee members consist of Gentoo customers. Very quickly, the Customer Committee has established itself as an integral part of Gentoo's governance framework, ensuring the voice of its customers are at the heart of Gentoo's decision-making.

The Group welcomes the introduction of the new regulatory regime, with preparation for the new consumer standards and Tenant Satisfaction Measures being a key focus during the year. The Group is embracing the objectives of the new regulatory regime and the learnings from the work of the Housing Ombudsman, together with the Group's complaints data, are being used to improve the Group's offer to its customers.

2023/24 saw continued healthy turnover of Board and Committee membership. A new development for 2024 is the formation of a new Investment Committee consisting of non-executives. This Committee, replacing the Group's Development Committee, will further strengthen Gentoo's governance by overseeing the Group's capital programmes, ensuring they maximise alignment with and delivery of the Group's Corporate Strategy.

Financial review

Financial performance

Detailed results for the year are highlighted in the Consolidated Statement of Comprehensive Income on page 52 and the notes to the financial statements on pages 60 to 103. The table below summarises these results:

	2023/24 £m	2022/23 £m	2021/22 £m	2020/21 £m
Turnover	177.6	182.7	168.7	165.6
Cost of sales and operating expenditure	(137.8)	(156.6)	(143.9)	(141.4)
Other operating income	-	0.1	0.3	0.3
Surplus on disposal of tangible assets	1.2	3.9	1.8	0.5
Operating surplus	**41.0**	**30.1**	**26.9**	**25.0**
Net interest charges	(28.5)	(22.0)	(20.1)	(20.7)
Revaluation of fixed asset investments	-	-	(1.4)	(0.9)
Fair value adjustment for investment property	(0.1)	(0.6)	(1.0)	0.8
Fair value adjustment	(0.3)	0.1	0.1	0.2
Taxation	-	0.1	(0.2)	(0.1)
Surplus for the year	**12.1**	**7.7**	**4.3**	**4.3**

The Group's operating surplus of £41.0m has increased significantly during the year, thanks to good income collection and strong operating performance.

Turnover has reduced by £5.1m. This is primarily due to increased income from social housing lettings of £10m, resulting from the capped 7% 2023/24 rent increase. Offsetting this increase is a £15.7m reduction in non-social housing income, primarily in relation to reduced properties developed for outright sale activity.

Cost of sales and operating expenditure have reduced by £18.8m. As with turnover, £14.2m of the reduction relates to reduced non-social housing activities, primarily lower levels of properties developed for outright sale. Operating expenditure has also benefited from reduced depreciation and pension costs.

Operating surplus has benefited from a £1.2m surplus on disposal of tangible assets, namely Right to Buy and Right to Acquire surpluses. The surplus for the year is after £28.5m of net interest charges, £6.5m higher than in 2022/23 due in part to the latter incorporating a £5.3m gain on early redemption of loans arising from the 2022/23 refinancing exercise.

Financial position

The detailed Consolidated Statement of Financial Position is on page 54 and supporting details can be found in the notes to the financial statements on pages 60 to 103. The table below summarises the year-end financial position:

	2023/24 £m	2022/23 £m	2021/22 £m	2020/21 £m
Intangible fixed assets	1.9	1.0	-	-
Net book value of tangible assets – housing properties	1,098.9	1,064.8	1,044.1	1,028.4
Other tangible fixed assets and investments	23.0	24.6	26.1	59.5
Debtors due after one year	29.2	28.7	28.5	3.5
Net current assets	47.2	51.9	38.2	29.3
Total assets less current liabilities	**1,200.2**	**1,171.0**	**1,136.9**	**1,120.7**
Creditors due after one year	(569.0)	(551.9)	(526.9)	(518.9)
Pension liability	-	-	-	(3.3)
Net assets	**631.2**	**619.1**	**610.0**	**598.5**
Revaluation reserve	140.1	141.6	144.1	155.1
Revenue reserve	247.4	226.6	207.8	178.2
Other reserve	243.7	250.9	258.1	265.2
	631.2	**619.1**	**610.0**	**598.5**

The increase in housing property assets of £34.1m reflects our ongoing priority of investing in our existing customers' homes and building new homes for our future customers. £63.7m of this investment took place in the year, with depreciation of £27.1m and asset disposals of £3.2m.

The £17.1m increase in creditors due after one year relates to net increases in borrowing facilities of £5.9m and an increase in deferred capital grant of £11.1m. A pension asset at 31 March 2024 of £164.9m has not been recognised in the Statement of Financial Position (see note 25).

Financial review

Capital structure and treasury activity

At 31 March 2024 the Group's total borrowing facilities, excluding transaction fees, were £664.0m (2023: £669.8m). Of this, £521.0m (2023: £514.8m) was drawn.

£143.0m (2023: £155.0m) of the total borrowing facilities is undrawn, secured and immediately available to fund the Group's activities. These consist of Revolving Credit Facilities of £138.0m (2023: £150.0m) and an overdraft of £5.0m (2023: £5.0m) (see note 22). These facilities are secured by specific charges on the social housing assets of the Group.

The objective of the Group's Treasury Management Policy is to ensure the Group has access to sufficient liquidity to meet all liabilities as they fall due. The Policy seeks to maintain a balance between variable rate and fixed rate debt with fixed rate loans helping to manage the Group's exposure to adverse future interest rate fluctuations. The proportion of fixed rate debt at 31 March 2024 was 79% (2023: 71%).

The Group's lending arrangements require compliance with a range of financial and non-financial covenants. Performance against key loan covenants is monitored via the Group's Golden Rules, which are reported to Board on at least a quarterly basis. Recent reports confirm ongoing compliance by the Group with these covenants.

The Group had cash and cash equivalents of £16.8m (2023: £21.8m) and an unutilised overdraft of £5.0m (2023: £5.0m) at 31 March 2024.

The Group had available liquidity at 31 March 2024 of £159.8m (2023: £176.8m), consisting of revolving credit facilities of £138.0m (2023: £150.0m) and cash balances and overdraft of £21.8m (2023: £26.8m).

Financial risk management

The Treasury Management Policy reflects good practice and is approved annually by Group Board. The Policy addresses key financial risks, including credit, liquidity and interest rate risks.

Credit risk

We limit the amount invested with individual counter parties to ensure that the credit risk on investments is spread over several institutions. All institutions must meet high credit criteria and are approved by the Executive Director of Finance. The Policy includes a list of approved investment instruments.

Liquidity risk

We have sufficient committed loan facilities in place to deliver our business plan until January 2029. These facilities are held with a range of high calibre lenders with the duration of loans structured to manage and minimise re-financing risk.

Interest rate risk

We borrow at both fixed and variable interest rates. Prudent assumptions are used when considering our mix of fixed and variable debt. Our fixed rate debt includes fixed rate loans embedded within our loan agreements. These basic embedded fixed rate loans are not subject to cash calls required by stand-alone swaps. Our debt requirements are reviewed at least annually, following approval of the Business Plan.

Cash

The Group's policy is to hold a minimum cash balance of £10m ensuring that loan facilities are in place to fund future requirements. Short term cash balances are placed on short term deposits at competitive rates. During the year the Group generated cash of £70.0m (2023: £69.7m) from operating activities. Net cash of £50.3m (2023: £46.3m) was invested in the year with net cash for financing activities of £24.8m (2023: £15.4m) in the year.

Performance and value for money

Our approach to value for money

Our approach to value for money is about being effective in how we plan, manage and operate our business. It means spending our money wisely so we can provide safe and decent homes for our customers of today and tomorrow.

Value for money is integral to the delivery of our Corporate Strategy. By spending our money wisely and being well governed, we can create more value that will enable us to know our customers, provide great homes, help communities to thrive and be a great place to work. This means we:

- Minimise our costs without compromising on the quality of our homes and services.
- Seek to do more for less, ensuring we get the best return on our resources.
- Use our resources to achieve our strategic priorities and deliver our core purpose and vision.
- Use our resources fairly to help improve the lives of those who live in our communities.
- Use our resources with integrity and accountability, ensuring we are open and transparent.

We have established five priorities that help us manage our resources, spend our money wisely and achieve value for money in everything we do:

- We maximise social value to create more opportunities for those who live in our communities, helping them to thrive.
- We use data and information to help make the best use of our resources and ensure we spend our money wisely.
- We maximise opportunities through procurement to provide the best possible products, systems and services for our customers and colleagues.
- We invest in our colleagues and how they work, so we can deliver effective and efficient services to our customers.
- We seek opportunities to partner with others, when doing so will improve the lives of our customers and their communities.

Our Board is responsible for ensuring we deliver value for money and get the best possible return from every pound we spend. Our Board considers how the financial impact of its decisions helps us deliver our core purpose, vision and priorities for our customers. Our Board monitors value for money through a range of strategic and financial measures, including those required by the Regulator of Social Housing.

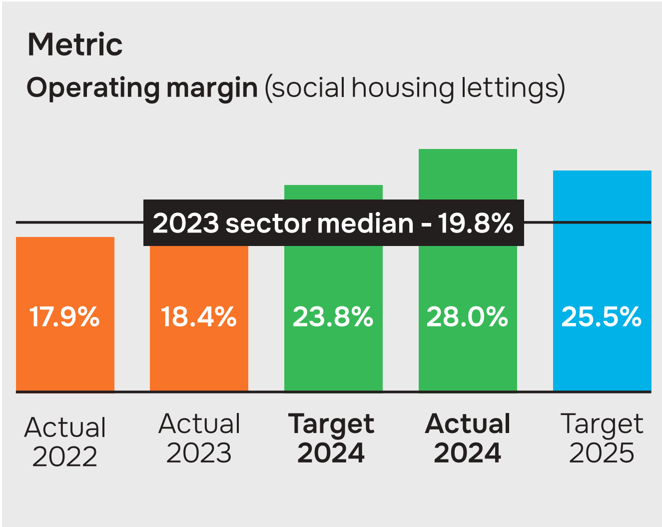
VfM metrics

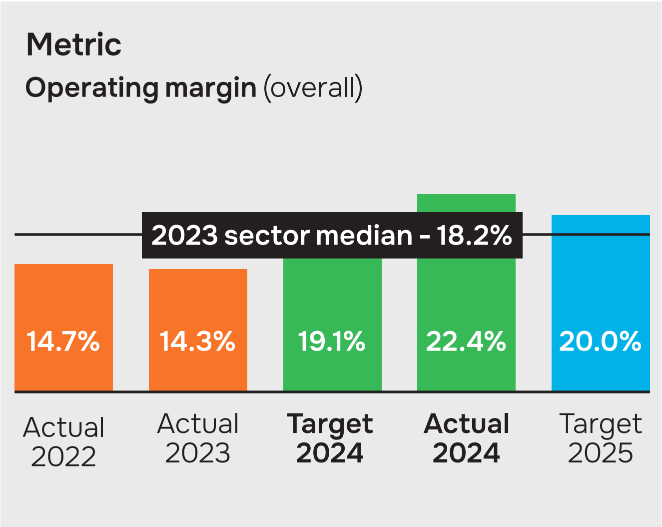
The tables below report the Group's performance against a suite of VfM measures defined by the Regulator of Social Housing. These measures are benchmarked against housing associations in England (both LSVT and traditional) with more than 1,000 units, which we consider offers meaningful comparison with the Group's performance *(Source: Regulator of Social Housing's "Value for money metrics and reporting – annex to the Global Accounts 2023").*

Operating margin shows the profitability and efficiency of an organisation before deduction of items such as interest costs.

The Corporate Strategy stipulates targets of 23.8% and 19.1% for operating margin on social housing lettings and overall operating margin respectively for 2023/24. Improved budgetary discipline and strong core landlord performance, combined with reductions in pensions costs and depreciation and a capped 7% rent increase have led to significant increases in the Group's operating margins for 2023/24, reflecting one of the Group's key priorities, "we spend our money wisely".

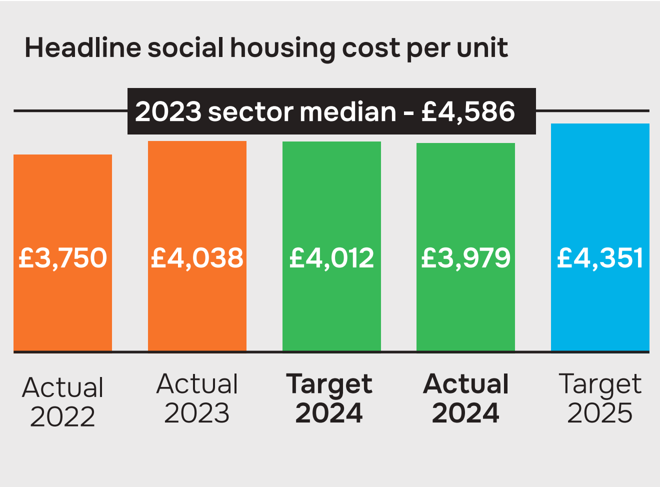
Operating margins are expected to fall slightly in 2025 as the Group continues to deliver its key objectives in relation to its customers, alongside its ongoing investments in building safety and energy efficiency.





Performance and value for money

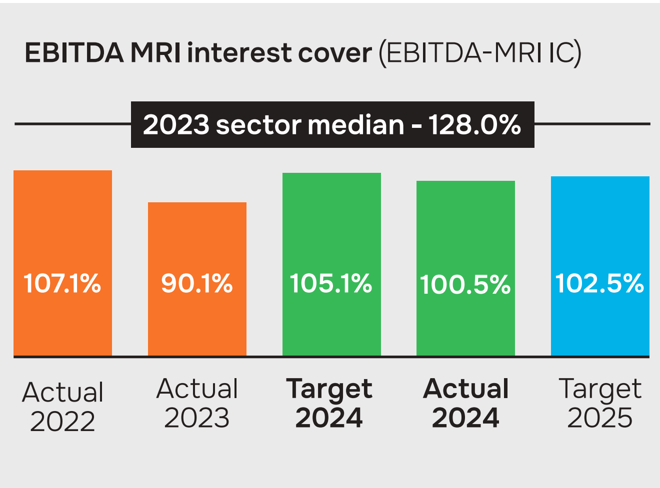
VfM metrics (continued)



The headline social housing cost per unit (SHCPU) includes management costs, routine maintenance costs, planned maintenance costs, capitalised repairs (i.e. stock investment) costs, charges for support services and other social housing costs. These costs are then divided by the number of units owned or managed.

2024 actual performance reflects good budgetary control, reduced pension costs, and staffing savings across a number of departments, partially offset by greater than budgeted stock investment costs. Conscious of the significant regional variations for this metric, the Group obtains additional assurance on it by comparing its performance with the 2023 median for its North East peer group of £4,060.

2025's increased target reflects planned levels of stock investment, building safety and energy efficiency programmes.

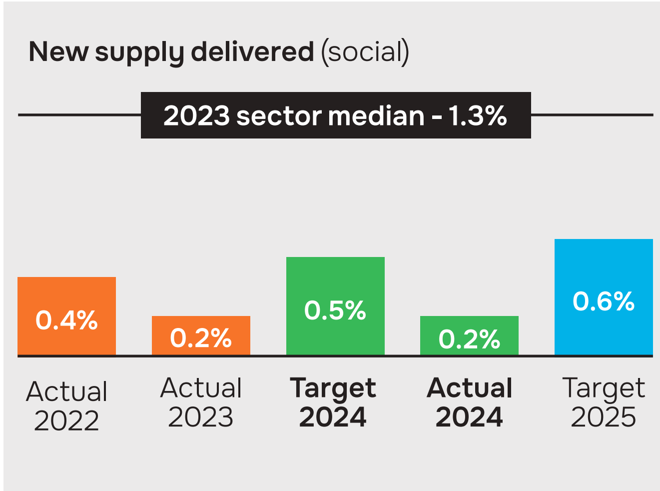


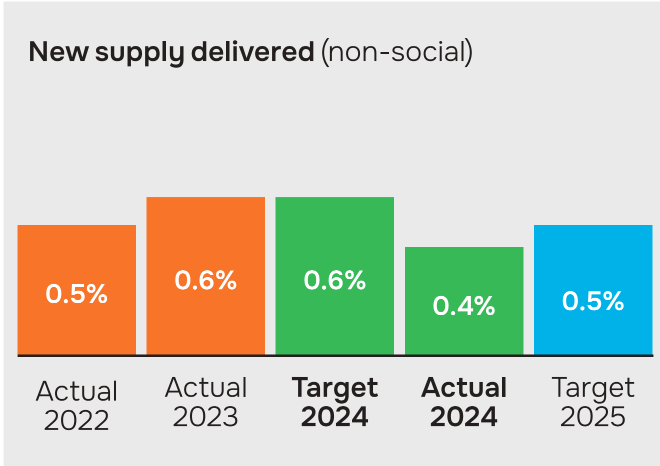
EBITDA MRI is an abbreviation for earnings before interest, tax, depreciation, amortisation, with major repairs included. It is a key indicator of liquidity and investment capacity, measuring the extent to which the Group's cash surplus exceeds its interest costs.

The Group's recent EBITDA MRI IC performance reflects the impact of higher interest rates and increased stock investment. Improved operating performance, partially offset by greater than budgeted stock investment costs, has led to an actual result marginally above 100%. Future EBITDA-MRI performance will continue to be impacted by ongoing stock investment and debt servicing costs.

The Group's EBITDA-MRI IC performance compares unfavourably to its North East peer group's 175.7% 2023 median. This reflects the Group's servicing costs on high legacy debt levels and ongoing levels of stock investment. Sustained improvement in operating margins are targeted to deliver an acceptable EBITDA MRI interest cover outcome in the medium term.

VfM metrics (continued)





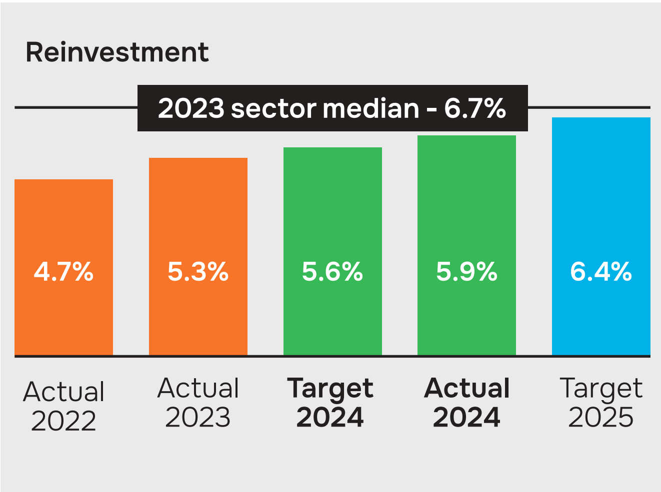
The new supply metrics show the number of new social and non-social housing units acquired or developed during the year as a percentage of total social and non-social housing units owned at the year end.

New supply delivered (social) fell well below the 2023/24 target. This was due to operational delays on site at two of the Group's affordable development schemes. Planned completion of these, and progression of other, schemes in 2024/25 explain the increase in the target figure. Overall levels of new social supply, compared to sector averages, also reflect the Group's current prioritisation of investment in existing stock.

New supply delivered (non-social) reflects the Group's housebuilding subsidiary, Gentoo Homes. The sales achieved of 112 is reasonable given the challenges of building and selling homes in the current economic climate. The 2025 target of 135 units is representative of a continuing challenging housing market outlook in 2024/25.

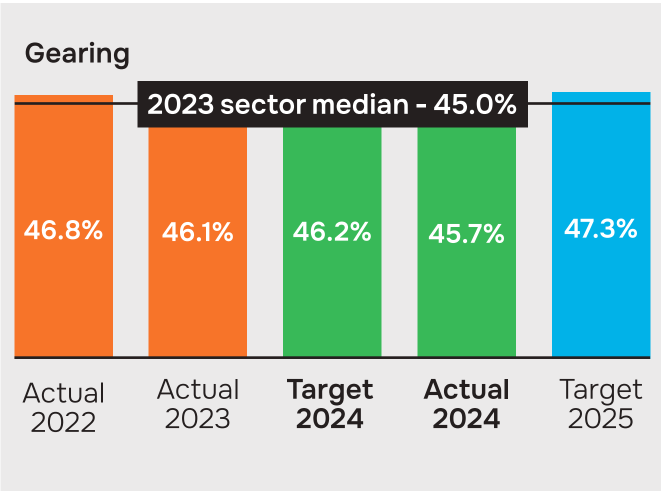
Performance and value for money

VfM metrics (continued)



The Group's reinvestment levels are lower than the peer group due primarily to its relatively small affordable homes programme. 2023/24's actual reinvestment levels of 5.9% are higher than target, reflecting increased capital expenditure on existing stock totalling £39m and £25m on the affordable homes programme. The 2025 target of £6.4% includes capital expenditure on existing stock of £39m and investment of £33m on the affordable homes programme.

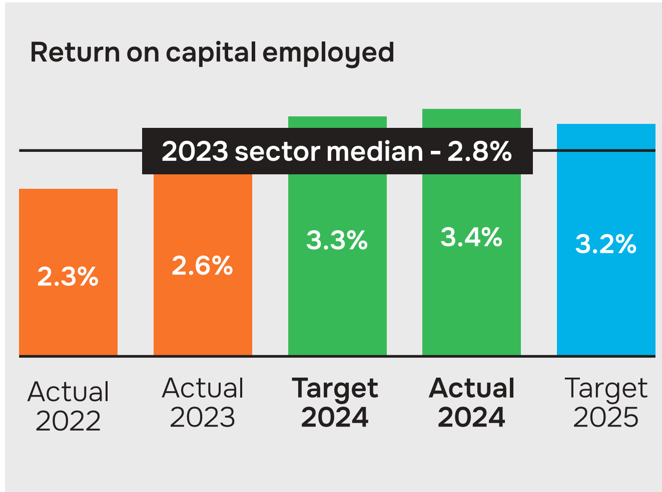
The reinvestment metric shows investment in properties (existing stock and new supply) as a percentage of the value of total properties owned.



Gearing levels are marginally higher compared to our peers, in part due to the extent of the Group's historic commercial activities. The Group's more recent gearing trend continues to be a positive one with levels on a slightly downward trend. The 2025 target reflects increased debt levels, due to capital investment in new and existing homes, reduced market sales and fixed asset disposal proceeds from Right to Buy and Right to Acquire schemes.

The gearing metric measures how much debt an organisation holds as a percentage of its assets, demonstrating the degree of its reliance on debt finance.

VfM metrics (continued)



ROCE has increased from prior year and target due to an improved operating surplus performance in 2023/24.

Return on capital employed compares operating surplus to total assets less current liabilities and is a measure of how efficiently an organisation's resources are invested.

Directors' remuneration and management costs metrics

The Regulator of Social Housing's Transparency, Influence and Accountability Standard requires all Registered Providers to provide customers with accessible information about their Directors' remuneration and management costs.

The following table summarises the amount paid in the year relative to the total social housing units owned and managed by the Group:

	2024	2023
Remuneration payable to highest paid Director relative to landlord size	**£6**	£8
Aggregate remuneration paid to Directors' relative to landlord size	**£24**	£27
Management costs relative to landlord size	**£3,979**	£4,038

Performance and value for money

Strategic Priorities

The Corporate Strategy 2023 to 2025 established a set of key performance metrics. These metrics are designed to demonstrate the Group's progress in delivering against the Strategy's key priorities.

Priority 1: we know our customers

We are committed to working with our customers to review and improve how we engage with them. We will prioritise the collection of meaningful and robust satisfaction data from our customers to test the delivery of our strategy and ensure our customers play a full role in shaping our services.

The customer satisfaction measures below are the Group's 2023/24 results for three of the Regulator of Social Housing's Tenant Satisfaction Measures (TSMs). These results were obtained by the Group's appointed third party research organisation. Whilst below the target of 85% set for each measure, the results represent a baseline against which we can measure the impact on our customers of the improvements we plan to deliver via our Corporate Strategy.

	Target 2024	**Actual 2024**	Target 2025
% of customers who are satisfied with Gentoo's overall service	85%	**78%**	90%
% of customers who are satisfied with Gentoo's repairs service	85%	**79%**	90%
% of customers who are satisfied that Gentoo makes a positive contribution to their neighbourhood	85%	**70%**	90%

Strategic Priorities (continued)

Priority 2: we provide great homes

Our landlord health and safety compliance responsibilities are integral to our core purpose of providing safe and decent homes for our customers of today and tomorrow. We are committed to increasing the number of homes we acquire and build, with a particular focus on improving the supply of affordable homes.

The Group's actual performance on key landlord health and safety measures is considered satisfactory. Good progress has been made in improving the energy efficiency of our customers' homes as we plan for the 2030 deadline for our stock meeting an energy performance rating of C or above.

	Actual 2023	**Target 2024**	**Actual 2024**	Target 2025
% of properties with a current Landlord Gas Safety record	99.98%	**100%**	**100%**	100%
% of domestic properties with a current electrical installation condition report *(transition from 8-year to 5-year inspection cycle)*	88.92%	**100%**	**96.55%**	*100%*
% of non-domestic properties with a current fire risk assessment *(transition from 5-year to 3-year inspection cycle)*	100%	**100%**	**100%**	*100%*
Number of overdue remedial actions arising from a Landlord Gas Safety Check	1	**0**	**0**	*0*
Number of overdue remedial actions arising from a domestic electrical installation condition report	108	**0**	**48**	0
Number of overdue actions arising from a fire risk assessment	12	**0**	**2**	0
% of homes that meet the requirements of the Decent Homes Standard	99.66%	**100%**	**99.93%**	100%
% of homes with an energy performance rating of C or above	62.2%	**70%**	**72.99%**	75%
Number of new homes acquired or built for affordable rent and shared ownership	54	**150**	**63**	216
Number of new homes sold by Gentoo Homes	189	**160**	**112**	135

Performance and value for money

Strategic Priorities (continued)

Priority 3: we help communities to thrive

We will continue to prioritise the numerous partnership we have built over the years with a range of agencies. We will work with our partners to reduce anti-social behaviour in our communities. We will prioritise improvement in the TSMs that reflect our performance in our communities, including our customers' satisfaction with our approach to handling anti-social behaviour. We will also review our estates, open and shared spaces to ensure they meet the needs of our communities. We will work with other housing providers, local authorities, and other stakeholders to support the objectives of the new North East Combined Authority.

Strategic Priorities (continued)

Priority 4: we are a great place to work

We will listen to, communicate with, and invest in our colleagues to ensure we develop our people to best serve our customers. We will check our success by asking our colleagues how we are progressing in making Gentoo a great place to work for all our colleagues.

Corporate Strategy 2024-2026 Measures	Target 2024	Actual 2024	Target 2025
% of colleagues who would recommend Gentoo as a great place to work	80%	**69%**	85%
Colleague turnover rate	10%	**12.4%**	*10%*
% of colleagues who believe Gentoo is committed to their health & safety	75%	**82%**	85%

Performance and value for money

Strategic Priorities (continued)

Priority 5: we spend our money wisely

We continue to embed a comprehensive approach to value for money through all parts of our business. Our Board have approved the following metrics as the key measures of our progress in improving the operating efficiency of the Group:

- Operating margin (social housing lettings)
- Operating margin (overall)
- EBITDA MRI Interest Cover

The Group's performance during the year against these metrics is set out on pages 17-18.

Priority 6: we are well governed

We will continue to prioritise effective and intelligent governance, including reviewing our committee structure to ensure our customers' voice is at the heart of our decision making.

Performance and value for money

Streamlined Energy and Carbon Reporting (SECR)

There are qualifying conditions that require organisations to report their carbon emissions and energy usage. The Group is not required by legislation to include this information in its annual report. Without the intention of being the equivalent of legislatively compliant, the Group does elect to include some relevant disclosures below, given the increasing importance of the carbon reduction agenda. The methodology used to produce the Group's carbon footprint is in line with the Greenhouse Gas Protocol and follows an operational control approach to identifying what is included within the footprint.

Gentoo's carbon footprint 1 April 2023 – 31 March 2024

The Group emitted 2,788 tCO_2e (tonnes of carbon dioxide equivalent) for 2023/24 across scope 1 and 2 (2023: 2,726 tCO_2e). This includes Gentoo Homes' emissions. Adding Scope 3 business travel brings the total to 2,981 tCO_2e (2023: 2,872 tCO_2e).

An intensity ratio is used to determine the carbon emissions relative to a single common business metric and allows the Group's carbon footprint to be compared over time or with similar organisations.

For scope 1 and 2 emissions, this can be presented as 2,788 tCO_2e (2023: 2,726 tCO_2e) with an intensity ratio of 2.74 tCO_2e per total full-time equivalent employee (2023: 2.79 tCO_2e) and 15.69 tCO_2e per million £ turnover (2023: 14.89 tCO_2e).

When scope 3 emissions are included this can be presented as 2,981 tCO_2e (2023: 2,872 tCO_2e) with an intensity ratio of 2.93 tCO_2e per total full-time equivalent employee (2023: 2.94 tCO_2e) and 16.78 tCO_2e per million £ turnover (2023: 15.69 tCO_2e).

For 1 April 2023 to 31 March 2024 the number of full-time equivalent employees was 1,018 (2023: 976) and turnover was £178m (2023: £183m).

Low carbon initiatives

Gentoo Group has several carbon efficiency initiatives in place including renewable energy, in the form of Solar Photo Voltaics (PVs) at the head office. These PVs provided an equivalent of 42,087 kWh of energy towards the total demand of Gentoo Group usage (representing 0.73% of electricity consumed). This prevented 8.86 tCO_2e of carbon emissions had all the energy demands been met by the National Grid.

During this period Gentoo Group used a green tariff for all of the electricity supplied from the National Grid. This equated to 5,797,582 kWh supplied from renewable energy sources.

Electric vehicles are available for colleagues to use as pool vehicles. There were 15,796 business miles travelled in electric vehicles during this period across the whole Gentoo Group, with zero emissions. If these miles had been covered in an average car of unknown fuel type there would have been an estimated additional 1.06 tCO_2e emitted.

Environmental, Social and Governance (ESG)

The Group produced the first ESG report for 2022/23, and this was published in the Autumn of 2023. Production of the second report has already commenced, and this will be released in Autumn 2024.

Risk management

Risk management framework

Gentoo is committed to developing and implementing effective and efficient arrangements to identify, assess and control the significant risks that could affect Gentoo's ability to meet its strategic objectives. Our arrangements for risk management are detailed in our risk management framework, which is reviewed and approved annually by the Group Board.

Our risk management framework aims to embed risk management activities in the day-to-day management of operations. Gentoo's risk management framework is based on the following principles. Risk management is:

- an essential part of Gentoo's governance and leadership. It is fundamental to how Gentoo is directed, managed and controlled at all levels.
- an integral part of Gentoo's activities. It supports decision making and the achievement of Gentoo's strategic objectives.
- collaborative and promotes the involvement of stakeholders to enable their knowledge, views and perceptions to be considered.
- based on the best available information and expertise. Gentoo takes account of historical and current information, future expectations and assumptions and any limitations and uncertainties when making decisions.
- continually improved through learning, experience and horizon scanning for new and emerging risks.

Risk appetite

The Group Board establishes Gentoo's risk appetite by determining and continuously assessing the nature and extent of the strategic risks that Gentoo is exposed to and is willing to take to achieve its objectives.

Gentoo's risk appetite provides a framework which enables it to make informed management decisions. It benefits Gentoo by:

- reducing the uncertainty associated with specific risks and risk categories
- improving consistency across governance mechanisms and decisions making
- supporting performance improvement
- focusing on priority areas within the Group
- informing resource prioritisation and allocation of additional financial commitments.

Risks are organised using defined categories to enable the development of a structured, integrated, and holistic view of risks.

Gentoo's risk management framework establishes a risk appetite scale that is applied to each risk category. The table below provides generic definitions for each level of Gentoo's risk appetite scale. It also shows the risk appetite for each risk category.

Risk appetite	Description	Risk Categories
Averse	• The avoidance of risk and uncertainty in the achievement of key deliverables or initiatives is a key objective. • Activities undertaken will only be those considered to carry no residual risk.	• Governance and compliance • Customer safety • Occupational health and safety • Data integrity • Data protection • Cyber security
Minimalist	• Gentoo prefers very safe business delivery options that have a low degree of inherent risk. • The potential for benefit/return is not a key driver. • Activities will only be undertaken when they have a low degree of residual risk.	• Legal
Cautious	• Gentoo prefers safe options that have a low degree of inherent risk and only limited potential for benefit. • Gentoo is willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives when it has identified scope to achieve significant benefit and/or achieve an opportunity. • Activities undertaken may carry a high degree of residual risk deemed controllable.	• Operational • Asset management • Corporate property • Financial and value for money • Commercial venture • Project and programme • Reputational • Environmental • Development of new homes for sale • Insurance • Supplier Management
Open	• Gentoo is willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. • Gentoo seeks to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. • Activities themselves may potentially carry, or contribute to, a high degree of residual risk.	• People • Technology • Development of new homes for affordable rent • Development of new homes for partial sale • Strategy
Eager	• Gentoo is eager to be innovative and to choose options based on maximising opportunities and potential higher benefit, even if those activities carry a very high residual risk.	

Risk management

Risk reporting

The Group Board ensures there are suitable and sufficient arrangements for reporting on risk management to the Group Board and Risk and Audit Committee to:

- communicate risk management activities and outcomes across Gentoo.
- provide information to support decision making.
- improve risk management activities.
- ensure key stakeholders have sufficient oversight of risk management.

The Group's Risk Management Framework is presented:

- annually to the Executive Team for review and consultation.
- annually to the Risk and Audit Committee who shall make a recommendation to the Group Board for approval if they are satisfied that it is suitable and sufficient.
- annually to the Group Board for approval based on the recommendation from the Risk and Audit Committee.

The Group's Risk Appetite Statement is presented:

- annually to the Executive Team for review and consultation.
- annually to the Risk and Audit Committee who shall make a recommendation to the Group Board for approval if they are satisfied that it is suitable and sufficient.
- annually to the Group Board for approval based on the recommendation from the Risk and Audit Committee.

Strategic risks

The Group Board and Executive Team are collectively responsible for ensuring that the Group identifies the significant risks that will affect Gentoo's ability to achieve its strategic objectives. Gentoo's internal and external operating environments have changed significantly in the past twelve months. The Risk and Audit Committee have been kept updated on the impact of such changes on Gentoo's strategic risks through the risk management report and other topic-specific reports discussed at the Committee.

There was one strategic risk in an intolerable risk position between September 2022 and May 2023. This was the risk of a work-related fatality or severe injury on a Gentoo Homes construction site. The Group Board and Risk and Audit Committee increased their oversight of this risk and only approved the risk being changed to a tolerable position once they felt assured by the Executive Team and Gentoo Homes Leadership Team that improvements were being made. The Group Board and Risk and Audit Committee will continue their oversight of this risk, and it is a monthly agenda item for the Executive Team.

Gentoo Homes failing to deliver its budgeted surplus is a strategic risk for Gentoo Group. The housing market and other economic factors are adversely impacting this risk. This risk has been in an intolerable risk position since November 2023. The Group Board and Risk and Audit Committee continue their oversight of this risk, including oversight of business planning, stress testing and financial performance.

Core customer data being lost, corrupt or unavailable because of a cyber-attack is a strategic risk for Gentoo Group. Cyber security is included in the internal audit programme each year.

The table below shows Gentoo's current strategic risks. It shows the risk description, risk position and a summary of key strategic controls.

Risk	Risk position	Strategic controls
The Regulator of Social Housing downgrades the Group to a non-compliant governance or financial viability grading because the Group fails to comply with regulatory standards. This could result in damage to the Group's reputation, an adverse impact on the Group's funding and customers losing trust and confidence in the Group as their landlord.	**Tolerable**	• Constitutional Rules, Standing Orders and Financial Regulations • Board and Committee oversight of governance and financial performance • Adoption of National Housing Federation (NHF) Code of Governance • Risk Management Framework • Golden Rules establish financial parameters • Corporate Strategy approved by Group Board to establish strategic direction • Governance Policies
Homes are not maintained in accordance with the Decent Homes Standard because the Group does not have the financial capacity to undertake the necessary repairs, maintenance and stock investment and/or does not undertake repairs and maintenance or stock investment to the required standard. This could result in a failure to comply with regulatory standards, receiving a severe maladministration notice, damage to the Group's reputation and customers losing trust and confidence in the Group as their landlord.	**Optimal**	• Business planning • Stress testing and mitigations • Asset management strategy and delivery plan • Stock condition survey programme • Stock condition data • Capital major repairs programme • Responsive repairs • Board, Committee and Executive oversight • Supplier relationship management framework

Risk management

Risk	Risk position	Strategic controls
The Group is unable to deliver its five-year investment plan because of an increase in supply chain costs, an inability of the supply chain to meet demand, significant unforeseen or unbudgeted building safety costs and other competing financial demands. This could result in investment priorities changing, re-prioritising budgets, damage to the Group's reputation and customers losing trust and confidence in the Group as their landlord.	**Optimal**	• Business planning • Stress testing and mitigations • Board, Committee and Executive oversight • Supplier relationship management framework • Asset management strategy and delivery plan
Gentoo Homes is unable to deliver its budgeted surplus due to a reduction in house prices, a reduction in house sales and an increase in construction costs and interest rates. This could lead to a reduction in the anticipated income and profit from sales and a reduction of the money gifted to Gentoo Group.	**Intolerable**	• Gentoo Homes Business Plan • Stress testing and mitigations • Periodic test of Gentoo Homes' ongoing viability and options • Board, Committee and Executive Oversight
Core customer data is exploited, lost, corrupt or unavailable due to a cyber-attack. This could lead to a disruption of services to customers, colleagues being unable to perform core roles, regulatory action and prosecution and damage to the Group's reputation.	**Tolerable**	• Data Governance Policy • Data Protection Policy • Information Security Policy • Disaster Recovery Plan • Defence in depth (physical IT security measures)
The Group does not have enough suitably qualified people to deliver its core services due to being unable to recruit and/or retain colleagues in critical roles. This could lead to a disruption of services to customers, a backlog of workload in critical roles and additional demand being placed on existing resources to compensate.	**Optimal**	• Board, Committee and Executive oversight • Recruitment and Selection Policy • Colleague turnover and retention data analysed to identify issues and risks • Values-led approach to all people-related activities • Recruitment framework and internal Talent Acquisition Team

Risk	Risk position	Strategic controls
There is a work-related fatality or severe injury on a Gentoo Homes construction site that is caused by unsafe practices and/or conditions, a lack of health and safety competence amongst site and senior management teams and a lack of oversight by the senior management team. This could result in the prosecution of Gentoo Homes and individual officers, fines in accordance with sentencing guidelines and damage to Gentoo Homes' and the Group's reputation.	**Tolerable**	• Board, Committee and Executive oversight • Documented health and safety management system • Gentoo Homes site procedures manual • Health, Safety and Environment Team
A customer is seriously injured or dies in their home because the Group fails to undertake the necessary landlord health and safety compliance checks and carry out safety critical repairs and maintenance. This could result in the prosecution of the Group and individual officers, a failure to comply with regulatory standards, damage to the Group's reputation and customers losing trust and confidence in the Group as their landlord.	**Tolerable**	• Board, Committee and Executive oversight • Landlord health and safety compliance framework • Landlord health and safety compliance policies • Supplier relationship management framework • Asset management strategy and delivery plan • Property Maintenance Compliance • Technical Assurance Team
The Group fails to successfully deliver its Salesforce project because of inadequate project management and governance, insufficient and/or unsuitable people resource committed to the project or MRI "products" not being integrated into the new system(s) before the end of the MRI contract. This could lead to customers not being able to easily access services, further extensions to the MRI contract and a prolonged reliance on existing manual and semi-automated processes.	**Tolerable**	• Board, Committee and Executive oversight to monitor project and programme performance • Project and programme management resource to deliver Salesforce project • Digital implementation partner appointed to provide expert implementation support • Programme Board established to oversee governance and risk management of Salesforce project • Existing MRI contract ensuring continuity of systems

Risk management

Risk	Risk position	Strategic controls
The Group is unable to build the planned number of affordable homes in Sunderland due to cost and inflation pressures, planning delays and refusals and an increase in competition from other house builders. This could lead to certain schemes becoming unviable, delays to the programme and the Group retaining ownership of acquired land.	**Tolerable**	• Board, Committee and Executive oversight • Business planning • Stress testing and mitigations • Affordable Homes Plan • Supplier relationship management framework
The Group's rent arrears increase significantly for two or more years because of elevated levels of inflation and the cost of living, increased void costs and government caps on rental income. This could lead to an increase in rent arrears and former customer arrears and a reduction of the Group's surplus and operating margin.	**Optimal**	• Board, Committee and Executive oversight • Arrears and allocations management • Income management policy • Rent setting policy • Voids management
Works and services delivered by a tier 1 or 2 supplier are significantly impacted due to the supplier becoming insolvent or unable to fulfil the contract, and the Group having concentrated a significant volume of work with that supplier. This could lead to delays to ongoing and pipeline contracts, increased time and costs associated with appointing new suppliers and damage to the Group's reputation.	**Optimal**	• Supplier relationship management framework • Supplier segmentation analysis • Third party systems (e.g. CHAS/ Creditsafe/Cyber Scorecard) • Third party systems (Genbuy) • Constitutional Rules, Standing Orders and Financial Regulations • Responsible Procurement Policy • Procurement strategy
Strategic decisions are made to the detriment of customers because the Group fails to give consideration to the impact of decisions on customers and communities and fails to embed the voice and opinion of customers in its strategic decision making. This could lead to reduced levels of customer satisfaction, an increase in complaints, damage to the Group's reputation and customers losing trust and confidence in the Group as their landlord.	**Optimal**	• Tenant and resident engagement Policy • Board, Committee and Executive oversight • Tenant Scrutiny Group • Tenant and Community Voice Forums • Tenant representation on the Board

Risk	Risk position	Strategic controls
The Group is unable to meet its target of 70% of homes achieving an energy efficiency performance rating of EPC-C or better by April 2025 due to a lack of funding and resource, financial capacity, increased costs or a lack of capacity and capability in the supply chain being able to deliver key retrofitting plans at scale and pace. This could lead to the Group failing to meet government timelines, an impact on the Group's wider decarbonisation plans and damage to the Group's reputation.	**Optimal**	• Asset management strategy and delivery plan • Energy performance data • Business planning • Stress testing and mitigations • Board, Committee and Executive oversight • Supplier relationship management framework
A customer suffers severe ill health or dies because of damp or mould that the Group did not reduce or remove from their home. This could result in the prosecution of the Group and individual officers, a failure to comply with regulatory standards, damage to the Group's reputation and customers losing trust and confidence in the Group as their landlord.	**Tolerable**	• Board, Committee and Executive oversight • Stock condition survey programme • Stock condition data • Damp and mould policy • Responsive repairs

Report of the Board

Board

Emily Cox, MBE (Chair)

Alison Fellows

Andrew Lister
(appointed 1 September 2023)

Brenda Naisby

Carol Long

Chris Watson
(resigned 31 May 2024)

Claire Long

David Murtagh
(resigned 31 January 2024)

Ellen Thinnesen, OBE

Graeme Miller
(appointed 12 June 2024)

Hannah Pollard

Morven Smith
(appointed as a co-optee 1 September 2023, appointed to the Board 1 February 2024)

Nick Forbes, CBE
(appointed as a co-optee 1 October 2023)

Patricia Smith
(resigned 2 May 2024)

Executive Directors

Louise Bassett
(Chief Executive Officer)
– appointed 26 May 2023

Peter Lenehan
(Executive Director of Finance)

Susan Fulton (Executive Director of People, Culture and Engagement) – appointed 6 November 2023

Susan Thompson (Executive Director of Housing)

Stephen Flounders (Executive Director of Regulatory and Business Services) – appointed 1 September 2023

Independent Auditor

Beever and Struthers
150 Minories
London
EC3N 1LS

Principal Bankers

National Westminster Bank plc
Sunderland City Branch
52 Fawcett Street
Sunderland
SR1 1SB

Registered Office

Emperor House
2 Emperor Way
Doxford International Business Park
Sunderland
SR3 3XR

Principal activities

The Group's principal activities and its performance during the year are included in the Strategic Report which precedes this report.

Group Board ("the Board")

The Board Members and Executive Directors who served during the financial year are set out on page 38.

Under the Society's Rules the Board is comprised of one resident Board Member, two council Board Members, and up to nine independent Board Members up to a maximum of 12 Board Members in total. Board Members are drawn from a wide range of backgrounds and experience. The Board meets a minimum of six times a year. A system of Board Member appraisal is in place, led by the Board Chair and facilitated by an external adviser. A process is also in place to review the performance of the Chair.

The Board is responsible for the overall control and direction of Gentoo and its subsidiaries, including the monitoring of its performance and the deployment of resources. The Board ensures that Gentoo operates effectively, within the terms of its internal governance and upholds Gentoo's vision and values.

The essential functions of, and significant matters reserved for, the Board are formally recorded in Gentoo's Standing Orders, Scheme of Delegation and Financial Regulations and reflect the requirements of the National Housing Federation's Code of Governance 2020. These essential functions include, but are not limited to, the development of Gentoo's strategy, vision and values, changes to Gentoo's corporate structure, changes to Gentoo's management and control structure and any changes to the Society's status. The Board delegates other matters to its subsidiary boards, committees and executive which are recorded in the respective terms of reference and Gentoo's Scheme of Delegation.

The Regulator of Social Housing's Governance and Financial Viability Standard ("the Standard") requires all registered providers to adopt and comply with an appropriate code of governance and certify compliance with its chosen code together with certification of compliance with the Standard. The Group has adopted the National Housing Federation's Code of Governance 2020 ("the Code") and the Board complies with the principles and requirements set out in the Code. The Board reviewed and certified its self-assessment with both the Standard and the Code in May 2024. There was one exception to the Code of Governance, whereby for four months during the year, there were 13 Members (including co-optees) of the Board rather than 12. This was done to allow for effective succession planning.

Policies are reviewed and approved by Group Board, People Committee, Risk and Audit Committee (RAC) and the Executive Team as appropriate. The Board sets and monitors the Corporate Strategy. The Risk and Audit Committee monitors risk management and makes recommendations to the Board on this and the Group's Risk Appetite statement. The People Committee monitors the Group's work on culture alongside the Board. The Board has a Statement of Preferred Board Composition, which was last reviewed and approved by the Board in July 2023 with no changes required. The Group Board approved the skills matrix, following recommendations from the People Committee. There is a resident Board Member, for which requirements of the position are set out in the Group's Rules and the Group's

Report of the Board

Standing Orders. The Group has Customer and Community Voice Groups for each of the areas and in May 2023 the Board approved the formation of a Customer Committee to ensure that the voice of the customer is at the heart of decision making.

A Board Diversity Policy is in place that recognises and embraces the benefits of having a diverse board. All Board appointments are made on merit, in the context of the skills, experience and diversity of thought the Board as a whole requires to be effective. The Board recognises that diversity in respect to skills, knowledge and experience was reflected in terms of its composition. The Board had a commitment to meet the requirements of the Lord Davies Report, that 33% of the Board should be female and this has been exceeded with the membership as at 31 March 2024 being 75% female.

Customer Committee

This is a non-executive committee chaired by the Group Chair. The Committee supports the Board in its oversight of the development and implementation of customer engagement, scrutiny and the outcomes and actions relating to the Tenant Satisfaction Measures (TSMs). Membership includes six independent committee members, all of whom are current Gentoo customers, two independent Board Members and the Resident Board Member. The Board appointed "Member Responsible for Complaints" will also attend the Committee in future. The remit of the Committee is to provide assurance to the Board that the expectations and outcomes of the Consumer Standards; Safety and Quality Homes Standard; the Transparency, Influence and Accountability Standard, the Neighbourhood and Community Standard and the Tenancy Standard are being met. The Committee met three times during the financial year.

Risk and Audit Committee

This is a non-executive committee chaired by a Member of the Board, who is not the Group Chair and includes one independent committee member, who is a risk specialist. This committee oversees the production of the Annual Report and Financial Statements and provides scrutiny, challenge and assurance over the risk management and internal control framework on behalf of the Board. In addition, the committee provides oversight and scrutiny of the performance of Group's Landlord Compliance programme, reviews Gentoo's risk management framework and risk appetite statement and monitors compliance with the Group's probity and whistleblowing arrangements. The Committee approves the annual Internal Audit Plan and considers all reports from the internal auditor. The Committee met six times during the financial year and regularly meets with internal and external auditors without management present.

Development Committee

This is a non-executive committee to support the Board in its oversight of the delivery of Gentoo's affordable development programme. Membership includes one independent committee member, who is a development specialist. The remit of the Committee is to approve and monitor delivery of the affordable development programme, approve significant contracts, acquisitions, planning and Homes England funding. The Committee met three times during the financial year. In February 2024, the Board approved the dissolution of the Development Committee, which will be replaced by the Investment Committee during 2024/25.

Report of the Board

Board and Committee membership, and meeting attendance

Name	Group Board	Customer Committee	People Committee	Risk and Audit Committee	Development Committee
	10 Meetings	3 Meetings	4 Meetings	6 Meetings	3 Meetings
Alison Fellows	7 (10)	2 (3)	-	-	3 (3)
Brenda Naisby	10 (10)	3 (3)	4 (4)	-	-
Carol Long	10 (10)	-	4 (4)	6 (6)	-
Chris Watson	9 (10)	-	4 (4)	-	-
Claire Long	8 (10)	-	-	5 (6)	-
Ellen Thinnesen, OBE	7 (10)	-	3 (4)	-	-
Emily Cox, MBE	10 (10)	3 (3)		-	2 (3)
Hannah Pollard	9 (10)	-	-	-	3 (3)
Patricia Smith	8 (10)	-	-	6 (6)	-
Andrew Lister	5 (6)	-	-	3 (3)	-
Morven Smith****	5 (6)	-	2 (2)	-	-
Nick Forbes, CBE*****	5 (5)	-	-	-	1 (1)
Alan Gallagher**	-	-	-	5 (6)	-
Stephanie Carr*	-	3 (3)	-	-	-
Angela Dalzell*	-	3 (3)	-	-	-
John Dannell*	-	3 (3)	-	-	-
Doreen Richardson*	-	3 (3)	-	-	-
Victoria Smith*	-	3 (3)	-	-	-
Julia Wysocka*	-	2 (3)	-	-	-

The following Board members resigned during the year:

David Murtagh	6 (8)	-	-	5 (5)	-
Ged Walsh***	-	-	-	-	2 (2)

* An independent Customer Committee Member

** An independent Risk and Audit Committee Member

***An independent Development Committee Member

****Co-opted Member of Group Board from 1 September 2023, appointed Member of Group Board 1 February 2024

*****Co-opted Member of Group Board 1 October 2023

Internal controls assurance

The Group Board is the ultimate governing body and is responsible for establishing and maintaining a sound system of internal control and risk management across the Group to safeguard Gentoo's assets, compliance and reputation. The Group Board is supported by the Group Risk and Audit Committee in this work. The Group Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Risk and Audit Committee to review all material information presented with the financial statements, including the internal controls assurance statement.

The Chair of the Risk and Audit Committee provides a feedback report at each meeting of the Group Board. This report details the key matters discussed at the most recent meeting of the Risk and Audit Committee, as well as any decisions made by the Committee and details of any issues that need to be brought to the attention of the Group Board. The Group Board reviews the effectiveness of the Group's business planning, risk and control framework and processes to support its strategy and objectives and decision making. The Group Board undertakes an annual assessment of these frameworks and approves the internal controls statement for inclusion in the annual report.

The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Group continuously identifies, assesses, evaluates, and controls its significant risks so it can respond to changes in its internal and external operating environment.

Key elements of the Group's control framework include:

- Group Board approved Terms of Reference and Delegated Authorities for the Risk and Audit Committee.
- A robust Risk Management Framework that clearly defines management responsibilities for the identification, assessment, evaluation, and control of significant risks.
- A discussion of the Group's strategic risks at each meeting of the Risk and Audit Committee, accompanied by the submission of the Group's Strategic Risk Register.
- A robust approach to financial planning, stress testing and resilience planning, ensuring the Group Board has ownership of these activities and that they are pivotal to, and integrated with, the Group's overall approach to business planning, risk and performance management.
- A strategic approach to treasury management that seeks to optimise how the Group borrows to invest in its core purpose.
- Regular reporting to the Group Board and Risk and Audit Committee on covenant compliance, financial golden rules, and value for money.
- Regular reporting to the Group Board on progress against the Group's Corporate Strategy and associated performance measures.
- Regular reports to the Risk and Audit Committee on business continuity and cyber security.
- Robust policies on anti-fraud, bribery and corruption, anti-money laundering and whistleblowing.

Report of the Board

- Standing reports to the Risk and Audit Committee on the outcomes of internal audits, including the Annual Internal Audit Opinion.
- Statements on the Group's system of internal controls included in the annual report of the Group's appointed internal auditor and external auditor.
- An annual self-assessment against the Regulatory Standards and the National Housing Federation's Code of Governance, the findings of which are reported to the Group Board.

The Group's Annual Internal Audit Opinion for 2023/24 concluded that Gentoo had an adequate and effective framework for risk management, governance, and internal control. Further enhancements were identified to ensure that the framework remains adequate and effective. The Group received one partial assurance internal audit opinion during 2023/24. This was in relation to cyber security. The Risk and Audit Committee has increased its oversight of cyber security and reports progress to the Group Board.

The Group Board concludes that an effective system of internal control has been in place throughout the period commencing 1 April 2023 and up to the date of approval of the report and financial statements.

Statement of the responsibilities of the Board for the report and financial statements

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Association and of the Income and Expenditure for the period of account.

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

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable housing standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society 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. It has general responsibility for taking reasonable steps to safeguard the assets of the Group and Association and prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the Group and Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern period until 31 March 2026. For this reason, they continue to adopt the going concern basis in preparing the Group's financial statements. The Board approves annually the Group Business Plan and its output which are submitted annually to the Regulator in the form of a Financial Forecast Return. The Board is satisfied that covenant compliance is maintained throughout the life of the plan on the basis that the Group Business Plan has been stress tested to withstand significant composite risks materialising without breaching lender covenants confirming the future viability of the Group.

Political contributions

The Association made £nil (2023: £nil) political donations and incurred £nil (2023: £nil) political expenditure during the year.

Disclosure of information to auditor

The Board Members who held office at the date of approval of this Report of the Board confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each Board Member has taken all of the steps that they ought to have taken as a Board Member to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Report of the Board

Auditor

In accordance with section 83 of the Co-operative and Community Benefit Societies Act 2014, the appointment of an auditor of the Association will be announced at the forthcoming AGM (Annual General Meeting).

On behalf of the Board:

Emily Cox, MBE
Board Member
23 July 2024

Claire Long
Board Member
23 July 2024

Simon Walker
Secretary
23 July 2024

Independent auditor's report to the members of Gentoo Group Limited

Opinion

We have audited the financial statements of Gentoo Group Limited (the Association) and its subsidiary (the Group) for the year ended 31 March 2024 which comprise Consolidated Statement of Comprehensive Income, Association Statement of Comprehensive Income, Consolidated Statement of Financial Position, Association Statement of Financial Position, Consolidated Statement of Changes in Reserves, Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been 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.

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 are independent of the Group and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 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.

Other information

The other information comprises all information included other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on pages 44-45, 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 determines 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 is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Gentoo Group Limited

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.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2023, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

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

Beever and Struthers
Chartered Accountants
Statutory Auditor

150 Minories
London
EC3N 1LS

Date:

Consolidated statement of comprehensive income
for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	2a	**177,611**	182,711
Cost of sales	2a	**(27,655)**	(41,465)
Gross profit		**149,956**	141,246
Operating expenditure	2a	**(110,149)**	(115,140)
Other operating income	2a	**26**	90
Surplus on disposal of tangible fixed assets	5	**1,185**	3,890
Operating surplus		**41,018**	30,086
Interest receivable and similar income	7	**1,801**	6,102
Interest payable and similar expenses	8	**(30,264)**	(28,108)
Fair value adjustment for investment property	13	**(149)**	(632)
Loss on disposal of investment properties	13	**-**	(15)
Fair value adjustment	17	**(260)**	104
Surplus before taxation		**12,146**	7,537
Taxation	9	**-**	140
Surplus for the financial year		**12,146**	7,677
Other comprehensive income			
Actuarial gain in respect of pension scheme	25	**14,950**	106,600
Restriction of pension asset	25	**(14,960)**	(105,120)
Total comprehensive income for the year		**12,136**	9,157

The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

These financial statements were approved by the Board and were signed on its behalf by:

Emily Cox, MBE
Board Member
23 July 2024

Claire Long
Board Member
23 July 2024

Simon Walker
Secretary
23 July 2024

Association statement of comprehensive income
for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	2a	**148,020**	135,982
Cost of sales	2a	**(671)**	-
Gross profit		**147,349**	135,982
Operating expenditure	2a	**(107,669)**	(112,265)
Other operating income	2a	**-**	42
Surplus on disposal of tangible fixed assets	5	**1,185**	3,890
Operating surplus		**40,865**	27,649
Interest receivable and similar income	7	**4,315**	8,210
Interest payable and similar expenses	8	**(30,264)**	(28,013)
Gift aid receivable		**129**	-
Fair value adjustment for investment property	13	**(149)**	(632)
Loss on disposal of investment properties	13	**-**	(15)
Surplus before taxation		**14,896**	7,199
Taxation	9	**-**	179
Surplus for the financial year		**14,896**	7,378
Other comprehensive income			
Actuarial gain in respect of pension scheme	25	**14,950**	106,600
Restriction of pension asset	25	**(14,960)**	(105,120)
Total comprehensive income for the year		**14,886**	8,858

The Association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

These financial statements were approved by the Board and were signed on its behalf by:

Emily Cox, MBE
Board Member
23 July 2024

Claire Long
Board Member
23 July 2024

Simon Walker
Secretary
23 July 2024

Consolidated statement of financial position

at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible fixed assets	10	**1,908**	1,044
Tangible fixed assets			
Tangible fixed assets – housing properties	11	**1,098,859**	1,064,803
Tangible fixed assets – other	12	**15,688**	16,861
		1,116,455	1,082,708
Investments and non-current debtors			
Investment properties	13	**7,206**	7,355
Other investments	14	**30**	30
HomeBuy loans receivable	16	**188**	303
Debtors: amounts falling due after more than one year	17	**29,162**	28,677
		36,586	36,365
		1,153,041	1,119,073
Current assets			
Stock	18	**55,036**	57,361
Debtors	19	**12,861**	13,718
Cash and cash equivalents		**16,758**	21,872
		84,655	92,951
Creditors: amounts falling due within one year	20	**(37,428)**	(41,033)
Net current assets		**47,227**	51,918
Total assets less current liabilities		**1,200,268**	1,170,991
Creditors: amounts falling due after more than one year	21	**(569,017)**	(551,876)
Net assets		**631,251**	619,115
Capital and reserves			
Called up share capital	31	**-**	-
Revaluation reserve		**140,178**	141,626
Revenue reserve		**247,376**	226,625
Other reserve		**243,697**	250,864
		631,251	619,115

The accompanying notes form part of these financial statements.
These financial statements were approved by the Board and were signed on its behalf by:

Emily Cox, MBE
Board Member
23 July 2024

Claire Long
Board Member
23 July 2024

Simon Walker
Secretary
23 July 2024

Registered number: 7302

Association statement of financial position

at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible fixed assets	10	**1,908**	1,044
Tangible fixed assets			
Tangible fixed assets – housing properties	11	**1,104,432**	1,069,823
Tangible fixed assets – other	12	**15,787**	16,966
		1,122,127	1,087,833
Investments and non-current debtors			
Investment properties	13	**7,206**	7,355
Other investments	14	**30**	30
Investments in subsidiaries	15	**250**	250
HomeBuy loans receivable	16	**188**	303
Debtors: amounts falling due after more than one year	17	**61,992**	61,593
		69,666	69,531
		1,191,793	1,157,364
Current assets			
Stock	18	**15,580**	11,840
Debtors	19	**18,610**	19,261
Cash and cash equivalents		**15,740**	21,790
		49,930	52,891
Creditors: amounts falling due within one year	20	**(34,878)**	(34,858)
Net current assets		**15,052**	18,033
Total assets less current liabilities		**1,206,845**	1,175,397
Creditors: amounts falling due after more than one year	21	**(568,438)**	(551,876)
Net assets		**638,407**	623,521
Capital and reserves			
Called up share capital	31	**-**	-
Revaluation reserve		**125,002**	126,073
Revenue reserve		**269,709**	246,585
Other reserve		**243,696**	250,863
		638,407	623,521

The accompanying notes form part of these financial statements.
These financial statements were approved by the Board and were signed on its behalf by:

Emily Cox, MBE
Board Member
23 July 2024

Claire Long
Board Member
23 July 2024

Simon Walker
Secretary
23 July 2024

Registered number: 7302

Consolidated statement of changes in reserves

	Called up share capital £'000	Revaluation reserve £'000	Revenue reserve £'000	Other reserve £'000	Total reserves £'000
Balance at 1 April 2022	-	144,103	207,824	258,031	609,958
Comprehensive income for the year					
Surplus	-	-	7,677	-	7,677
Other comprehensive income					
Actuarial gain in respect of pension scheme	-	-	106,600	-	106,600
Restriction of pension asset	-	-	(105,120)	-	(105,120)
Total comprehensive income for the year	-	-	9,157	-	9,157
Transfer in respect of depreciation on revalued properties	-	(1,429)	1,429	-	-
Transfer in respect of realised losses on disposal of revalued properties	-	(1,048)	1,048	-	-
Realisation of other reserve	-	-	7,167	(7,167)	-
Balance at 31 March 2023	**-**	**141,626**	**226,625**	**250,864**	**619,115**
Balance at 1 April 2023	-	141,626	226,625	250,864	619,115
Comprehensive income for the year					
Surplus	-	-	12,146	-	12,146
Other comprehensive income					
Actuarial gain in respect of pension scheme	-	-	14,950	-	14,950
Restriction of pension asset	-	-	(14,960)	-	(14,960)
Total comprehensive income for the year	-	-	12,136	-	12,136
Transfer in respect of depreciation on revalued properties	-	(698)	698	-	-
Transfer in respect of realised losses on disposal of revalued properties	-	(750)	750	-	-
Realisation of other reserve	-	-	7,167	(7,167)	-
Balance at 31 March 2024	**-**	**140,178**	**247,376**	**243,697**	**631,251**

The accompanying notes form part of these financial statements.

Association statement of changes in reserves

	Called up share capital £'000	Revaluation reserve £'000	Revenue reserve £'000	Other reserve £'000	Total reserves £'000
Balance at 1 April 2022	-	127,796	228,837	258,030	614,663
Comprehensive income for the year					
Surplus	-	-	7,378	-	7,378
Other comprehensive income					
Actuarial gain in respect of pension scheme	-	-	106,600	-	106,600
Restriction of pension asset	-	-	(105,120)	-	(105,120)
Total comprehensive income for the year	-	-	8,858	-	8,858
Transfer in respect of depreciation on revalued properties	-	(675)	675	-	-
Transfer in respect of realised losses on disposal of revalued properties	-	(1,048)	1,048	-	-
Realisation of other reserve	-	-	7,167	(7,167)	-
Balance at 31 March 2023	**-**	**126,073**	**246,585**	**250,863**	**623,521**
Balance at 1 April 2023	-	126,073	246,585	250,863	623,521
Comprehensive income for the year					
Surplus	-	-	14,896	-	14,896
Other comprehensive income					
Actuarial gain in respect of pension scheme	-	-	14,950	-	14,950
Restriction of pension asset	-	-	(14,960)	-	(14,960)
Total comprehensive income for the year	-	-	14,886	-	14,886
Transfer in respect of depreciation on revalued properties	-	(321)	321	-	-
Transfer in respect of realised losses on disposal of revalued properties	-	(750)	750	-	-
Realisation of other reserve	-	-	7,167	(7,167)	-
Balance at 31 March 2024	**-**	**125,002**	**269,709**	**243,696**	**638,407**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows
for the year ended 31 March 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Surplus for the year	**12,146**	7,677
Adjustments for non-operating activity items:		
Depreciation	**28,938**	29,890
Amortisation of intangible fixed assets	**82**	-
Amortisation of deferred government grant	**(217)**	(210)
Impairment of other tangible fixed assets	**219**	109
Change in value of investment property	**149**	632
Fair value adjustment	**260**	(104)
Interest receivable and similar income	**(1,801)**	(6,102)
Interest payable and similar charges	**30,264**	28,108
Surplus on disposal of tangible fixed assets	**(1,185)**	(3,890)
Loss on disposal of investment properties	**-**	15
Taxation	**-**	(140)
	56,709	48,308
Proceeds from sale of tangible fixed assets - housing properties	**4,451**	11,750
Decrease/(increase) in trade and other debtors	**726**	(2,856)
(Increase)/decrease in stock	**(2,189)**	185
(Decrease)/increase in trade and other creditors	**(1,967)**	3,093
Increase in provisions and employee benefits	**90**	1,600
	1,111	13,772
Tax paid	**-**	(100)
Net cash flows from operating activities	**69,966**	69,657
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets – other	**6**	288
Proceeds from sale of investment properties	**-**	86
Acquisition of tangible fixed assets – housing properties	**(1,046)**	-
Acquisition of tangible fixed assets – other	**(856)**	(1,214)
Acquisition of intangible fixed assets	**(946)**	(1,044)
Capital expenditure on existing properties	**(39,212)**	(36,409)
Development of social housing properties	**(20,238)**	(19,807)
Interest received	**1,677**	5,923
Proceeds from receipt of Government grants	**10,363**	5,867
Net cash used in investing activities	**(50,252)**	(46,310)

Consolidated statement of cash flows (continued)
for the year ended 31 March 2024

	2024 £'000	2023 £'000
Cash flows from financing activities		
Proceeds from loans	**12,000**	310,000
Interest paid	**(30,802)**	(24,570)
Repayment of borrowings	**(5,777)**	(297,581)
Loan refinancing fees	**(249)**	(3,255)
Net cash used in financing activities	**(24,828)**	(15,406)
Net (decrease)/increase in cash and cash equivalents	**(5,114)**	7,941
Cash and cash equivalents at 1 April	**21,872**	13,931
Cash and cash equivalents at 31 March	**16,758**	21,872

The accompanying notes form part of these financial statements.

1. Accounting policies

Legal status
Gentoo Group Limited (the "Association") is a Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a private registered provider of social housing. The Association has charitable status with HM Revenue & Customs, reference number EW41411. The Association is also a Public Benefit Entity.

Basis of accounting
These financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for private Registered Providers of Social Housing 2022. The presentation currency of these financial statements is sterling. All amounts (excluding note 31) in the financial statements have been rounded to the nearest £1,000.

In these financial statements, the Association is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosure:

- Statement of cash flows and related notes.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value:

- Investment properties (note 13)
- Other investments (note 14)
- Home Purchase Plans (note 17)

1.2. Going concern

The financial statements have been prepared on a going concern basis which the Board consider to be appropriate for the following reasons.

Management have prepared detailed forecasts for the period ended 31 March 2026 (the going concern period) to demonstrate that the Group has sufficient resources to meet all liabilities as they fall due. In addition, the Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in May 2024 by the Board. As well as considering the impact of several scenarios on the business plan, the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the Group and Association budgets for 2024/25 and the Group's medium term financial position from 2025/26 as detailed in the 30-year business plan, is of the opinion that the Group and Association have adequate resources to continue to meet their liabilities until 31 March 2026. In reaching this conclusion, the Board has considered the following factors:

- The property market – budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales and reductions in sales values.

1. Accounting policies (continued)

1.2. Going concern (continued)

- Rent and service charge receivables – budget and business plan scenarios have considered arrears and bad debts increasing to allow for customer difficulties in making payments and for potential future restrictions in rent increases; and
- The Group's ability to withstand other adverse scenarios such as higher interest rates, inflation and increases in the number of void properties.

The available cash and unutilised loan facilities at 31 March 2024 of £159.8m are considered sufficient to cover the potential sensitivity scenarios.

The Board believes the Group and Association have sufficient funding in place and have calculated covenant compliance throughout the going concern period which confirms the Group is forecast to be in compliance with debt covenants, even in severe but plausible downside scenarios. Consequently, the Board is confident that the Group and Association will have sufficient funds to continue to meet their liabilities as they fall due for the period to 31 March 2026, being the going concern period, and therefore have prepared the financial statements on a going concern basis.

1.3. Basis of consolidation

The consolidated statement of comprehensive income and statement of financial position consolidate the results and financial position of the Association and its subsidiary undertakings. Details of the subsidiary undertakings are included in note 15 to the financial statements. Intra-group turnover, surpluses and balances are eliminated fully on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

1.4. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The judgements and estimates which have the most significant impact on amounts recognised in the financial statements are set out in note 30.

1.5 Basic financial instruments

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Bad and doubtful debts
Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they may be irrecoverable.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Where a public benefit entity concessionary loan has been granted, such as HomeBuy, see 1.22, the Group has opted to apply the accounting treatment set out in paragraphs PBE34.90 to PBE34.97 of FRS 102.

1. Accounting policies (continued)

1.5 Basic financial instruments (continued)

Investments in subsidiaries
Investments in subsidiaries are carried at cost less impairment.

Other investments
Other fixed asset investments are stated at fair value. Holding market valued assets is not judged to be an activity linked to the principal rental activity of the Group. Movements in fair value are therefore recorded in the statement of comprehensive income below operating surplus.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Association's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. HBF deposit accounts are held as cash with a joint mandate with Homes England. Withdrawals from these accounts requires permission from Homes England.

1.6 Other financial instruments

Financial instruments not considered to be basic financial instruments (other financial instruments)
The Genie Home Purchase Plan (HPP) is a 'non-basic financial instrument' under FRS 102 due to the potential link to upward House Price Index (HPI). The Genie HPP is initially recognised on the statement of financial position at the value the customer has committed to purchase the property. Subsequent to initial recognition, Genie HPP's are measured at fair value with changes recognised in profit or loss. The fair value is equal to the share retained by the Company in the property which is subject to a HPP valued at the original sales price. This equates to the minimum cashflows to be received under the HPP contractual arrangement discounted over the estimated term. The fair value is stated net of deferred revenue as this is not considered realised until the related loan is repaid.

1.7 Derecognition of financial instruments

A financial instrument is removed from the statement of financial position when it is extinguished, either through the obligation specified in the contract being discharged, cancelled or expiring. The difference between the carrying amount of a financial instrument extinguished and the consideration paid is recognised in the Statement of Comprehensive Income within interest receivable and similar income and interest payable and similar charges.

1. Accounting policies (continued)

1.8 Intangible fixed assets

Computer software is carried at cost less accumulated amortisation and impairment losses. Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs, including staff time, that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the criteria as follows is met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and the expenditure attributable to the software during its development can be reliably measured.

Amortisation is charged on a straight-line basis over the expected useful life of the software. The expected useful life is considered to be a range of five to ten years. The computer software is reviewed for impairment where there are triggers such as technological advancement or changes in market price, that indicate that the carrying amount may be impaired.

1.9 Tangible fixed assets

Housing properties held for letting
Housing properties are principally properties available for rent and are stated at historical cost less accumulated depreciation and accumulated impairment losses. Additions include the cost of acquiring land and buildings, development costs and expenditure incurred in respect of enhancements to existing properties. The allocation of components for new developments and acquisitions is a matter of judgment and has been based on a component matrix which is reviewed periodically. Depreciation is charged to the statement of comprehensive income to write down the value of housing properties on a straight-line basis over the following useful economic lives:

Housing property components: depreciation life

	Years		Years		Years
Bathrooms	25	Kitchens	20	Roof - flat	15
Boilers	10	Lifts	30	Structure	10 - 100
Doors	30	PV invertors	8	Windows	30
Electrical installations	10 - 30	PV panels	25		
Heating installations	15	Roof	60		

No depreciation is charged for land. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

1. Accounting policies (continued)

1.9 Tangible fixed assets (continued)

Shared ownership
The costs of shared ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and on disposal the first tranche sales proceeds are shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset. Subsequent tranches sold ('staircasing') are accounted for as disposals of housing properties.

No depreciation is charged for shared ownership properties where the occupier is responsible for the maintenance of the property.

Garages held for letting
Garages held for letting are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write down the value of garages on a straight-line basis over their expected useful economic life of 50 years.

Works to existing properties
Expenditure on housing properties that refurbishes or replaces an identified housing property component is capitalised. Major works to housing properties are capitalised where they increase the net rental stream or the life of the property. All other maintenance costs are charged to the statement of comprehensive income in the year they are incurred.

Disposal of housing properties
Property sales and any surplus thereon are recognised when the transaction has legally completed. Any foreseeable deficit on any proposed property sale is recognised in the statement of comprehensive income as soon as the decision is made to dispose of the property.

The Group sells its properties under the statutory regulations of 'Preserved Right to Buy' and 'Right to Acquire'. Surplus or deficit on sale of these properties are presented before operating surplus or deficit.

Housing properties under construction
Housing properties under construction are stated at cost and are not depreciated. An impairment review is performed at the balance sheet date if there are impairment indicators.

Capitalisation of interest
Interest on loans financing the development programme is capitalised up to the date of practical completion of the scheme. Interest costs are included at a weighted average cost of capital rate of 5.64%. Where a loan is not specifically drawn down to fund a development, no interest is capitalised.

Revaluation reserve
Housing properties were stated at valuation using existing use value for social housing until conversion to FRS 102 when the deemed cost option was taken. The revaluation reserve comprises the cumulative revaluation position as at the date of conversion. The reserve is adjusted annually for transfers to the revenue reserve in respect of depreciation and disposals of housing properties formerly held at valuation.

Other tangible fixed assets
Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset plus any costs incurred in bringing the asset to its working condition for its intended use.

Depreciation is calculated to write down the cost of tangible fixed assets on a straight-line basis over their estimated useful economic lives as follows:

	Years
Furniture, fixtures and fittings	5 - 30
IT equipment	3 - 10
Land and buildings	20 - 120

	Years
Office equipment	3 - 10
Plant and machinery	3 - 15
Vehicles	3 - 5

1.10 Government grants

Government grants are included within accruals and deferred income in the statement of financial position and credited to the statement of comprehensive income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

Social Housing Grant
Social Housing Grant (SHG) is initially recognised at cost, specifically as deferred government grant income and released through the statement of comprehensive income as turnover over the life of the structure of housing properties in accordance with the accrual's method applicable to registered providers of social housing accounting for housing properties at cost.

For items where on transition to FRS 102, an election has been taken to treat fair value as deemed cost, the performance method for accounting for grant has been applied as the fair value application as deemed cost is treated as a revaluation at the transition date and SHG in respect of those items has been taken to revenue reserves. An amount equivalent to SHG taken to revenue reserves is disclosed as a contingent liability reflecting the potential future obligation to repay SHG where properties are disposed.

On disposal, SHG associated with those properties is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

1.11 Recycling of capital grant fund (RCGF)

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the provision of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

1.12 Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

1. Accounting policies (continued)

1.13 Investment properties

Investment properties are properties which are held either to earn commercial rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition,

(a) investment properties whose fair value can be measured reliably are held at fair value. Any gains or losses arising from changes in the fair value are recognised in surplus or deficit in the period that they arise; and

(b) no depreciation is provided in respect of investment properties applying the fair value model.

Fair value of investment properties is determined annually by management using market data or where this is not available by using discounted cash flow analysis. Movements in fair value are therefore recorded in the statement of comprehensive income below operating surplus.

Rental income from investment property is accounted for when it is receivable or when conditions associated with the income have been met.

1.14 Stock

Properties for sale
Completed properties for outright sale and properties under construction are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises materials, direct labour and direct development overheads.

Raw materials and consumables
Stock is stated at the lower of cost and estimated selling price less costs to complete and sell.

Land
Investments in land without the benefit of planning consent, either through the purchase of land or non-refundable deposits paid on land purchase contracts subject to planning consent, are included initially at cost. Regular reviews are carried out for impairment in the values of these investments and provision made to reflect any irrecoverable element. The impairment reviews consider the existing use value of the land and assess the likelihood of achieving planning consent and the value thereof.

1.15 Impairment excluding stock, investment properties and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through the statement of comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the statement of comprehensive income. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

1. Accounting policies (continued)

1.15 Impairment excluding stock, investment properties and deferred tax assets (continued)

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than investment property, stock and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. For assets carried at a depreciated historical cost basis the impairment loss is recognised in the statement of comprehensive income immediately. For assets that are carried at cost less accumulated depreciation, an impairment loss is first set off against any revaluation surplus relating to the same assets in reserves and the balance of the loss is then treated as an expense in the statement of comprehensive income.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.16 Employee benefits

Defined benefit plans
The Group participates in the Tyne and Wear Local Government Pension Fund (the 'Fund') which is a defined benefit scheme.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Association's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Association determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability / (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the statement of financial position date on AA credit rated bonds denominated in the currency of and having maturity dates approximating to the terms of the Association's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Association recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

1. Accounting policies (continued)

1.16 Employee benefits (continued)

Defined benefit plans (continued)

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the statement of comprehensive income.

Re-measurement of the net defined benefit liability / (asset) is recognised in other comprehensive income in the period in which it occurs. To comply with FRS 102 paragraph 28, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. A recognisable net asset is calculated based on the potential economic benefit that could be available from a reduction in future contributions. If this is considered to be material in the context of the financial statements, an asset will be recognised.

Termination benefits
Termination benefits are recognised as an expense when the Association is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Association has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Defined contribution plan
The Group participates in one defined contribution scheme.

A defined contribution plan is a post-employment benefit plan under which the Association 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 recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

1.17 Turnover

Turnover is recognised when it is receivable or when conditions associated with the income have been met. It comprises:

- Rental income from tenants and leaseholders in the year, net of rent losses from voids;
- Service charge income from tenants, leaseholders and private rental customers;
- Sale of residential property which may include part exchange sales. The purchase and subsequent sale of part exchange properties is an activity which is undertaken to facilitate the sale of a new property. The profit/(loss) from the sale of part exchange properties is recognised within cost of sales being a cost of revenue derived from a subsidiary's principal activities;
- Receipts from the sale of the first tranche of shared ownership properties; and
- Income from other services included at the invoiced value (excluding value added tax) of goods and services supplied in the year.
- For the Association only, gift aid receipts from wholly owned subsidiaries. This is recognised during the year to the extent that they have been paid prior to the year end, or as a liability at the year end if there is a deed of covenant prior to the year.

1. Accounting policies (continued)

1.18 Expenses

Operating lease
Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in surplus or deficit over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable
Other interest receivable and similar income include interest receivable on funds invested.

Interest payable and similar charges include interest payable and finance charges on finance leases.

Interest income and interest payable are recognised in surplus or deficit as they accrue, using the effective interest method.

1.19 Taxation

Tax on the surplus or deficit for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable surpluses.

1. Accounting policies (continued)

1.20 Service charge sinking funds

Service charge sinking funds are recognised as creditors. Part of the service charge is retained in a sinking fund for major repairs. Interest is added annually at the rate received from the Client Money Services account.

1.21 Value added tax (VAT)

The Association is included in a group VAT registration which also includes Gentoo Services Limited. Gentoo Homes Limited and Gentoo Developments Limited both have separate VAT registrations. Gentoo Genie Limited is not VAT registered.

A substantial proportion of the Group's income, including rents, is exempt from VAT. Most of the expenditure is subject to VAT which cannot be reclaimed, and expenditure is therefore shown inclusive of VAT. Partial exemption has been obtained for some business activities and the VAT recovered is credited to the statement of comprehensive income.

1.22 HomeBuy and other equity loans

The Group operated two loan schemes by lending a percentage of the cost to home purchasers. The schemes are now closed to new participants.

HomeBuy Direct Scheme
This is a low-cost home ownership Government initiative. The Group and the Government provided assistance through an equal equity loan contribution to the purchaser, secured against the property. The loan is repaid as a result of a relevant event or on the 25th anniversary of the date of the loan agreement. The loan is interest free for the first five years. At the beginning of year six, interest becomes payable on the outstanding balance. The loans are reviewed annually for impairment. Redemption proceeds are allocated equally between the Group and the Government with any surplus or loss being recognised through the statement of comprehensive income.

Gentoo Homebuyer Loan Scheme
This is a low-cost home ownership Group initiative. The Group provided assistance through a fixed loan contribution to the purchaser, secured against the property. The loan is repaid as a result of a relevant event or at the end of the 10th year of the date of the loan agreement. The loan is interest free for the first five years. At the beginning of year six, interest becomes payable on the outstanding balance. The loans are reviewed annually for impairment. Any loss on redemption is recognised through the statement of comprehensive income.

1.23 Other reserves

Other reserves represent the transfer of assets and liabilities from the Group's former housing subsidiaries during the 31 March 2008 year end. These are released to revenue reserves over 50 years being the average expected useful economic lives of the assets.

2a. Particulars of turnover, cost of sales, operating expenditure and operating surplus/(deficit)

Group	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Other operating income £'000	Surplus on disposal £'000	2024 Operating surplus/(deficit) £'000
Social housing lettings (note 2b)	**140,510**	**-**	**(101,104)**	**-**	**-**	**39,406**
Other social housing activities:						
Charge for support services	**332**	**-**	**(1,250)**	**-**	**-**	**(918)**
First tranche low cost home ownership sales	**556**	**(671)**	**-**	**-**	**-**	**(115)**
Other social housing activities	**888**	**(671)**	**(1,250)**	**-**	**-**	**(1,033)**
Activities other than social housing activities:						
Properties developed for outright sale	**30,094**	**(26,961)**	**(3,200)**	**-**	**-**	**(67)**
Other	**6,119**	**(23)**	**(4,595)**	**26**	**-**	**1,527**
Non-social housing activities	**36,213**	**(26,984)**	**(7,795)**	**26**	**-**	**1,460**
Surplus on disposal of tangible assets	**-**	**-**	**-**	**-**	**1,185**	**1,185**
Total	**177,611**	**(27,655)**	**(110,149)**	**26**	**1,185**	**41,018**

Group	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Other operating income £'000	Surplus on disposal £'000	2023 Operating surplus/(deficit) £'000
Social housing lettings (note 2b)	130,479	-	(106,499)	-	-	23,980
Other social housing activities:						
Charge for support services	301	-	(1,271)	-	-	(970)
Other social housing activities	301	-	(1,271)	-	-	(970)
Activities other than socialhousing activities:						
Properties developed for outright sale	47,234	(41,425)	(2,896)	-	-	2,913
Other	4,697	(40)	(4,474)	90	-	273
Non-social housing activities	51,931	(41,465)	(7,370)	90	-	3,186
Surplus on disposal of tangible assets	-	-	-	-	3,890	3,890
Total	182,711	(41,465)	(115,140)	90	3,890	30,086

2a. Particulars of turnover, cost of sales, operating expenditure and operating surplus/(deficit) (continued)

Association	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Other operating income £'000	Surplus on disposal £'000	2024 Operating surplus/(deficit) £'000
Social housing lettings (note 2b)	**140,510**	**-**	**(101,900)**	**-**	**-**	**38,610**
Other social housing activities:						
Charges for support services	**300**	**-**	**(1,251)**	**-**	**-**	**(951)**
First tranche low cost home ownership sales	**556**	**(671)**	**-**	**-**	**-**	**(115)**
Other social housing activities	**856**	**(671)**	**(1,251)**	**-**	**-**	**(1,066)**
Activities other than social housing activities:						
Other	**6,654**	**-**	**(4,518)**	**-**	**-**	**2,136**
Non-social housing activities	**6,654**	**-**	**(4,518)**	**-**	**-**	**2,136**
Surplus on disposal of tangible assets	**-**	**-**	**-**	**-**	**1,185**	**1,185**
Total	**148,020**	**(671)**	**(107,669)**	**-**	**1,185**	**40,865**

Association	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Other operating income £'000	Surplus on disposal £'000	2023 Operating surplus/(deficit) £'000
Social housing lettings (note 2b)	130,479	-	(106,552)	-	-	23,927
Other social housing activities:						
Charges for support services	292	-	(1,272)	-	-	(980)
Other social housing activities	292	-	(1,272)	-	-	(980)
Activities other than social housing activities:						
Other	5,211	-	(4,441)	42	-	812
Non-social housing activities	5,211	-	(4,441)	42	-	812
Surplus on disposal of tangible assets	-		-	-	3,890	3,890
Total	135,982	-	(112,265)	42	3,890	27,649

Notes to the financial statements (continued)
for the year ended 31 March 2024

2b. Particulars of turnover and expenditure from social housing lettings

Group	General needs housing £'000	Supported Housing and housing for older people £'000	Shared ownership £'000	2024 Total £'000	2023 Total £'000
Income					
Rent receivable net of identifiable service charges	**135,222**	**1,218**	**246**	**136,686**	127,244
Service charge income	**3,163**	**444**	**-**	**3,607**	3,025
Net rents receivable	**138,385**	**1,662**	**246**	**140,293**	130,269
Amortised Government grants	**217**	**-**	**-**	**217**	210
Turnover from social housing lettings	**138,602**	**1,662**	**246**	**140,510**	130,479
Operating expenditure					
Management	**(19,409)**	**(316)**	**-**	**(19,725)**	(21,687)
Service charge costs	**(3,790)**	**(599)**	**-**	**(4,389)**	(3,563)
Routine maintenance	**(33,191)**	**-**	**-**	**(33,191)**	(37,077)
Planned maintenance	**(5,997)**	**-**	**-**	**(5,997)**	(7,212)
Major repairs expenditure	**(8,582)**	**-**	**-**	**(8,582)**	(6,854)
Bad debts	**(308)**	**-**	**-**	**(308)**	32
Lease costs	**(1,698)**	**-**	**-**	**(1,698)**	(1,700)
Depreciation of housing properties	**(27,128)**	**-**	**-**	**(27,128)**	(28,140)
Impairment of housing properties	**-**	**-**	**-**	**-**	(109)
Other costs (redundancy)	**(86)**	**-**	**-**	**(86)**	(189)
Operating expenditure on social housing lettings	**(100,189)**	**(915)**	**-**	**(101,104)**	(106,499)
Operating surplus on social housing lettings	**38,413**	**747**	**246**	**39,406**	23,980
Rent losses from voids (being rental income lost as a result of a property not being let)	**(1,724)**	**(23)**	**-**	**(1,747)**	(2,023)

2b. Particulars of turnover and expenditure from social housing lettings (continued)

Association	General needs housing £'000	Supported Housing and housing for older people £'000	Shared ownership £'000	2024 Total £'000	2023 Total £'000
Income					
Rent receivable net of identifiable service charges	**135,222**	**1,218**	**246**	**136,686**	127,244
Service charge income	**3,163**	**444**	**-**	**3,607**	3,025
Net rents receivable	**138,385**	**1,662**	**246**	**140,293**	130,269
Amortised Government grants	**217**	**-**	**-**	**217**	210
Turnover from social housing lettings	**138,602**	**1,662**	**246**	**140,510**	130,479
Operating expenditure					
Management	**(20,980)**	**(559)**	**-**	**(21,539)**	(22,458)
Service charge costs	**(3,792)**	**(599)**	**-**	**(4,391)**	(3,563)
Routine maintenance	**(32,068)**	**-**	**-**	**(32,068)**	(36,259)
Planned maintenance	**(5,995)**	**-**	**-**	**(5,995)**	(7,208)
Major repairs expenditure	**(8,579)**	**-**	**-**	**(8,579)**	(6,850)
Bad debts	**(308)**	**-**	**-**	**(308)**	32
Lease costs	**(1,698)**	**-**	**-**	**(1,698)**	(1,700)
Depreciation of housing properties	**(27,236)**	**-**	**-**	**(27,236)**	(28,248)
Impairment of housing properties	**-**	**-**	**-**	**-**	(109)
Other costs (redundancy)	**(86)**	**-**	**-**	**(86)**	(189)
Operating expenditure on social housing lettings	**(100,742)**	**(1,158)**	**-**	**(101,900)**	(106,552)
Operating surplus on social housing lettings	**37,860**	**504**	**246**	**38,610**	23,927
Rent losses from voids (being rental income lost as a result of a property not being let)	**(1,724)**	**(23)**	**-**	**(1,747)**	(2,023)

Notes to the financial statements (continued)
for the year ended 31 March 2024

3. Employees

The average number of persons (expressed as full-time equivalents, based on a 36-hour working week) employed during the year, analysed by category, was as follows:

	Group 2024 No.	Association 2024 No.	Group 2023 No.	Association 2023 No.
Central enabling services	**159**	**159**	178	178
Selling homes	**65**	**-**	65	-
Operations	**794**	**794**	733	733
	1,018	**953**	976	911

The aggregate payroll costs of these persons were as follows:

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Wages and salaries	**34,882**	**32,152**	33,497	30,577
Social security costs	**3,485**	**3,183**	3,529	3,189
Defined benefit plan	**4,450**	**4,194**	10,000	9,489
Defined contribution plan	**1,466**	**1,271**	862	707
	44,283	**40,800**	47,888	43,962
Redundancy costs*	**143**	**84**	234	194
	44,426	**40,884**	48,122	44,156

*Includes compensatory pay, redundancy pay and payment in lieu of notice.

3. Employees (continued)

Salary banding for all employees whose total remuneration, including pension exceeds £60,000 (including Executive Directors) per annum is as follows:

	Group 2024 No.	Association 2024 No.	Group 2023 No.	Association 2023 No.
£60,001 - £70,000	**37**	**30**	44	36
£70,001 - £80,000	**12**	**8**	22	16
£80,001 - £90,000	**14**	**12**	11	9
£90,001 - £100,000	**3**	**2**	9	6
£100,001 - £110,000	**2**	**1**	3	2
£110,001 - £120,000	**2**	**2**	-	-
£120,001 - £130,000	**1**	**1**	4	4
£130,001 - £140,000	**1**	**1**	-	-
£140,001 - £150,000	**1**	**1**	1	1
£150,001 - £160,000	**2**	**2**	1	1
£170,001 - £180,000	**-**	**-**	1	1
£180,001 - £190,000	**1**	**1**	-	-
£190,001 - £200,000	**1**	**1**	1	1
£240,001 - £250,000	**-**	**-**	1	1

4. Directors' and key management personnel remuneration

	2024 £'000	2023 £'000
Non-Executive Directors' remuneration	**104**	109
Executive Directors' and key management personnel remuneration (page 78)	**581**	635
Association contributions to group wide defined benefit plan	**98**	133
Association contributions to defined contribution plan	**15**	18
	798	895

Retirement benefits are accruing to four (2023: three) of the above senior staff under a defined benefit scheme and one (2023: one) of the above senior staff under a defined contribution scheme. The aggregate remuneration (excluding pension contributions) of the highest paid director was £167,928 (2023: £231,185).

The Group made £31,402 (2023: £12,223) in pension contributions for the Chief Executive (2023: Interim Chief Executive) as an ordinary member of the LGPS group wide defined benefit plan. The Chief Executive has no enhanced or special terms and has no other pension arrangements to which the Association contributes.

In 2023, the Group made £17,746 in pension contributions for the outgoing Chief Executive as an ordinary member of the defined contribution plan.

Notes to the financial statements (continued)
for the year ended 31 March 2024

4. Directors' and key management personnel remuneration (continued)

Board Member	Board role	2024 Remuneration £'000	2023 Remuneration £'000
Alison Fellows	Non-Executive Director	**12**	11
Andrew Lister	Non-Executive Director	**6**	-
Brenda Naisby	Non-Executive Director	**10**	10
Carol Long	Non-Executive Director	**10**	10
Christopher Watson	Non-Executive Director	**12**	12
Claire Long	Non-Executive Director	**14**	12
Ellen Thinnesen, OBE**	Non-Executive Director	**-**	-
Emily Cox, MBE*	Chair	**-**	6
Hannah Pollard	Non-Executive Director	**10**	5
Morven Smith	Non-Executive Director	**6**	-
Nick Forbes, CBE	Non-Executive Director	**5**	-
Patricia Smith	Non-Executive Director	**10**	7
David Murtagh	Non-Executive Director	**9**	12
James Prestwich	Non-Executive Director	**-**	4
Karen Noble	Non-Executive Director	**-**	1
Kehri Ellis	Non-Executive Director	**-**	6
Keith Loraine, OBE	Chair	**-**	11
Philip Tye	Non-Executive Director	**-**	2
Total		**104**	109

*Emily Cox has waived remuneration since becoming Chair of the Board.

** Remuneration waived.

The independent RAC Member, Alan Gallagher, received £5,000 (2023: £5,000) in remuneration.

The independent Development Committee Member, Gerard Walsh (resigned 28 February 2024), received £4,167 (2023: £5,000) in remuneration.

4. Directors' and key management personnel remuneration (continued)

The Board reviews remuneration every three years and this is done with the advice of an external consultant and includes benchmarking and comparator information and also reviews the requirements of the NHF Code. The three-year cycle fell within 2021/22 and the external consultant's report was taken to the People Committee in January 2022. The review recommended no changes to the remuneration. The Committee made a recommendation for approval at the January 2022 Group Board meeting, where it was duly approved. The annual 'light touch' annual review took place in January 2024, and there were no changes to Board remuneration. The next full remuneration review will be carried out during 2024/25.

Salary banding for directors and key management personnel whose total remuneration, including pensions, exceeds £60,000 per annum is as follows:

		2024 No.			2023 No.
£60,001 - £70,000	**Susan Fulton**	**1**	£60,001 - £70,000		-
£90,001 - £100,000	**Stephen Flounders**	**1**	£90,001 - £100,000		-
£150,001 - £160,000	**Susan Thompson**	**1**	£150,001 - £160,000	Susan Thompson	1
£170,001 – £180,000		**-**	£170,001 – £180,000	Louise Bassett	1
£180,001 – £190,000	**Peter Lenehan**	**1**	£180,001 – £190,000		-
£190,001 - £200,000	**Louise Bassett**	**1**	£190,001 - £200,000	Peter Lenehan	1
£240,001 - £250,000		**-**	£240,001 - £250,000	Nigel Wilson	1

5. Surplus on disposal of tangible fixed assets

	Group 2024 £'000	**Association 2024 £'000**	Group 2023 £'000	Association 2023 £'000
Proceeds from sales	**4,457**	**4,457**	12,038	12,038
Cost of sales	**(6)**	**(6)**	(7)	(7)
Net book value of assets sold	**(3,223)**	**(3,223)**	(7,714)	(7,714)
	1,228	**1,228**	4,317	4,317
Transfer to recycled capital grant fund	**(43)**	**(43)**	(427)	(427)
	1,185	**1,185**	3,890	3,890

Notes to the financial statements (continued)
for the year ended 31 March 2024

6. Expenses and auditor's remuneration

	Group 2024 £'000	**Association 2024 £'000**	Group 2023 £'000	Association 2023 £'000
Included in surplus are the following:				
Depreciation:				
Housing properties	**27,128**	**27,236**	28,140	28,248
Other tangible fixed assets	**1,810**	**1,816**	1,750	1,756
Amortisation of intangible assets	**82**	**82**	-	-
Impairment loss on housing properties	**-**	**-**	109	109
Impairment loss on other fixed assets	**219**	**219**	-	-
Change in value of investment property	**149**	**149**	632	632
Fair value adjustment	**260**	**-**	(104)	-
Redundancy costs	**143**	**84**	234	194
Auditor's remuneration (exclusive of VAT):				
Audit of these financial statements	**91**	**91**	119	119
Amounts receivable by the Association's auditor and its associates (exclusive of VAT) in the respect of:				
Audit of financial statements of subsidiaries of the Association	**25**	**-**	21	-
Audit-related assurance services	**29**	**29**	8	8

7. Interest receivable and similar income

	Group 2024 £'000	**Association 2024 £'000**	Group 2023 £'000	Association 2023 £'000
Interest receivable and similar income	**1,701**	**1,700**	720	720
Interest receivable from Group undertakings	**-**	**2,515**	-	2,108
Gain on early repayment of loans	**-**	**-**	5,262	5,262
	1,701	**4,215**	5,982	8,090
Net interest income on net defined benefit plan (liabilities)/assets	**100**	**100**	120	120
	1,801	**4,315**	6,102	8,210

8. Interest payable and similar expenses

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Interest on loans repayable	**29,777**	**29,777**	24,542	24,447
Bank fees and similar charges*	**1,179**	**1,179**	1,891	1,891
Capitalised interest**	**(692)**	**(692)**	(181)	(181)
Early loan redemption costs	**-**	**-**	1,856	1,856
Interest payable and similar expenses	**30,264**	**30,264**	28,108	28,013

*Bank fees and similar charges includes £nil (2023: £1,252k) of release of arrangement fees in relation to the re-financing, see note 22.

** Capitalisation rate of 5.64% (2023: 5.14%).

9. Taxation

Total tax credit recognised in the statement of comprehensive income, other comprehensive income and equity:

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Total current tax	**-**	**-**	-	-
Adjustments in respect of prior periods	**-**	**-**	(140)	(179)
	-	**-**	(140)	(179)

9. Taxation (continued)

Reconciliation of effective tax rate	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Surplus for the year	**12,146**	**14,896**	7,537	7,199
Tax at standard rate of 25% (2023: 19%)	**3,036**	**3,724**	1,432	1,368
Expenses not deductible	**-**	**-**	2	-
Charitable tax exemptions	**(3,268)**	**(3,305)**	(1,166)	(1,108)
Gift aid	**-**	**-**	(30)	-
Adjustments in respect of prior periods	**-**	**-**	(140)	(179)
Deferred tax not recognised	**233**	**-**	(82)	(108)
Effects of group and other reliefs	**-**	**(419)**	-	(10)
Losses	**(1)**	**-**	(6)	-
Tax rate changes	**-**	**-**	(150)	(142)
Total tax credit/charge included in profit or loss	**-**	**-**	(140)	(179)

An unrecognised deferred tax asset of £0.7m (2023: £0.6m) is held by Group and £1.0m (2023: £0.6m) is held by Association.

10. Intangible fixed assets

Group and Association	Software £'000
Cost	
At 1 April 2023	1,044
Additions	946
At 31 March 2024	**1,990**
Amortisation	
At 1 April 2023	-
Amortisation charge for the year	82
At 31 March 2024	**82**
Net book value	
At 31 March 2024	**1,908**
At 31 March 2023	1,044

11. Tangible fixed assets – housing properties

Group	Housing properties held for letting £'000	Shared ownership £'000	Housing properties under construction £'000	Garages held for letting £'000	Total £'000
Cost					
At 1 April 2023	1,330,322	7,855	20,871	2,126	1,361,174
Additions	-	-	24,503	-	24,503
Enhancements	39,212	-	-	-	39,212
Interest capitalised	-	-	692	-	692
Schemes completed	9,063	1,276	(10,339)	-	-
Disposals	(6,421)	(64)	-	(54)	(6,539)
At 31 March 2024	**1,372,176**	**9,067**	**35,727**	**2,072**	**1,419,042**
Depreciation					
At 1 April 2023	295,654	132	-	585	296,371
Depreciation charge for the year	27,077	-	-	51	27,128
Disposals	(3,289)	-	-	(27)	(3,316)
At 31 March 2024	**319,442**	**132**	**-**	**609**	**320,183**
Net book value					
At 31 March 2024	**1,052,734**	**8,935**	**35,727**	**1,463**	**1,098,859**
At 31 March 2023	1,034,668	7,723	20,871	1,541	1,064,803

Security
£889.0m (27,566 units) of completed properties net book value is held as security against debt (note 22).

Borrowing costs
The amount of borrowing costs capitalised to tangible fixed assets – housing properties during the period was £692,000 (2023: £181,000) with a capitalisation rate of 5.64% (2023: 5.14%).

Social housing assistance
The amount of social housing grant received or receivable during the current year was £10.820m (2023: £6.642m) and is held in deferred income. See note 24 for the cumulative grant position.

Deemed cost
On transition to FRS 102 in 2015/16 the Group took the option to hold revalued assets at deemed cost. The closing historic cost net book value of these assets is £648,869,000 (2023: £665,340,000).

Impairment
An impairment assessment is only required where any impairment indicators are identified. No general impairment indicators, which would require a full impairment assessment of all housing properties, have been identified.

Notes to the financial statements (continued)
for the year ended 31 March 2024

11. Tangible fixed assets – housing properties (continued)

Expenditure to works on existing properties:	2024 £'000	2023 £'000
Amounts capitalised – enhancements	**39,212**	36,410
Amounts charged to statement of comprehensive income (note 2b)	**8,582**	6,854
	47,794	43,264

11. Tangible fixed assets – housing properties (continued)

Association	Housing properties held for letting £'000	Shared ownership £'000	Housing properties under construction £'000	Garages held for letting £'000	Total £'000
Cost					
At 1 April 2023	1,335,835	8,596	20,342	1,976	1,366,749
Additions	-	-	25,033	-	25,033
Enhancements	39,343	-	-	-	39,343
Interest capitalised	-	-	692	-	692
Schemes completed	9,063	1,276	(10,339)	-	-
Disposals	(6,421)	(64)	-	(54)	(6,539)
At 31 March 2024	**1,377,820**	**9,808**	**35,728**	**1,922**	**1,425,278**
Depreciation					
At 1 April 2023	296,358	134	-	434	296,926
Depreciation charge for the year	27,185	-	-	51	27,236
Disposals	(3,289)	-	-	(27)	(3,316)
At 31 March 2024	**320,254**	**134**	**-**	**458**	**320,846**
Net book value					
At 31 March 2024	**1,057,566**	**9,674**	**35,728**	**1,464**	**1,104,432**
At 31 March 2023	1,039,477	8,462	20,342	1,542	1,069,823

Security
£889.0m (27,566 units) of completed properties net book value is held as security against debt (note 22).

Borrowing costs
The amount of borrowing costs capitalised to tangible fixed assets – housing properties during the period was £692,000 (2023: £181,000) with a capitalisation rate of 5.64% (2023: 5.14%).

Social housing assistance
The amount of social housing grant received or receivable during the current year was £10.820m (2023: £6.642m) and is held in deferred income. See note 24 for the cumulative grant position.

Deemed cost
On transition to FRS 102 in 2015/16 the Group took the option to hold revalued assets at deemed cost. The closing historic cost net book value of these assets is £648,869,000 (2023: £665,340,000).

Impairment
An impairment assessment is only required where any impairment indicators are identified. No general impairment indicators, which would require a full impairment assessment of all housing properties, have been identified.

Notes to the financial statements (continued)
for the year ended 31 March 2024

11. Tangible fixed assets – housing properties (continued)

Expenditure to works on existing properties:	2024 £'000	2023 £'000
Amounts capitalised – enhancements	**39,343**	36,410
Amounts charged to statement of comprehensive income (note 2b)	**8,579**	6,850
	47,922	43,260

12. Tangible fixed assets – other

Group	Land and buildings £'000	Furniture, fixtures and fittings £'000	Vehicles and equipment £'000	Total £'000
Cost				
At 1 April 2023	17,352	3,193	8,966	29,511
Additions	81	251	524	856
Disposals	-	(205)	-	(205)
At 31 March 2024	**17,433**	**3,239**	**9,490**	**30,162**
Depreciation and impairment				
At 1 April 2023	6,358	1,375	4,917	12,650
Depreciation charge for the year	588	300	922	1,810
Disposals	-	(205)	-	(205)
Impairment	219	-	-	219
At 31 March 2024	**7,165**	**1,470**	**5,839**	**14,474**
Net book value				
At 31 March 2024	**10,268**	**1,769**	**3,651**	**15,688**
At 31 March 2023	10,994	1,818	4,049	16,861

An impairment assessment is only required where any impairment indicators are identified. No general impairment indicators, which would require a full impairment assessment of all other fixed assets, have been identified. An accommodation review assessing the continued use of operational buildings was undertaken during the year which identified an impairment of £219k.

The net book value of land and buildings comprises:

	2024 £'000	2023 £'000
Freehold	**9,667**	10,372
Long leasehold	**601**	622
	10,268	10,994

12. Tangible fixed assets – other (continued)

Association	Land and buildings £'000	Furniture, fixtures and fittings £'000	Vehicles and equipment £'000	Total £'000
Cost				
At 1 April 2023	17,503	3,225	8,647	29,375
Additions	81	251	524	856
Disposals	-	(205)	-	(205)
At 31 March 2024	**17,584**	**3,271**	**9,171**	**30,026**
Depreciation and impairment				
At 1 April 2023	6,445	1,376	4,588	12,409
Depreciation charged for the year	594	300	922	1,816
Disposals	-	(205)	-	(205)
Impairment	219	-	-	219
At 31 March 2024	**7,258**	**1,471**	**5,510**	**14,239**
Net book value				
At 31 March 2024	**10,326**	**1,800**	**3,661**	**15,787**
At 31 March 2023	11,058	1,849	4,059	16,966

An impairment assessment is only required where any impairment indicators are identified. No general impairment indicators, which would require a full impairment assessment of all other fixed assets, have been identified. An accommodation review assessing the continued use of operational buildings was undertaken during the year which identified an impairment of £219k.

The net book value of land and buildings comprises:

	2024 £'000	2023 £'000
Freehold	**9,725**	10,436
Long leasehold	**601**	622
	10,326	11,058

Notes to the financial statements (continued)
for the year ended 31 March 2024

13. Investment properties - Group and Association

	Freehold £'000
At 1 April 2023	**7,355**
Fair value adjustment for investment property	**(149)**
At 31 March 2024	**7,206**

In accordance with FRS 102, investment properties are held at fair value and are not depreciated.

Management have reviewed the fair value of the investment properties as at 31 March 2024 and as a result of this, a fair value decrease of £149k (2023: £632k) was required. £7.2m (2023: £3.5m) of investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued. The valuations, which are supported by market evidence, are prepared by considering the aggregate of the net annual rents receivable, and assumed net effective rent yields, from the properties and where relevant, associated costs. In 2023, the remainder of the portfolio was valued by considering potential divestment values by the Directors. Any gain or loss arising for a change in fair value is recognised in the statement of comprehensive income.

During the prior year an investment property with a fair value of £100k was disposed of for £85k, generating a loss of £15k.

14. Other investments - Group and Association

	2024 £'000	2023 £'000
Other investments	**30**	30
	30	30

15. Investment in subsidiaries

Association	Investment in subsidiaries 2024 £'000	Investment in subsidiaries 2023 £'000
Cost and net book value		
At 31 March	**250**	250

The Association has the following investments in subsidiaries:

Subsidiary undertakings *Non-registered providers*	Aggregate of capital and reserves £'000	Profit/(loss) for year £'000	Country of incorporation	Registered number	Class and percentage of shares held
Gentoo Homes Limited	(1,299)	(2,370)	England	04739226	Ordinary – 100%
Gentoo Developments Limited	9	(4)	England	06192887	Ordinary – 100%
Gentoo Genie Limited	153	(230)	England	07083129	Ordinary – 100%
Genie Homeplan Limited*	-	-	England	07103094	Ordinary – 100%
Gentoo Services Limited*	-	-	England	12521655	Ordinary – 100%
Cottier Grange Estates Management Company Limited**	-	-	England	11375748	Ordinary – 100%
Meadow View (Houghton Le Spring) Residents Management Company Limited**	-	-	England	12358797	Ordinary – 100%

*Dormant subsidiaries

** Subsidiaries of Gentoo Homes Limited

The subsidiaries' registered office is Emperor House, 2 Emperor Way, Doxford International Business Park, Sunderland, SR3 3XR.

Intra-group trading is undertaken at arm's length and is predominantly tender or market driven. During the year intra-group transactions with non-regulated group subsidiaries were:

	Income from 2024 £'000	Purchases from 2024 £'000	Income from 2023 £'000	Purchases from 2023 £'000
Gentoo Homes Limited				
Group management charges	**661**	**-**	655	-
Gentoo renewal plan	**-**	**2,560**	-	1,332
Group interest charges	**2,448**	**-**	2,037	-
	3,109	**2,560**	2,692	1,332
Gentoo Genie Limited – interest charge	**67**	**-**	72	-
	3,176	**2,560**	2,764	1,332

16. HomeBuy loans receivable - Group and Association

	Total £'000
Loans advanced to borrowers at 1 April 2023	**303**
Repaid during the year	**(115)**
Loans advanced to borrowers at 31 March 2024	**188**

17. Debtors: amounts falling due after more than one year

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Cash held in secured accounts	**27,762**	**27,762**	26,870	26,870
Amounts owed by group undertakings	**-**	**34,130**	-	34,608
Genie Home Purchase Plans (HPP)	**1,844**	**184**	2,265	199
Deferred income	**(444)**	**(84)**	(458)	(84)
	29,162	**61,992**	28,677	61,593

The HPP arrangements are valued at fair value. Management have reviewed the fair value of the HPP arrangements as at 31 March 2024 and, as a result of this, a Group fair value decrease of £260k (2023: £104k increase) was required. Deferred income relates to the difference between the cost of the property to the Group and the value it has been purchased by the customer. Deferred income is released to the statement of comprehensive income upon the Group no longer having a share in the property. Whilst some of the above balance may crystallise in under one year, it is not possible to reliably quantify, therefore, these amounts have been included in debtors due after more than one year.

The loans with the subsidiaries includes interest charged at 5.5% per annum, monthly or quarterly in arrears.

The amounts owed by group undertakings is with the Association's subsidiaries, Gentoo Homes Limited £32.8m and Gentoo Genie Limited £1.3m.

Cash held in secured accounts represents the additional security required for the £199.0m loan from T.H.F.C. To meet security requirements the £26.6m needs to be held in a secured account until the debt is repaid. This cash cannot be drawn for use in the business until this point.

18. Stock

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Properties under construction	**34,072**	**-**	43,145	-
Completed properties	**5,237**	**-**	2,375	-
Properties held for resale	**147**	**-**	1	-
Land held for development	**13,864**	**13,864**	10,656	10,656
Raw materials and consumables	**851**	**851**	728	728
Work in progress – shared ownership	**865**	**865**	456	456
	55,036	**15,580**	57,361	11,840

19. Debtors

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Rents and service charges receivable	**3,794**	**3,794**	3,966	3,966
Less: provision for bad and doubtful debts	**(2,674)**	**(2,674)**	(2,804)	(2,804)
Net rent and service charge debtors	**1,120**	**1,120**	1,162	1,162
Trade debtors	**778**	**671**	1,184	1,100
Less: provision for bad debts and doubtful debts	**(145)**	**(89)**	(161)	(121)
Amounts owed by group undertakings	**-**	**6,597**	-	6,561
Other debtors	**4,900**	**4,128**	7,406	6,477
Prepayments and accrued income	**6,208**	**6,183**	4,127	4,082
	12,861	**18,610**	13,718	19,261

Transactions with subsidiaries are undertaken at arm's length (see notes 15, 17 and 20).

The amounts owed by group undertakings is with the Association's subsidiaries Gentoo Homes Limited £6,586k (2023: £6,510k), Gentoo Genie Limited £11k (2023: £50k) and Gentoo Developments Limited £nil (2023: £1k).

Notes to the financial statements (continued)
for the year ended 31 March 2024

20. Creditors: amounts falling due within one year

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Commercial debt (note 22)	**5,852**	**5,852**	5,477	5,477
Trade creditors	**2,115**	**1,743**	2,738	2,203
Rent and service charges received in advance	**4,176**	**4,176**	3,656	3,656
Taxation and social security	**941**	**941**	1,310	1,310
Other creditors	**6,414**	**5,003**	7,302	5,286
Amounts owed to group undertakings	**-**	**3,785**	-	825
Deferred capital grant (note 24)	**271**	**271**	265	265
Accruals and deferred income	**17,659**	**13,107**	20,285	15,836
	37,428	**34,878**	41,033	34,858

The amounts owed to group undertakings is with the Association's subsidiary Gentoo Homes Limited.

Leaseholders' funds

As at 31 March 2024 the Group and Association held funds on behalf of leaseholders in respect of schemes under management of £2.9m (2023: £2.9m). These are included in other creditors within creditors: amounts falling due within one year.

21. Creditors: amounts falling due after more than one year

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Commercial debt (note 22)	**513,527**	**513,527**	507,651	507,651
Deferred capital grant (note 24)	**42,375**	**42,375**	31,231	31,231
Other creditors	**12,689**	**12,110**	12,110	12,110
Recycled capital grant fund (note 23)	**426**	**426**	884	884
	569,017	**568,438**	551,876	551,876

The commercial debt is secured by way of a fixed charge on the housing properties of the Group. Interest is charged to the subsidiary companies based on the amounts that are on-lent during the year.

22. Debt analysis

Borrowings	**Group 2024 £'000**	**Association 2024 £'000**	Group 2023 £'000	Association 2023 £'000
Due within one year				
Bank loans*	**6,332**	**6,332**	5,976	5,976
Issue costs	**(480)**	**(480)**	(499)	(499)
	5,852	**5,852**	5,477	5,477
Due after more than one year				
Bank loans*	**406,034**	**406,034**	400,366	400,366
Other loans	**110,000**	**110,000**	110,000	110,000
Issue costs	**(2,507)**	**(2,507)**	(2,715)	(2,715)
	513,527	**513,527**	507,651	507,651
Total borrowings	**519,379**	**519,379**	513,128	513,128

**Bank loans due within one year includes £180k deferred gain and after more than one year £1,173k relating to a THFC bond coupon which is being amortised over the life of the bond.*

Security
The commercial loans are secured by way of a fixed charge on the housing properties of the Association.

Re-financing
The Group completed a re-financing process on 26 January 2023 resulting in a £460m restructure of the Treasury portfolio. £360m of legacy, partly syndicated debt was refinanced by a 40 year £110m private placement and £350m in bank facilities provided by NatWest, ABN AMRO, and HSBC. £303.1m of drawn debt was repaid and cancelled attracting a break loss of £1.856m with one funder and a £5.262m break gain with another funder, see notes 7 and 8.

Terms of repayment and interest rates
Bank and other loans are repaid by both annual instalments and bullet repayments. The final instalments fall to be repaid in the period from 2029 to 2063. The group borrows at both fixed and variable interest rates with fixed rates of interest ranging from 3.485% to 6.38%. The group's fixed rate debt includes fixed rate loans embedded within our loan agreements. These basic embedded fixed rate loans are not subject to cash calls required by stand-alone swaps.

At 31 March 2024 the Group had undrawn borrowing facilities of £143.0m (2023: £155.0m).

22. Debt analysis (continued)

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	Group 2024 £'000	**Association 2024 £'000**	Group 2023 £'000	Association 2023 £'000
Within one year or on demand	**5,852**	**5,852**	5,477	5,477
One year or more but less than two years	**6,232**	**6,232**	5,832	5,832
Two years or more but less than five years	**133,612**	**133,612**	119,953	119,953
Five years or more	**373,683**	**373,683**	381,866	381,866
	519,379	**519,379**	513,128	513,128

23. Recycled Capital Grant Fund - Group and Association

	£'000
At 1 April 2023	**884**
Grants recycled from reserves (note 5)	**43**
Notional interest	**46**
Recycling of grant: new build	**(547)**
Balance at 31 March 2024	**426**

There are no amounts (2023: £nil) three years old or older where repayment may be required.

24. Social Housing Grant – Group and Association

	2024 £'000	2023 £'000
Cost		
At 1 April	**32,484**	25,722
Received during the year	**10,820**	6,642
Transferred from RCGF	**547**	285
Recycled on disposal	**-**	(165)
At 31 March	**43,851**	32,484
Amortisation		
At 1 April	**988**	784
Released in the year	**217**	210
Released on disposal	**-**	(6)
At 31 March	**1,205**	988
At 31 March	**42,646**	31,496

	2024 £'000	2023 £'000
Amounts to be released within one year	**271**	265
Amounts to be released in more than one year	**42,375**	31,231
	42,646	31,496

25. Employee benefits

Pension Schemes – Group and Association

The disclosures below relate to the Tyne and Wear Pension Fund (the 'Fund') which is part of the Local Government Pension Scheme. The Group participates in the Fund which provides defined benefits, based on members' career average pensionable salary. The last full actuarial valuation was performed on 31 March 2022.

Net pension asset/(liability)	2024 £'000	2023 £'000
Defined benefit obligation	**(238,520)**	(245,120)
Plan assets	**403,410**	388,320
Restriction for asset ceiling*	**(164,890)**	(143,200)
Net pension	**-**	-

25. Employee benefits (continued)

Movements in present value of defined benefit obligation	2024 £'000	2023 £'000
At 1 April	**245,120**	349,370
Current service cost	**4,390**	10,000
Past service cost	**60**	-
Interest expense	**11,270**	9,660
Contributions by members	**1,550**	1,660
Actuarial gain on scheme liabilities	**(11,550)**	(115,020)
Benefits paid	**(12,320)**	(10,550)
At 31 March	**238,520**	245,120

Movements in fair value of plan assets	2024 £'000	2023 £'000
At 1 April	**388,320**	386,420
Interest income	**18,100**	10,810
Remeasurement: return on plan assets less interest income	**3,400**	(8,420)
Contributions by employer	**4,360**	8,400
Contributions by members	**1,550**	1,660
Benefits paid	**(12,320)**	(10,550)
At 31 March	**403,410**	388,320

Expense recognised in the statement of comprehensive income	2024 £'000	2023 £'000
Current service cost	**(4,390)**	(10,000)
Past service cost	**(60)**	-
Net interest on net defined benefit liability	**6,830**	120
Interest on unrecognised asset	**(6,730)**	-
Total expense recognised in the statement of comprehensive income	**(4,350)**	(9,880)

*To comply with FRS 102 paragraph 28, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. A recognisable net asset of £nil (2023: £1.35m) has been calculated based on the potential economic benefit that could be available from a reduction in future contributions. In 2023, this was not considered to be material in the context of the financial statements, an asset was not recognised.

25. Employee benefits (continued)

The difference between the £4,450k current and past service cost and the £4,360k employer contributions, £90k, represents a non-cash change.

	2024 £'000	2023 £'000
Actuarial gain / (loss) in respect of pension asset	**3,400**	(8,420)
Actuarial gain in respect of pension liability – financial assumptions	**9,580**	137,270
Actuarial gain / (loss) in respect of pension liability – demographic assumptions	**3,570**	(1,150)
Actuarial loss in respect of pension liability – liability experience	**(1,600)**	(21,100)
Adjustment in respect of asset ceiling	**(14,960)**	(105,120)
Total amount recognised in other comprehensive income	**(10)**	1,480

The fair value of the plan assets were allocated as follows:

	2024 Fair value £'000	2024 Fair value %	2023 Fair value £'000	2023 Fair value %
Equities	**204,120**	**50.6**	198,830	51.2
Government bonds	**5,240**	**1.3**	5,050	1.3
Corporate bonds	**78,670**	**19.5**	75,720	19.5
Property	**41,960**	**10.4**	40,770	10.5
Multi asset credit	**18,560**	**4.6**	17,470	4.5
Cash	**2,820**	**0.7**	6,990	1.8
Other	**52,040**	**12.9**	43,490	11.2
	403,410	**100**	388,320	100

The principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2024 %	2023 %
Discount rate	**4.8**	4.7
Future salary increases	**4.1**	4.2
CPI inflation	**2.6**	2.7
Pension increases	**2.6**	2.7
Pension accounts revaluation rate	**2.6**	2.7

	£'000	£'000
Actual return on plan assets	**21,500**	2,390

Notes to the financial statements (continued)
for the year ended 31 March 2024

25. Employee benefits (continued)

The mortality assumptions at the year-end were as follows:

	2024	2023
Current Pensioner aged 65		
Male	**21.0**	21.6
Female	**24.2**	24.6
Future retiree upon reaching 65		
Male	**22.3**	22.9
Female	**25.6**	26.1

The assumptions relating to longevity underlying the pension liabilities in the statement of financial position date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for the number of years stated above.

Sensitivity analysis

The following table provides an indication of the sensitivity to changes in assumptions. The impact on the statement of comprehensive income tends to be hard to predict.

	Change	Change in present value of total obligation £'000	Change	Change in present value of total obligation £'000
Adjustment to discount rate	+ 0.1% p.a.	(4,290)	- 0.1% p.a.	4,290
Adjustment to salary increase rate	+ 0.1% p.a.	480	- 0.1% p.a	(480)
Adjustment to pension increase rate	+ 0.1% p.a.	3,820	- 0.1% p.a	(3,820)
Adjustment to mortality age rate assumption	- 1 year	5,960	+ 1 year	(5,960)

26. Capital commitments – Group and Association

	2024 £'000	2023 £'000
Expenditure contracted for but not provided for in the financial statements	**126,710**	108,970
Expenditure authorised by Board but not contracted	**203,256**	193,737
	329,966	302,707

The commitments will be funded through Grant £1.4m (2023: £1.3m), social housing property Right to Buy and Right to Acquire sales £8.0m (2023: £9.9m), existing facilities and cash £159.8m (2023: £176.8m) and cash generated from operations and new facilities £160.8m (2023: £114.7m).

27. Contingent liabilities

Grant
The Group receives a grant from Homes England which is used to fund the acquisition and development of housing properties and their components. Under transition to FRS 102 revalued housing properties were held at deemed cost. For these properties grant is recognised under the performance model and £50.0m (2023: £48.9m) of such grant has been credited to reserves. The Group has a future obligation to recycle or repay such grant once these properties are disposed of. As at 31 March 2024 the timing of any future disposal is uncertain.

28. Other financial commitments

Non-cancellable operating lease rentals (primarily relating to operational fleet vehicles) are payable as follows:

Group	**2024 £'000**	2023 £'000
Less than one year	**1,400**	1,700
Between one and five years	**319**	1,695
More than five years	**-**	26
	1,719	3,421

During the year £1,714k was recognised as an expense in the statement of comprehensive income in respect of operating leases (2023: £1,797k).

Notes to the financial statements (continued)
for the year ended 31 March 2024

28. Other financial commitments (continued)

Association	**2024 £'000**	2023 £'000
Less than one year	**1,387**	1,621
Between one and five years	**319**	1,683
More than five years	**-**	26
	1,706	3,330

During the year £1,698k was recognised as an expense in the statement of comprehensive income in respect of operating leases (2023: £1,700k).

29. Related parties

Identity of related parties with which the Association has transacted

The Board as at 31 March 2024 includes one Member who is an elected member of the Sunderland City Council ('Local Authority' (LA)). The Association and Group undertake transactions with the LA on an arm's length basis in the normal course of business.

Transactions with the LA during the year were:	**2024 £'000**	2023 £'000
Sales to the LA	**512**	296
Purchases from the LA	**1,104**	1,737
Grants received from the LA	**1,950**	-

	Receivables outstanding 2024 £'000	**Creditors and accruals outstanding 2024 £'000**	Receivables outstanding 2023 £'000	Creditors and accruals outstanding 2023 £'000
Local Authority	**29**	**45**	14	7

The Board also includes one Member (2023: one) who is a tenant of the Association. The rent and service charges for the year in respect of these tenancies totalled £5,199 (2023: £4,965). Additionally, one Executive Team Member rents a garage from the Group. The rent for the year totalled £417 (2023: £417). The terms of the tenancy arrangements held by these individuals are consistent with those offered to other tenants of the Association and at the end of the year no amount was due to the Association in respect of these tenancies.

30. Accounting estimates and judgements

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Estimates uncertainty

Defined benefit pension
Other judgement areas particularly in respect of financial and actuarial assumptions are based on best estimates derived from the Group's policies and practices which have been applied consistently across all pension schemes operated by the Group where appropriate, and confirmed with actuaries where these are beyond management expertise, e.g. mortality tables have been chosen based on published research by the Continuous Mortality Investigation Bureau of the Institute of Actuaries and Faculty of Actuaries. Variation in these assumptions may significantly impact the defined benefit surplus amount and the annual defined benefit expenses (as analysed in note 25). The net unrecognised defined benefit pension asset at 31 March 2024 was £164.9m.

Fair value measurement
Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices. Fair value measurements were applied to investment properties and HPP arrangements in the year. Refer to notes 13, 17 and 33 for more details.

Property components and lives
Management review annually the assigned lives of assets and individual components. These decisions are made based on historic knowledge of the Group's assets and benchmarking against similar organisations. The depreciation charge is driven by asset and component lives. See notes 1.9, 11 and 12 for more details.

Valuation of work in progress and land held for development
Stock is carried at the lower of cost and net realisable value. Net realisable value represents the estimated selling price (in the ordinary course of business) less all estimated costs of completion and overheads. Valuations of site/phase work in progress are carried out at regular intervals and estimates of the cost to complete a site/phase and estimates of anticipated revenues are required to enable a development profit to be determined. Management are required to employ considerable judgement in estimating the profitability of a site/phase and in assessing any impairment provisions which may be required. For both financial years, a full review of stock and land held for development has been performed. Estimated selling prices and costs have been reviewed on a site by site/phase by phase basis and have been amended based on local management and the Board's assessment of current market conditions. See note 18 for more details.

30. Accounting estimates and judgements (continued)

Gross profit recognition
Gross profit for completed house sales is recognised based on the latest whole site/phase gross margin which is an output of the site/phase valuation. These valuations, which are updated at frequent intervals throughout the life of the site/phase, use actual and forecast selling prices, land costs and construction costs and are sensitive to future movements in both the estimated cost to complete and expected selling prices. Forecast selling prices are inherently uncertain due to changes in market conditions. If gross profit margin should have been lower by 1%, it would have led to an increased cost of sale of £0.3m.

Judgements

Property classifications
The categorisation of property assets as investment properties or fixed assets is a matter of judgement and is based on the intended use of the property. Where the property is used for social benefit, it is categorised as a fixed asset. Only property which is intended to be used for commercial return or capital appreciation is categorised as an investment property. See note 13 for further details.

Impairment assessment
Indicators of impairment are considered annually and where an indicator exists, an impairment assessment is performed. This assessment applies management judgement in whether the indicator of impairment is applicable, and the key indicator of impairment has been identified. For the year ended 31 March 2024 an impairment charge of £0.2m (2023: £0.1m) resulted from this review. See note 12 for further details.

Non-recognition of the defined benefit surplus
The net unrecognised defined benefit pension asset at 31 March 2024 was £164.9m. The asset has been restricted to comply with FRS 102 paragraph 28. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. These criteria were not considered to be met, specifically as the scheme is in a funding deficit, a reduction in future contributions is not available and contributions are not based on the FRS 102 valuation. An asset was therefore not recognised.

31. Share capital – Group and Association

	2024 £	2023 £
Ordinary shares at £1 each at 1 April	**10**	11
Issued during the year	**2**	4
Surrendered during the year	**(1)**	(5)
At 31 March	**11**	10

The share capital is represented by 1 share held by each Member of the Association. Shareholders have a right to attend and vote at general meetings. Shareholders have no rights to a distribution on a winding up and have no rights to dividends.

32. Analysis of changes in net debt - Group

	At 1 April 2023 £'000	Cashflows £'000	Other non-cash movements £'000	At 31 March 2024 £'000
Cash at bank and in hand	21,872	(5,114)	-	16,758
Bank loans due within one year	(5,477)	5,777	(6,152)	(5,852)
Bank loans due in greater than one year	(507,651)	(11,751)	5,875	(513,527)
	(491,256)	**(11,088)**	**(277)**	**(502,621)**

Refer to note 22 for further information on movements on bank and other loans.

33. Financial Instruments – non basic

	2024 £'000	2023 £'000
Financial assets measured at fair value through consolidated statement of comprehensive income	**1,398**	1,790

The above non-basic financial instruments relate to the HPP arrangements of Gentoo Genie, one of the Group's subsidiaries. Details of the relevant accounting policies and treatment are included in notes 1.6 and 17.

The key risk associated with the above would be considered to be recovery of the amounts due. This is mitigated by the following:

- The customer contract fixes the settlement balance as being no lower than the original property sales price therefore providing protection against downwards HPI.
- The risk of customer default is reduced through a Board approved arrears policy and the legal contract in place which allows the Company to seek possession should the customer default.

Notes to the financial statements (continued)
for the year ended 31 March 2024

34. Housing stock – Group and Association

	Group and Association at 2023	Units developed or acquired	Units sold or demolished	Other movements	Group and Association at 2024
Social housing: owned and managed					
General needs social rent	26,517	1	(91)	(20)	26,407
Intermediate rent	24	9	-	(2)	31
Affordable rent	1,621	44	(2)	2	1,665
Shared ownership	154	10	(1)	-	163
Houses for older people	191	-	-	5	196
Houses for older people – affordable rent	42	-	-	(5)	37
Supported housing	1	-	-	(1)	-
Supported housing – affordable rent	1	-	-	-	1
Total social housing: owned and managed	**28,551**	**64**	**(94)**	**(21)**	**28,500**
Social housing: managed not owned					
General housing social rent	5	-	-	(5)	-
Supported housing	12	-	-	-	12
Leasehold schemes – freehold retained	716	-	(4)	(16)	696
Total social housing: managed not owned	**733**	**-**	**(4)**	**(21)**	**708**
Social housing: owned not managed					
General housing social rent	16	-	-	29	45
Supported housing	133	-	-	(5)	128
Supported housing - affordable rent	1	-	-	-	1
Total social housing: owned not managed	**150**	**-**	**-**	**24**	**174**
Total social housing stock	**29,434**	**64**	**(98)**	**(18)**	**29,382**
Non-social housing: owned not managed					
Rented owned	62	-	-	-	62
Non-social housing: managed not owned					
Leasehold schemes – freehold retained	15	-	-	8	23
Non-social housing: not managed not owned					
Leasehold schemes – freehold retained	189	-	-	5	194
Total non-social housing stock	**266**	**-**	**-**	**13**	**279**
Total housing stock	**29,700**	**64**	**(98)**	**(5)**	**29,661**

We aim to be open and accountable and publish our performance on our website so our customers can understand how we are performing and hold us to account. For more information visit **www.gentoogroup.com/performance**

If you have any questions relating to anything in the report, please email **communications@gentoogroup.com**

Gentoo Group Limited is a charitable community benefit society, registration number 7302