Financial Statements for the year ended 31 March 2024

Creating homes.
Building lives.

Jigsaw

Jigsaw Homes Group Limited

Contents

Company Information

Registration number	Co-operative and Community Benefit Societies Act 2014, number 29433R
Regulator of Social Housing Registration Number	LH4345
Registered office	Cavendish 249 Cavendish Street Ashton-under-Lyne Tameside OL6 7AT
Board members	F. Selvan (chair: retired December 2023) R. Barker (appointed chair December 2023) G. Brown P. Chisnell (executive member) G. Cooney (retired July 2023) B. Groarke A. Jabbar (appointed December 2023) K. Jalli (appointed January 2024) M. Kenyon K. Marshall (executive member: appointed December 2023) E. Matley B. Moran (executive member) H. Roberts (executive member: resigned December 2023) T. Ryan A. Todd
Senior management team	B. Moran, Group Chief Executive P. Chisnell, Executive Director of Finance M. George, Group Director of Asset Management D. Kelly, Group Director of Neighbourhoods & Support K. Marshall, Group Director of Development & People C. Smith, Group Director of Corporate Services
Company Secretary	M. Murphy
Bankers	National Westminster Bank Plc. Manchester City Centre Branch PO Box 305 Spring Gardens Manchester M60 2DB
Auditors	Beever and Struthers One Express 1 George Leigh Street Manchester M4 5DL

1. Introduction

JET

Our Jigsaw Employment Team (JET) has hit a major annual milestone, helping train 250 people to achieve a Food Hygiene Level 2 qualification.

Chair's Statement

On behalf of the board of management, I am very pleased to present the report and financial statements for Jigsaw Homes Group Limited for the 2023/24 financial year.

This document sets out a comprehensive account of our activities during 2023/24 and provides an insight into the Group's efforts to deliver on its strategic priorities:

- Caring for our customers, our assets and neighbourhoods
- Maintaining a strong corporate foundation
- Valuing staff
- Growing the business

I would like to highlight some of our key achievements in this period and the challenges presented by our operational landscape.

Our Operating Environment

I want to start with an achievement — which is significant in its own right — but particularly important given its contribution to the Group's continued mission. Across the whole of Jigsaw, 2023/24 was a record year for the delivery of new homes with more than 900 new homes built, giving an opportunity for security and well-being to hundreds of families.

Jigsaw achieved this in partnership with local authorities, builders and experts of many different professions, all in the face of real challenges in the building industry which sadly saw three of our valued construction partners become insolvent. This work was led at Jigsaw by our development team who were ably supported by colleagues in lettings, finance, IT and marketing.

We have also been able to celebrate expansion of Jigsaw Support's portfolio of services which help the most vulnerable. The first of a pipeline of three new supported housing schemes in Greater Manchester was among the new homes developed in the year. The team also secured new contracts to help people suffering domestic violence, homelessness and long-term unemployment.

A theme during the year was the continued elevated level of repairs reported by tenants, particularly relating to mould and condensation, for which we have put in place new arrangements to ensure a prompt and proportionate response. This included improved training for staff members, and changes to our recording systems so that reports of damp and mould are given due priority.

This demand has had knock-on effects on two main areas: First on customers calling our contact centre, who have at times had to wait longer than we would want for calls to be answered; and second on the timeliness of repairs completions to empty homes. By the year-end however, the contact centre's performance had recovered and we had committed additional resources to turning around repairs to our empty homes, which remain in very strong demand.

Jigsaw's financial strength was recognised in the year by Moody's assigning an 'A2 stable' rating. Nonetheless, the demand for repairs and cost inflation have combined to suppress our surplus.

In comparison with 2022/23, the wider UK economy has presented fewer challenges to the business in the last 12 months. However, for our customers there has been no let-up in the pressure on their household budgets, and any recovery in the economy will likely benefit less-affluent households last. Jigsaw continues to offer a range of services to help customers cope with the cost-of-living, through energy efficiency work to homes, access to a hardship fund, and also through free advice services for debt, access to benefits and energy use.

Changes to regulation have been a prominent feature of our operating environment. At the time of writing, Jigsaw is about to submit its first *Tenant Satisfaction Measure* results to the Regulator for Social Housing. The lead indicator from the prescribed survey — overall satisfaction with your landlord — gives us a starting point from which we will plan, together with our customers, to deliver improvements. We have carefully considered the regulator's new consumer standards and assess ourselves to comply with them.

I will end this section by highlighting an incident which demonstrates the commitment that Jigsaw has to its residents and the communities in which it operates. The well-publicised tornado which hit parts of Tameside in late December 2023, tested

Jigsaw's ability to respond to a major incident. I am pleased to report that Jigsaw's incident team mobilised swiftly and our in-house team, with the assistance of contractors, was able to start repair work within hours. Over 100 properties were damaged by the tornado, with two families requiring urgent moves to alternative accommodation. Fortunately nobody was injured. The response to this whole incident is testiment to the quality of our processes and the commitment of our employees across the whole of Jigsaw.

Our Future Plans

In 2024 we adopted a new seven-year Corporate Plan. The longer-term nature of our planning emphasises the permanence of our mission: Jigsaw is here for the long-term and we have challenges to address and decisions to make that are long-term in nature.

Our long-term mission is centred on "Creating homes, building lives", a phrase which encapsulates our aims to:

- Look after our existing homes and tenants.
- Build much-needed new affordable homes.
- Invest in our communities.
- Support people to live independently.

To pursue our mission, we must engage with some equally enduring challenges:

The UK housing crisis, exacerbated by the absence of a long-term housing plan for the nation, is making homes unaffordable for many.

We recognise the urgency of the move to a low carbon economy, but affordable alternatives to gas central heating are not yet evident for all housing types. In this context, it is notable that around one-half of our existing homes will need component replacements — new kitchens, bathrooms, and heating systems — in the next decade.

During tough economic times, housing associations can and have helped the national economy by continuing to invest. The Group's fully-funded *Development Strategy* will fulfil existing plans to build 4,000 new homes in the period 2021 to 2026. We await new announcements on the availability of grant funding to support our plans post-2026.

Government funding for local authority and police services that are complementary to our own have failed to keep pace with inflation, let alone demand. Jigsaw has developed new services in this evolving landscape of local service provision.

To address these challenges, our boards must continue to make decisions about where to invest scarce resources. As you can read in some detail in these financial statements, during the last year, we did make good progress in taking our mandate forward, focussing on sustainable growth, operational excellence and community support.

At the time of writing, we await the outcome of the July 2024 UK General Election for evidence of renewed government commitment to the social housing sector, and we are ready to make the case to secure additional funding.

Whatever that government's policies and those of its successors, Jigsaw remains committed to developing new homes, providing support services to the most vulnerable in society and investing in our existing homes and communities.

Jigsaw's mission will continue unwaveringly into the future. At root, our mission is focused on tackling inequality in society, and Jigsaw remains steadfast in its commitment to equality, diversity and inclusion. During the next year, we will deliver further initiatives and inclusive practices to promote fair and equitable opportunities for all individuals within our communities and workforce.

I look forward to working with my colleagues across the whole Jigsaw Group in 2024/25. Together we will make a real difference to the housing sector and for our current and future customers as we progress our mission of:

"Creating homes. Building lives."

Roli Barker

Group Chair

our values

Our Vision
We want everyone to live in a home they can afford.

Our Mission
Creating homes. Building lives.

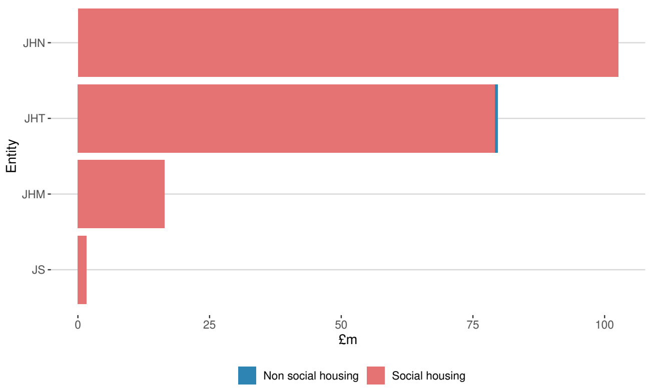
About Jigsaw Homes Group

Our Group comprises ten organisations working in unison to tackle inequality throughout the North West and East Midlands.

In addition to the parent, Jigsaw Homes Group Limited, the principal members of the Group are:

- Jigsaw Homes Midlands
- Jigsaw Homes North
- Jigsaw Homes Tameside
- Jigsaw Support

As measured by financial turnover, together we are the 31st largest housing group in the country[1]. The turnover of the Group's principal members during 2023/24 is shown in Figure 1 on this page.



Source: financial statements 2023/24.

Figure 1: Turnover analysis — the vast majority of the Group's turnover is based on social housing activities.

Our Activities

Our members build, renovate and manage low-cost housing for rent and sale.

The core of the Group's business is principally centred on the management of social housing for rent of which Jigsaw Homes Group Limited is responsible for 37,406 homes. The location of homes managed by Jigsaw Homes Group Limited is shown in Figure 2 on the current page. Jigsaw Homes Group Limited is active in 28 local authority areas.

[1]Source: 2023 Global Accounts of private registered providers

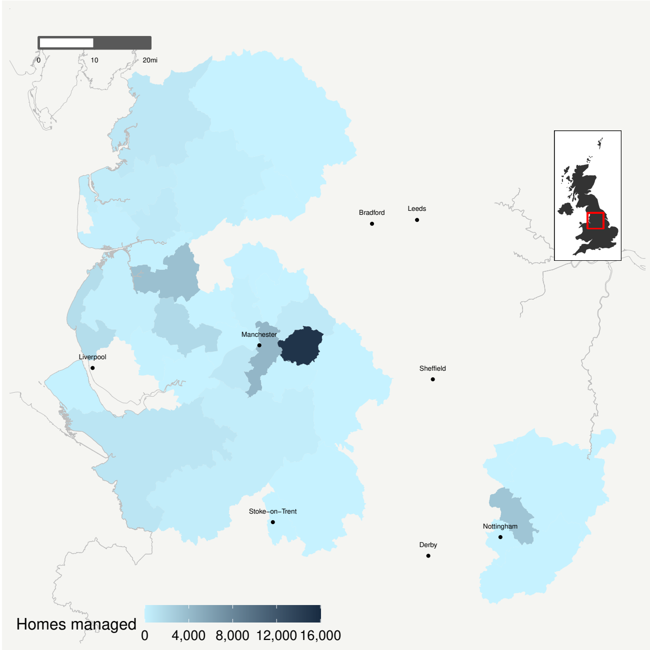


Figure 2: Location of housing stock — shading shows local authority concentrations in Greater Manchester, Lancashire, Nottinghamshire and Merseyside.

We work to help regenerate neighbourhoods and increase life opportunities for disadvantaged individuals and communities. Our largest members are four housing associations, regulated by the Regulator of Social Housing (RSH) and legally known as Registered Providers. The latest *Regulatory Judgement* published by the RSH confirms that Jigsaw is fully compliant with the RSH's *Regulatory Standards* — our published ratings for governance and viability are 'G1' 'V1' respectively.

The Group also provides a range of charitable and supported housing services to help people live independently and to successfully maintain their tenancies. This work is often funded through external contracts that are delivered on a commercial basis by the Group's members.

Vision, Mission and Corporate Values

Vision

Our Vision is:

> "We want everyone to live successfully in a home they can afford."

Mission

We will do this by making a social impact focused on:

> "Creating homes. Building lives."

Corporate Values

We will ensure that the following values are evident through our work:

- Empowerment
- Collaboration
- Innovation

Cooperation, Collaboration and Partnerships

We recognise that we can often achieve more by working together with other organisations that share our aims. Jigsaw Homes Group is an active member of the National Housing Federation, the Northern Housing Consortium and Homes for the North.

The Group is also party to two joint venture companies with other housing associations:

- JV North — focused on pooling housing association buying power to procure development work; and
- Manchester Athena — focused on housing associations working together to deliver projects on employment, skills, and health and well-being.

2. Strategic Report

Vine Street community mural

Our Neighbourhood Engagement team supports a community fun day in Gorton, Manchester to help celebrate the newly unveiled mural.

Review of the Year

In this section, we review our work during 2023/24.

Delivering Value for Money

A useful definition of *Value for Money* (VFM) is provided by the National Audit Office as the:

> "optimal use of resources to achieve the intended outcomes".

It follows that a well governed and managed organisation should achieve VFM by aiming to optimally use its corporate resources to deliver its defined corporate strategy.

For regulatory purposes then, the following review of our efforts to deliver our corporate strategy together with the assessment of the Group's performance against the Regulator of Social Housing's Value for Money Metrics (on pages 28–33) comprise our *Value for Money Statement* for 2023/24.

Corporate Strategy

The Group's *Corporate Plan* provides a long-term focus for our work. The Corporate Plan is based on the achievement of four Strategic Priorities:

- Caring for our customers, our assets and neighbourhoods
- Maintaining a strong corporate foundation
- Valuing staff
- Growing the business

Each Strategic Priority is mapped to medium-term Goals. Those that were in place for 2023/24 are shown in Table 1 on the following page.

Ultimately our Strategic Priorities will be achieved by a) delivering the key projects approved each year within the Corporate Plan; and b) through a strong focus on operational performance. Below, we provide an account of the progress of both of these areas in 2023/24.

Delivery of Key Projects

During 2023/24 the delivery of the Group's Corporate Plan was supported by the following key projects:

- Asset Management Strategy
- Community Investment Strategy
- Customer Care Strategy
- Development Strategy
- Governance Plan
- IT Strategy
- Jigsaw Support Strategy
- People Strategy
- Sustainability Strategy
- Treasury Management Strategy

Asset Management Strategy

During 2023/24, the Group continued its focus on delivering a programme of building safety and fire safety work and on providing effective responsive and planned maintenance services through its asset management work.

Building safety remains a key focus for the Group and the notable successes during 2023/24 were:

- Replacing 636 fire doors during the year. Overall, c. 2,500 doors have now been replaced under the Group's fire door plan which covers c. 17,000 doors group-wide, of which c. 7,000 are flat entrance doors.
- Completing the review and registration of 13 high-rise buildings under the Building Safety Act 2022.
- Completing the review of 250 timber balconies across the Group.

The Group has committed c. £26.8m of investment into building safety over the next five years.

The demand for routine repairs from our customers remained at elevated levels in comparison to our experience before the pandemic

Corporate Priority	Goal	Goal Target
Caring for our customers, our assets and neighbourhoods	Achieve top quartile overall customer satisfaction	31/03/2025
	Anticipate the future requirements of the revised Decent Homes Standard	31/03/2024
	Become a carbon neutral business	31/03/2050
	Provide £1.5m investment over three years into projects that benefit the social, economic or environmental fabric of our communities	31/03/2024
Maintaining a strong corporate foundation	Maintain G1 V1 ratings across the Group	Throughout
Valuing staff	Attain three star accreditation with Best Companies	31/03/2026
Growing the business	Deliver 4,000 homes in five years	31/03/2027
	Leverage external funding to deliver services to vulnerable groups	Throughout

Table 1: 2023/24 Strategic Priorities and Goals.

Figure 3: Jigsaw maintenance technician

and the Group's performance for routine repairs for 2023/24 remained marginally outside of target. While the Group was able to respond and act quickly to complete the most urgent repairs, some routine repairs took longer than expected, due to competing priorities and appointment availability. To meet growing demands the Group recruited an additional 56 colleagues in 2023/24 and has already seen improvement in performance.

Public interest in and a heightened awareness of damp and mould as a health issue remained a key feature of 2023/24 and there continued to be relatively higher numbers of damp and mould repairs and disrepair claims received by Jigsaw in comparison to previous years.

The Group closely monitors disrepair and ensures that the board is sighted on the active disrepair caseload. During the last 12 months, 25 reports of new disrepair cases were received on average each month.

During 2023/24, the Group continued to strengthen its customer care training and revisions to processes to optimise its response to reports of damp and mould. Alongside this, the Group continues to review the customer journey through its key asset management services to ensure customer expectations are met.

Community Investment Strategy

The Community Investment Strategy commits the Group to a Neighbourhood Plan model, which uses data on neighbourhood deprivation to steer resources to those communities in most need, focusing on the themes of:

- Employment & Skills
- Financial Wellbeing
- Health & Wellbeing
- Environment & Demand

The UK's cost of living crisis and specifically, the associated impact of fuel poverty on residents, continued to be a focus for the Group's teams over the financial year.

During the year, a total of 4,058 residents were advised on how to use energy more effectively and were provided with 421 food bank vouchers, 275 winter warmer packs, and 24 *cooking on a budget courses*. The Group gave financial support to four local food pantries which served 214 families every week with affordable food.

In 2023/24, the Group increased its *Hardship Fund* to a total provision of £125,000 and in the year approved 335 applications, providing £100,887 of assistance to residents who found themselves in severe financial difficulties during the year.

In 2023/24, 1,661 referrals were made to the Jigsaw Employment Training (JET) team to assist residents in gaining employment. During the year, 585 residents completed training courses, 21 received business start-up advice and seven received a start-up grant. Alongside this, 48 volunteering opportunities were created.

The *Jigsaw Foundation* which provides access to funding for tenants and community groups working in their own neighbourhoods, continues to thrive and it supported 81 group-wide projects with funding totalling £446,532.

Customer Care Strategy

2023/24 was another busy year for our two contact centres.

A programme of reviews of customer communication was initiated, which has led to improvements to processes and materials received by customers. Use of Jigsaw's online tenant portal grew, reaching 25% of the volume of telephone calls into the Group.

Figure 4: Delivering specialist suport advice to Tameside residents.

During the year, *Connect*, the Group's customer contact service, restructured how advisors take calls, and enhanced its advisor support. This resulted in sustained improvement in call response figures in the final quarter of the year.

The Tenancy Sustainment team supported 160 tenants, with 30% of referrals coming from arrears recovery and early intervention teams, helping residents to secure backdated Universal Credit payments, reducing arrears and maintain tenancies. In addition, during the year, the Group's Wellbeing Navigators supported more than 400 tenants and Jigsaw Support customers.

Development Strategy

The Group's Development Strategy supported a record number of 929 new homes delivered in the year — the highest since the formation of the Group — against a target of 906.

During the year, the Group entered into contract on a further 545 homes, resulting in c. 1,800 homes under construction across 53 sites at the year-end. Our largest active site is a 210 home scheme at Bourne Road in Skelmersdale, Lancashire.

Unfortunately, 2023/24 saw further contractor insolvencies affecting two large live sites, delaying the development of 336 new homes. A contractor for one site was reprocured relatively quickly and works are now progressing. The other site, the Group's modern methods of construction (MMC) pilot in the Midlands, has proven to be more challenging and it took considerable time and effort to identify a firm replacement, with a new contractor being appointed in July 2024.

From April 2023, the Group has been installing alternative forms of electric heating including air source heat pumps on new home developments funded by Homes England grant.

In the year, the Group began preliminary work to progress its first zero-carbon housing scheme and will now proceed to develop a pilot site in Manchester during 2024/25.

Figure 5: 21 new homes for social rent and shared ownership in the village of Sutton Bonington, Nottinghamshire.

The market for shared ownership sales remained buoyant throughout Jigsaw's areas of operation. 102 sales were completed during the year, with some planned completions impacted by the delay from the MMC scheme in the Midlands.

We are actively seeking to develop in 37 local authority areas throughout the North West and East Midlands. We plan to resource a further 1,945 homes by 2026.

Governance Plan

Work during the year focused on progressing learnings from our prior preparations for the new regulatory regime which came into effect on 1 April 2024, following changes introduced by the Social Housing (Regulation) Act 2023. Particular attention has been given to complaints handling to ensure compliance with the statutory Complaint Handling Code and to the collection of Tenant Satisfaction Measures (TSM), in line with the Regulator of Social Housing's (RSH) core set of defined measures. Work over the coming year will focus on the issues identified through the Group's first TSM results.

During the year, the Group welcomed Roli Barker as new Group Chair, and Brian Moran was promoted to be Jigsaw's new Group Chief Executive. In addition, two new board members were recruited to the Group board one of whom was appointed as Chair of the Group's Remuneration and Nominations Committee. Jigsaw Support also welcomed two new board members. Preparations for six planned board member retirements across the group member boards in 2024/25 are currently underway.

Other work focused on streamlining the Group's landlord subsidiaries governance arrangements, through the operation of contemporaneous board meetings. This work will be progressed further during 2024/25.

Our residents helped the board to take customer-focused decisions in the year. Our tenant scrutiny panel made 14 recommendations for improvement as an outcome of two tenant scrutiny projects undertaken in 2023/24 which considered the Group's approach to damp and mould and the cost of living crisis. Meanwhile, the membership of Jigsaw Rewards — our main vehicle for tenant consultation — grew slightly in the year to 2,918 members (2023: 2,665) and enabled the Group to undertake 51 consultations with residents in the year which helped inform policy development and corporate planning.

Jigsaw is committed to publishing an annual ESG report in line with the Sustainability Reporting Standard for Social Housing. The latest version of the report can be found here.

For further information on the Group's governance arrangements, please see further details on page 26.

Information Technology Strategy

Intrinsic to the Group's IT Strategy is its strong emphasis on security controls and as a result the Group experienced no cyber security breaches in the year. The Group's IT team strengthened its capabilities for dealing with attempted breaches and, with the assistance of colleagues throughout the organisation, foiled a number of attempted attacks. Some key security technologies were upgraded and a new security partner was appointed to help Jigsaw counter the increasing sophistication of cyber threats. The Group recorded some significant milestones in its implementation of MS365, including the roll-out of *Office 365* and selection of *Sharepoint on-line* as its document management solution.

NEC Housing remains the Group's key business application. The Group plans to extend its usage of NEC Housing and will manage its planned maintenance programme using the system, commencing with a pilot for the 2024/25 roofing programme.

Jigsaw Support Strategy

During 2023/24, Jigsaw Support match funded £250,000 secured from the Department for Work and Pensions (DWP), which enabled the Group to continue its Greater Manchester-wide *Motiv8* programme. This project supported more than 550 people during the year with one-to-one keyworker support to overcome multiple barriers and progress towards job search training and employment. Participants also reported improvements to their general wellbeing, overall confidence and their management of personal finances. A further 12 months' funding has been confirmed by the DWP for 2024/25 of £493,000 to support a further 500 individuals.

The Group helped 42 people become more confident with numeracy skills through the delivery of the *Multiply* programme, and via Manchester Athena, the Group is delivering the *Support to Succeed* project, in both the Tameside and Wigan boroughs, helping economically inactive people move towards employment.

The Group's Safer Accommodation team received 230 referrals during the year for individuals and families fleeing domestic abuse and in 2023/24 improved security measures were fitted to 104 properties.

Through the *Rough Sleeper Accommodation Programme*, in 2023/24 the Group delivered 12 one-bedroom flats in Tameside to support people who are, or who are at the risk of sleeping rough.

Notably in the year, Jigsaw secured capital and revenue funding for three new *Single Homeless Accommodation Programme* schemes, in Manchester, Oldham and Tameside to provide intensive support to enable young care leavers and others who are, or who are at risk of sleeping rough, to move to independent living.

Following a successful tender, the Group had a major success in the year in securing the *Bridges Domestic Abuse* contract for five years with a possible further five-year extension at a value of £1 million per annum. Additionally the Group also secured funding for its hospital discharge service for a further 12 months.

In 2022, Jigsaw piloted a carpets and furniture scheme to test the demand for and the impact of furnished tenancies in general needs accommodation. In 2023/24 the Group allocated an allowance of £100,000 for carpets, blinds, white goods and furniture. This pilot has proved hugely successful, benefitting 103 tenants, helping to support 100% tenancy sustainability for benefitting customers and 100% customer satisfaction. For 2024/25, budget provision has been provided for £200,000 to grow this initiative further.

People Strategy

Employee wellbeing remains a key priority for the Group. Efforts in this area in 2023/24 were focused on promoting flexible working and developing and promoting opportunities for colleagues to remain fit for work — mentally and physically. Alongside its existing provision of a *Wellbeing Fund* and regular health checks, in 2023/24, the Group introduced a *Rest, Reset and Recharge* day which colleagues can take whenever they choose.

During the year, the Group held several *Time to Talk* wellbeing sessions on a range of topics and continued to promote diversity and inclusion through the work of the *Equality Street* employee group.

Jigsaw is committed to continue to improve its employee engagement work utilising the *Jigsaw Voice* colleague consultation body, and the Group remains committed to achieving three-star "world class" accreditation with *Best Companies* within three years.

Sustainability Strategy

The Group's efforts to reduce carbon emissions continued to concentrate on improving the energy efficiency of its homes. A summary of the Group's green house gas emissions and energy usage is set out in the Streamlined Energy and Carbon Reporting (SECR) disclosures on page 34.

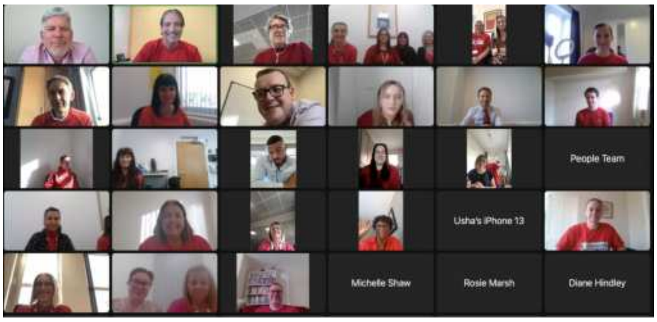


Figure 6: 50 colleagues join Aaron Willis, guest speaker and former contestant on The Apprentice, for a *Time to Talk* on 'Show Racism the Red Card'.

During 2023/24, the Group improved a further 1,041 properties to a rating of Energy Performance Certificate C. In addition, the Group was successful in securing c. £1.5 million of match funding from the Social Housing Decarbonisation Fund Wave 2 to support the Group's *Fabric First* approach to raising the insulation standards of its homes.

During the year, the Group carried out retrofit assessments to 299 properties group-wide. This resulted in 913 individual measures needed, of which 277 have been have completed in the year. This includes the installation of 30 solar photo-voltaic (PV) systems, and 73 properties benefited from high retention storage heaters. Commercial air source heat pumps were installed during 2023/24 at three of our Housing for over 55's schemes at a cost of c. £800,000.

The Group continues to investigate the role that new technologies can play in helping to achieve net carbon zero and as a result it has committed c. £3.8 million in 2024/25 for solar PV systems, increasing insulation, draughtproofing, ventilation and low energy lighting upgrades.

Jigsaw is committed to publishing an annual ESG report in line with the Sustainability Reporting Standard for Social Housing. The latest version of the report can be found here.

Treasury Management Strategy

Following the successful 2022 £350 million Sustainability Benchmark Bond issuance, the Group completed a strategic review of its short to medium term treasury and security arrangements during the year, to ensure they remain fit for purpose before the Group's next approach to the general funding markets.

As a result of this review, in December 2023 the Group via Jigsaw Treasury Limited, succesfully revised its funding arrangements with its lender partners and raised a further c. £106 million of net new facilities from these funders. This additional new liquidity will dovetail with the proceeds from the bond, to support the Group's continuing development of new affordable housing over the short to medium term. The project also delivered wider financial covenant harmonisation and optimisation, with an efficient use of existing charged security in line with our *Security Management Strategy*.

Work continues in relation to the Security Management Strategy to ensure the Group is in a position to maximise future funding opportunities as and when they arise.

The Group has aligned the 2022 bond issuance to its *Sustainable Finance Framework* (SFF) and publishes an annual *Use of Proceeds Report* highlighting the allocation and impact report against its SFF.

The SFF is aligned with the social housing sector's *Sustainability Reporting Standard* and was created to support the raising of financing to fund a range of environmentally and socially sustainable projects led by the Group. As a social housing group, Environmental, Social and Governance (ESG) considerations such as zero carbon targets, affordability, safety and resident voice are at the heart of what the Group undertakes. The Group has recently published its latest report on its ESG performance.

Operational Performance

The Group has established a suite of performance measures which are monitored by the board and by Risk & Audit Committee on a quarterly basis. Year end Key Performance Indicator (KPI) performance is shown in Table 2 on page 17 and is discussed below.

In 2023/24, the Group began to measure performance against the Regulator of Social Housing's (RSH) Tenant Satisfaction Measures (TSM) which comprise perception survey measures of satisfaction and management information based measures for key areas of service (complaints, anti-social behaviour, repairs, home maintenance and building safety).

	KPI	KPI priority	Target	Actual	Trend
	Caring for our customers our assets and neighbourhoods				
	Carbon emissions	VH	1415	968.53	↑
	Current Tenant Arrears	VH	3.12%	2.97	↑
	Income Collected	VH	99%	99.9%	↑
	CRM actions completed	H	80%	88.57%	↓
	Customers who agree that employee was polite	H	97%	97.1%	↑
●	% of non compliant Jigsaw Support contracts	H	8%	9.1%	↓
	Satisfaction with Repairs	H	88.0%	88.67%	↓
●	TSM: % of homes for which all gas safety checks have been carried out	H	99.9%	99.55%	—
	TSM: % of homes for which required fire risk assessments where completed	H	100%	100%	—
	TSM: % of homes that do not meet the decent homes standard	H	1%	0.3%	—
●	Void Loss	H	1.3%	1.63%	↓
	RIDDOR incidents	M	8	6	↓
	Abandoned Calls	M	10%	10%	↑
●	Average Time for Non-Emergency Repairs (no of days)	M	11	12.1	↓
●	Component replacements	M	2,940	2,810	—
●	Enquiry Resolved at First Point of Contact	M	75%	68.41%	↑
●	Median Void Length – General Needs (no of days)	M	18	45	↑
●	Median Void Length – Retirement Living (no of days)	M	20	29	↑
	Money advice provided (no of tenants)	M	3,150	3,419	↑
	Number of logins to online services	M	28,500	29,610	↑
	Number of Properties Below Level C	M	6,200	5,884	↑
●	Properties compliant with gas safety requirements at quarter end	M	100%	99.99%	↑
●	Properties with Invalid Gas Certificates during Reporting Period	M	0	3	↓
	Satisfaction of tenants with new home	M	80%	90.18%	↑
	Satisfaction with handling of ASB Case	M	80%	86.3%	↑
●	TSM: Complaints responded to within handling timescales	M	80%	72.26%	—
	TSM: Complaints per 1000 properties (Contextual measure)	M	–	10.03	—
	TSM: Emergency repairs completed within target timescale	M	97%	98.84%	—
●	TSM: Non emergency repairs completed within target timescale	M	80%	78.14%	—
	TSM: % of homes for all other required safety checks have been carried out	M	100%	100%	—
	TSM: ASB cases per 1000 properties (Contextual measure)	M	–	15.66	—
	Valuing staff				
●	Compliance With Mandatory Training	M	100%	99.44%	↑
	Compliance With Other Essential Training	M	98%	99.6%	—
	Employee Sickness	M	4.4%	4.13%	↑
	Employee Turnover	M	3.75%	3.65%	↑
	Maintaining a strong corporate foundation				
	EBITDA MRI Interest Cover	VH	125.31%	142.83%	↓
●	Gearing	VH	50.7%	47.66%	↑
	Headline Social Housing Cost Per Unit	VH	£4,167	£4,107	↓
●	Operating Margin	VH	25.58%	24.18%	↓
●	Reinvestment	H	13.15%	9.72%	↑
	Return on Capital Employed	H	3.12%	3.25%	↑
	Growing the business				
●	New Property Sales	H	140 units	106 units	↑
	New Supply Delivered	H	2.53%	2.59%	↑
●	Starts on Site	H	756 units	545 units	↓

● Out of target performance ↑ improving year-on-year trend ↓ deteriorating year-on-year trend — no change in trend.

Table 2: Quarterly KPI performance at year end (financial data based on unaudited management accounts.)

Caring for Our Customers, Our Assets and Neighbourhoods

Table 2 shows that 19 of the 31 KPIs established to monitor the delivery of this strategic objective were achieved in the year.

During 2023/24, in this area the performance of the following very high or high priority KPIs did not meet target levels:

- TSM: Percentage of homes for which all required gas safety checks have been carried out.
- Void loss.

For the *TSM: Percentage of homes for which all required gas safety checks have been carried out* KPI, checks for 45 properties had not been completed by 31 March 2024. However, 42 of these properties were fully compliant with the Group's policy for gaining access to undertake the safety checks. The remaining three were Housing for Over 55s scheme's plant rooms which are serviced by contractors. All three services were completed in early April 2024.

Void loss performance was 1.63% at 31 March 2024, slightly higher than the target for the year of 1.3%. In the period since January 2024, the Group invested additional resource to this area, to return previously long-dated void properties to letting in Q4 2023/24 and Q1 2024/25. As a result of this intervention, void loss performance for general needs properties and Housing for Over 55s schemes plateaued in March 2024 and since then has begun to fall.

Maintaining a Strong Corporate Foundation

Table 2 shows that three of the six KPIs established to monitor the delivery of this strategic objective were achieved in the year.

During 2023/24, in this area the performance of the following very high or high priority KPIs did not meet target levels:

- Operating Margin.
- Reinvestment.

Operating Margin stood at 24.2% at the year end, slightly lower than the annual target of 25.6%. This was as a result, in the main, of lower than expected capitalised component replacements being achieved in the year. Some of the Group's planned maintenance works unfortunately experienced delays in the year, due to competing resource pressures and the need to redeploy our in-house installers to deal with damp and mould, disrepair and void works.

The *Reinvestment* KPI target was not met at the year-end due to delayed development spend and fewer than expected component replacements taking place in the year compared to budget. Lower development spend than target arose as a result of lower than expected starts-on-site for the year.

A summary of the Group's recent financial results is shown in Table 3 on page 21 and highlights of the Group's financial position are shown in Table 4 on page 21.

The board is pleased to report that *Operating Surplus* amounted to £56.2m or 26% of turnover.

Jigsaw holds a rating with Moody's Investors Service of A2 with stable outlook.

Throughout 2023/24, the Group worked to review its treasury arrangements which culminated with the Group successfully increasing its net facilities by over £100m, including optimising both its revolving credit facilities and financial covenants.

With regard to loan finance, during the year the Group repaid £62.8m in line with agreed debt profiles. £83m of loan finance was drawn-down in the year. At the year-end gross debt borrowings amounted to £838.1m, maturing as outlined in Note 20 to the financial statements.

Valuing Staff

Table 2 shows that three of the four KPI targets established to monitor the delivery of this strategic objective were achieved in the year[2].

The *Compliance With Mandatory Training* target was narrowly missed but positive progress was made in the year. Notably *Employee Sickness* and *Employee Turnover* had better than target performance throughout the whole of 2023/24.

[2]These KPIs are measured at Group level only. All metrics and commentary relate to the Group as a whole.

Growing the Business

Table 2 shows one of three KPIs established to monitor the delivery of this strategic objective was achieved in the year.

During 2023/24, in this area the performance of the following very high or high priority KPIs did not meet target levels:

- New Property Sales.
- Starts on site.

During 2023/24, the Group's development programme continued to recover from the disruptions caused by the COVID-19 pandemic.

The shortfall in the *New Property Sales* metric for 2023/24 versus the annual target has been caused by the delay to the handover of MMC units in the East Midlands.

The Group's *Starts on Site* performance of 545 units was below the target of 695 units for 2023/24 due to a number of delays with new business progress. Planning submissions and decisions were delayed on a number of pipeline schemes and in addition decisions on Continuous Market Engagement (CME) funding bids during the final quarter of the year were delayed, impacting on Jigsaw's ability to progress into contract on those particular schemes.

In 2023/24 the Group delivered 929 units of affordable housing, as shown in Figure 7.

The economic impact of housing development can be estimated through the National Housing Federation's Local Economic Impact Calculator.

An estimate of the impact of the Group's development activity during the year is shown in Table 5. 2,288 jobs are estimated to have been supported through the Group's investment in new development in the year.

Homes provided	Jobs supported	Impact
929	2,288	£125m

Table 5: Local economic impact of housing development 2023/24.

The Group's provision of new housing generates wider value for society as new housing provides people with better places to live.

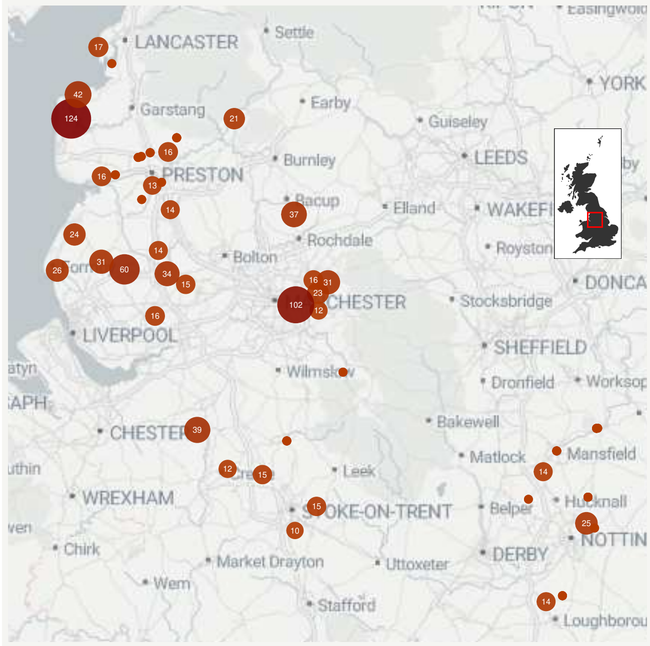


Figure 7: New affordable housing delivered in 2023/24.

Through careful architectural design, the Group's housing developments also contribute to improvements to the general built environment and towards efforts to reduce carbon emissions. Figure 8 on page 20 presents a selection of the new housing delivered by the Group's members in 2023/24, showcasing high design standards.

The Group's *Development Strategy* will yield 1,945 new affordable homes between 2024 and 2026.

This is expected to inject an additional £232m into local economies, supporting in excess of 4,259 jobs per annum.

At 31 March 2024, 1,687 properties were on-site.

The board's view of the key risks to the business and an explanation of how these are mitigated is included in the analysis of the Group's corporate risk position at the end of the financial year on page 36.

Figure 8: Good design in new housing 2023/24.

Year	Turnover £'000	Operating expenditure £'000	Operating surplus %	Retained surplus £'000	Retained surplus %
2020	180,934	120,374	35	32,434	18
2021	191,373	108,408	38	20,665	11
2022	191,395	129,644	31	60,751	32
2023	200,869	150,244	24	40,928	20
2024	**215,086**	**156,241**	**26**	**19,429**	**9**

The above figures are extracted from previous financial statements based on accounting standards effective at those dates.

Table 3: Five-year financial performance.

Year	2024	2023	2022	2021	2020
Housing properties at cost	1,879,103	1,606,211	1,502,838	1,421,879	1,346,984
Stock	17,652	7,493	6,260	15,394	6,166
Investments	3,035	3,247	3,039	3,178	
Cash at bank and short term deposits	37,622	61,872	96,985	96,192	80,662
Creditors amounts falling due within one year	74,085	52,163	50,922	52,194	38,654
Net current assets / (liabilities)	2,758	43,647	80,636	89,434	85,105
Total assets less current liabilities	1,679,057	1,483,088	1,437,179	1,382,493	1,321,959
Creditors amounts falling due after more than one year	1,164,909	993,436	974,804	961,508	930,802
Capital and reserves	505,712	445,356	384,605	363,940	331,506

The above figures are extracted from previous financial statements based on accounting standards effective at those dates.

Table 4: Five-year financial position.

Future Plans

The board approved its *Corporate Plan 2024-2031* in June 2024 — an abridged version is available on the Group's website.

Jigsaw remains focused on its core business of building, renovating and managing affordable housing for rent and sale. It will continue the work to help regenerate neighbourhoods and increase life opportunities for disadvantaged individuals and communities, working towards its mission of:

"Creating homes. Building lives."

Creating Homes - Looking After Our Existing Homes and Tenants

Managing and maintaining our homes is what the Group and its customers set as their top priority.

The Group will build on its strong practice of property safety checks and responsive repair service by implementing *Awaab's Law* to provide reassurance to residents that they will have a rapid resolution to issues surrounding damp and mould and other safety hazards in their homes.

The Group will continue to modernise high-rise blocks, improving thermal efficiency, and ensuring compliance with new safety regulations.

The Group aims for its responsive and void property repairs process to be as hassle-free as possible for customers

During the period of the Corporate Plan, the Group's planned maintenance programme will deliver improvements to up to one-half of its properties.

With the urgency of climate change, the Group is prepared to implement technologies that become available as viable replacements for gas heating, while focusing on improving the fabric of homes. Under its Sustainability Strategy, Jigsaw will pilot a zero-carbon housing development and launch a sustainability innovation fund, to support projects that may provide future solutions. To ensure that investment in properties is effective, the Group will need to update the information held about the condition of every home.

Managing homes also means collecting rents that fund services for customers. Jigsaw will continue to explore strategies to make it easy for customers to pay their rent alongside continuing to provide money advice service for customers experiencing or at risk of financial difficulty.

Each year, Jigsaw expects over 2,000 of its homes to be vacated. The demand for available homes continues to far outstrip supply. Alongside working in partnership with local authorities, applying lettings policies that combine meeting the most acute need (e.g. people who become homeless) with creating balanced and sustainable neighbourhoods, the Group will deliver a project to incentivise existing tenants to free-up larger properties if they no longer need a home of that size.

In the first two years of its Corporate Plan, Jigsaw will complete its existing new home development programme which is on track to deliver 4,000 new homes over five years.

The landscape for affordable housing development is expected to become clearer following the next General Election in 2024/25. Jigsaw is well-placed and poised to take advantage of renewed Government funding and will explore options to become a Homes England strategic partner to benefit from the guarantees involved in that programme.

The shape of Jigsaw's development programme will be influenced by:

- The availability of Government funding.
- A new rents settlement.
- Local authority housing strategies, matched to Jigsaw's priorities, such as focusing on development in locations where we can deliver services that maintain the Group's operational efficiency.
- Opportunities that arise.

New homes will be built to high standards and low carbon usage, with non-gas heating installed. In the period of its Corporate Plan, the Group plans to develop a net carbon neutral scheme in partnership with the Greater Manchester Authority and will continue to explore modern methods of construction.

Building Lives - Investing in Our Communities

Jigsaw recognises it has a responsibility to its communities more widely, which it aims to fulfil through a range of investment activities.

These activities will be designed to support other aspects of customers' lives, in particular:

- Employment, skills and training.
- Financial wellbeing.
- Health and wellbeing.

Each year, the Group will set aside c. £500,000 for local groups, organisations and initiatives to bid for, with the award of the majority of the money determined by our customers.

As the cost of living crisis remains a significant issue in the lives of many Jigsaw residents, the Group will provide a range of services that can ease poverty, including help furnishing a home, energy assistance, money and benefits advice and employment support.

Through the *Neighbourhood Plan* approach, every two years the Group will review priorities and, based on evidence, adapt investment themes, where necessary.

To live successfully in our homes, many customers need some form of support. The Group will continue to provide a range of services, where funding allows to continue its focus on:

- Homelessness prevention and supported accommodation services
- Care Leavers
- Tenancy Sustainment
- Agency Managed
- Domestic abuse services
- Employment support
- Wellbeing.

Throughout the Corporate Plan period, the Group will continue to look for new business opportunities for supported housing and re-tender for existing services.

In the context of the UK's ageing population, the Group will aim to expand on its current portfolio of older persons housing schemes, alongside its rolling programme of upgrades to the communal areas of these schemes.

Many customers living in our general needs accommodation also require some assistance to live successfully in their homes and make use of Jigsaw's services. The Group will strengthen processes for recording individual needs to help tailor its services.

3. Governance

Waddow View

Nine homes for shared ownership and five for affordable rent in Clitheroe.

Corporate Structure and Governance

The structure of the Group's corporate and governance arrangements are shown in Figure 9 on page 27. Figure 9 highlights how the Group uses overlapped boards to simplify its governance arrangements and to make the best use of the shared skill-set of board members and directors.

Table 6 on the next page sets out the demographics of the board in comparison to the diversity of the Group's residents and to the wider region.

Board Members Serving at the End of the Financial Year

Roli Barker

Chair of the Group board

Attendance: 4/4 100% (Board), 2/3 67 % (Jigsaw Homes North), 1/1 100% (R&N Committee)

Roli is a Director at the Big Life Group and trustee at The Lowry theatre in Manchester. Before moving into the charity sector, Roli delivered international projects for corporate and not-for-profit organisations.

During her career, Roli has led community engagement projects across the UK for the London 2012 Olympic and Paralympic Games and a project to transform private renting in Greater Manchester.

Gill Brown

Chair of Jigsaw Support

Attendance: 4/4 100% (Board), 4/4 100% (Jigsaw Support), 4/4 100% (R&A Committee), 4/4 100% (R&N Committee)

Gill serves as a non-executive for a large teaching hospital – Mersey and West Lancashire Teaching Hospitals NHS Trust. Previous roles include governing body member for NHS Southport and Formby Clinical Commissioning Group and chief executive for Healthwatch Lancashire.

Gill has also had a number of years' experience of working in the NHS in a variety of clinical, research and board roles.

Paul Chisnell

Executive Director of Finance

Attendance: 4/4 100% (Board), 4/4 100% (Jigsaw Funding), 4/4 100% (Jigsaw Treasury)

Paul is Jigsaw's executive director of finance. Paul joined the Group in 2009 and is responsible for the Group's approach to treasury management and the provision of Group finance services including income collection.

Paul has developed a strong commercial background through his previous directorships with a range of independently owned businesses in the North West of England. He is particularly experienced in company funding including work with the venture capital sector.

Bridget Groarke

Chair of Risk & Audit Committee

Attendance: 4/4 100% (Board), 4/4 100% (R&A Committee)

Bridget is co-founder and director of Commercial Compass Limited, a business and management consultancy.

Bridget has strong legal experience, and has previously held a number of influential roles including Head of Corporate and Legal for the Co-operative Group Ltd and Legal Counsel EMEA for Intervoice Brite Limited.

Abdul Jabbar

Attendance: 1/1 100% (Board), 1/1 100% (R&N Committee)

Abdul is a Councillor and Cabinet member for Finance and Corporate Resources at Oldham MBC.

Abdul brings expertise in financial strategy, corporate governance, and financial performance to the board along with a passion for delivering outstanding services for our customers.

Keryn Jalli

Attendance: 1/1 100% (Board)

Keryn is a Community Safety Manager for Cambridge City Council.

She is an experienced Safer Communities professional, with a 10-year record of successfully delivering multi-agency partnerships and projects covering issues such as the resettlement of asylum seekers and refugees, anti-social behaviour, hate crime, gang violence and domestic violence.

Demographic	Local Area	Tenants	Board
% who are women	51	53	58
% who are ethnic minorities	14	9	25
% who have a disability	19	5	17
% who are lesbian, gay or bisexual	3	Unknown	8
% who identify with a religion	67	Unknown	58
% who were educated at state school	c. 94	Unknown	17
Average age (years)	41	39	54

Source: ONS data from 2021 Census: for gender, ethnicity, disability, sexuality, religion and age, the region used is North West, national data is used in the case of schooling.

Table 6: Demographic composition of the board.

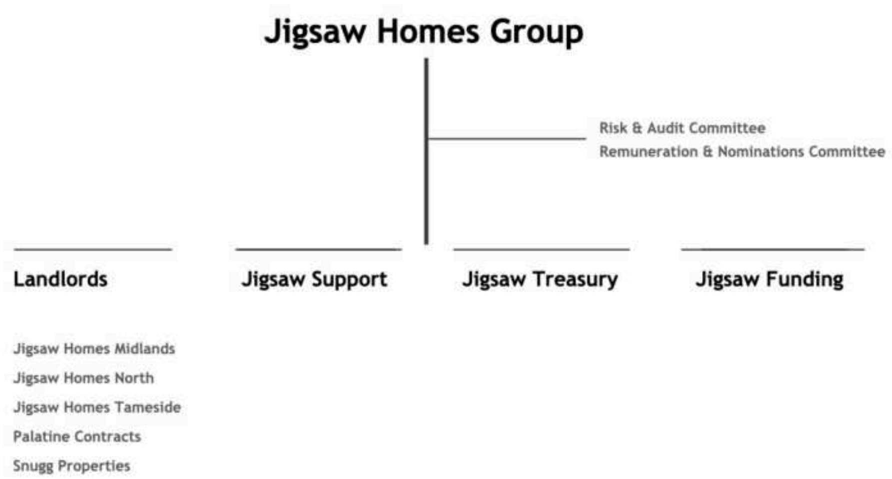


Figure 9: Corporate and governance structure — board meetings for the organisations that fall under Landlords are held contemporaneously using overlapped meetings.

Melvin Kenyon

Attendance: 4/4 100% (Board), 4/4 100% (Jigsaw Homes Midlands), 4/4 100% (R&N Committee)

Melvin brings a wealth of knowledge from his prior executive roles in both the private and public sectors along with substantial risk management and information systems experience.

Melvin currently also serves as a non-executive director of Ongo Homes and he is a member of Nottingham Trent University's Audit & Risk Committee.

Kathleen Marshall

Group Director of Development People

Attendance: 4/4 100% (Board), 4/4 100% (Jigsaw Funding), 4/4 100% (Jigsaw Treasury)

Katie is Jigsaw's Group Director of Development & People and has worked for the Group for over 25 years with key responsibility for the Group's delivery of 4,000 homes over a five year development strategy. Also she is the lead and has responsibility for the delivery of the Group's People Strategy with firm commitment to Equality, Diversity and Inclusion.

Evelin Matley

Attendance: 4/4 100% (Board), 2/2 100% (Jigsaw Funding), 2/2 100% (Jigsaw Treasury), 2/2 100% (R&A Committee)

Evelin is a retired former senior banker who spent more than 25 years of her career specialising in lending to the social housing sector, most recently at Santander UK PLC but also with BNP Paribas.

Her previous experience was also gained in private finance initiative project finance.

Brian Moran

Group Chief Executive

Attendance: 4/4 100% (Board), 1/1 100 % (Jigsaw Homes North), 4/4 100% (Jigsaw Funding), 4/4 100% (Jigsaw Treasury)

Brian took on the role of Group Chief Executive of Jigsaw in December 2023. He has lead responsibility to work with the board of management to develop and implement corporate strategy.

Brian held the post of Deputy Chief Executive and Company Secretary at Jigsaw since the Group was formed in 2018. He has 17 years' experience at executive level, having worked previously as Director of Corporate Services. Brian has a research background and is highly experienced in data analysis. During his career he has ran and developed a range of central services including those focused on customer service, governance, corporate planning, resident involvement, regulation, information technology, marketing and communications, and human resources.

Tim Ryan

Chair of Landlord board

Attendance: 4/4 100% (Board), 4/4 100% (Jigsaw Homes Midlands), 1/1 100% (Jigsaw Homes North), 1/1 100% (Jigsaw Homes Tameside)

Tim is director of Volute Limited, a digital development agency which creates websites, apps and learning management systems for universities, the NHS and private sector organisations. He is a registered architect and previously had a career in social housing property development.

Annabel Todd

Chair of Jigsaw Funding plc and chair of Jigsaw Treasury Limited

Attendance: 4/4 100% (Board), 4/4 100% (Jigsaw Funding), 4/4 100% (Jigsaw Treasury), 2/2 100% (R&A Committee)

Annabel is a banking and lending specialist with an MSc and BSc in Banking Practice and Management and is a Fellow of the London Institute of Banking and Finance. Annabel spent most of her career with the Royal Bank of Scotland plc, but is now Business Development Director and runs the North West office for BREAL Zeta, who are a specialist funder lending money to large domestic and international corporates with complex capital structures.

Value for Money Metrics

The board has considered the latest annual financial benchmark information published by the Regulator of Social Housing (RSH). This information includes a series of Value for Money (VFM) metrics covering the 'value for money cost chain' areas of *economy*, *efficiency* and *effectiveness*.

Context

The new data published by the regulator covers the 2022/23 financial year, the fifth year following the formation of Jigsaw Homes Group. The following points highlight the key internal and environmental factors impacting on the Group at that time which may reasonably be expected to influence the VFM metrics:

- The cost of living crisis remained a dominant theme throughout 2022/23. The UK's 40–year high inflationary environment during 2022/23 — driven particularly by energy costs — placed budgetary pressure on the Group. In general, we can expect cost inflation to impact all of the value for money metrics with particular influence on increasing *Headline Social Housing Cost Per Unit*, reducing both measures of *Operating Margin*, as well as reducing the *EBITDA-MRI Interest Cover* metric.
- The demand for repairs from our customers had bounced-back in 2021/22, following the removal of social contact restrictions associated with the COVID-19. We had expected demand to return to pre-pandemic levels but, unexpectedly, requests for repairs remained at elevated levels throughout 2022/23. We can expect this to have increased *Headline Social Housing Cost Per Unit*, reduced both measures of *Operating Margin*, as well as reducing the *EBITDA-MRI Interest Cover* metric.
- Continued disruption to the Group's new homes development programme in 2022/23, caused by delays to schemes via material supply issues and scarce availability of skilled labour, alongside asset management work programmes being focussed towards more non-capitalised maintenance work is

expected to affect the *Reinvestment* and *New Supply – Social Housing* KPI targets.

Headline Results

Table 7 on page 30 sets out the consolidated VFM metrics results for Jigsaw Homes Group for three years to 2022/23.

Table 7 shows that performance against six of the metrics were outside of the Group's targets at the year end. Meanwhile five metrics changed by more than sector norms year-on-year as indicated by the Δ symbol.

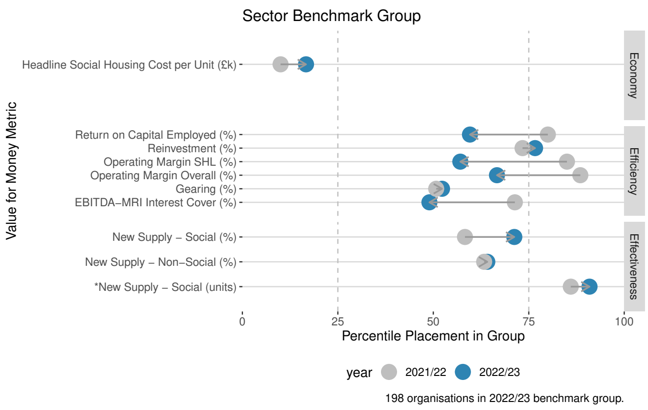


Figure 10: VFM metrics — year-on-year comparison of Jigsaw to all large providers of social housing. *New Supply - Social (units) is not one of the regulator's VFM metrics but is provided here for additional context.

Benchmarking

In a recent publication, the RSH emphasise the importance of benchmarking the VFM metrics, encouraging in particular the use of the metrics "to benchmark and challenge performance against relevant peer groups, both at a sector and sub-sector level".

Given the RSH's observations, and in the interests of full transparency, Jigsaw presents its consolidated performance in comparison to both the sector's national average performance and also to a tailored sub-sector benchmark group[3].

We have selected the sub-sector benchmark group by simply selecting organisations with the following characteristics in the RSH's dataset:

- Organisations with a regional wage index within the range of those reported for North West based housing associations where the majority of Jigsaw's operations are located.
- Organisations that are traditional housing associations or well-established stock transfer associations, such as the organisations which are members of our Group.

This sub-sector benchmark group includes 87 organisations in the 2022/23 data (101 in the 2021/22 data). It has the advantage of including all of the organisations that we consider to be our regional competitors whist accounting for the two most important differences between social housing providers that are known to impact on unit costs (regional wages and the age of the organisation)[4].

Figure 10 and Figure 11 on the current page and on the following page show Jigsaw Homes Group's consolidated position for each of the regulator's value for money metrics relative to the sector as a whole and to our sub-sector benchmark group, respectively. The Group's relative performance against its peers between 2021/22 and 2022/23 is shown through the Group's percentile placement in each years' benchmark group[5].

National Benchmarking

Jigsaw's position:

- Best performing quartile: 2 RSH VFM metrics (2021/22: 4)
- Interquartile range: 7 RSH VFM metrics (2021/22: 5)
- Lowest performing quartile: 0 RSH VFM metrics (2021/22: 0)

Figure 10 compares Jigsaw to the national sector data published by the regulator. It shows that

[3] For benchmarking purposes, we have chosen to use the 'consolidated' datasets published by the RSH to minimise the risk of intra-group transactions distorting the metrics which is a possibility within the 'entity' dataset.

[4] VFM Technical Regression Report, RSH, 2018

[5] To illustrate: the Group's 2021/22 *Headline Social Housing Cost per Unit (£k)* result places on the 10th percentile nationally. It follows that 100 - 10 = 90% of the organisations in this peer group recorded a higher Headline Social Housing Cost per Unit than Jigsaw.

	2022/23	2021/22	2020/21
Economy			
Headline Social Housing Cost per Unit	● △ £ 3.98k	△ £ 3.33k	£ 2.72k
Efficiency			
Return on Capital Employed	● △ 3.0%	△ 4.0%	5.1%
Operating Margin — Overall	● △ 21.5%	△ 28.8%	36.6%
Operating Margin — Social Housing Lettings	△ 21.3%	△ 31.5%	41.1%
Gearing	45.7%	△ 44.1%	45.0%
Reinvestment	● 9.5%	● 8.3%	● △ 6.5%
EBITDA MRI Interest Cover	● △ 124.3%	● 189.0%	△ 224.3%
Effectiveness			
New Supply — Non-Social Housing	0%	0%	0.0%
New Supply — Social Housing	● 2.0%	● 1.6%	△ 1.6%

● Out of target performance. △ A movement on the previous year in excess of the national norm.

Table 7: Consolidated VFM metric results for Jigsaw Homes Group.

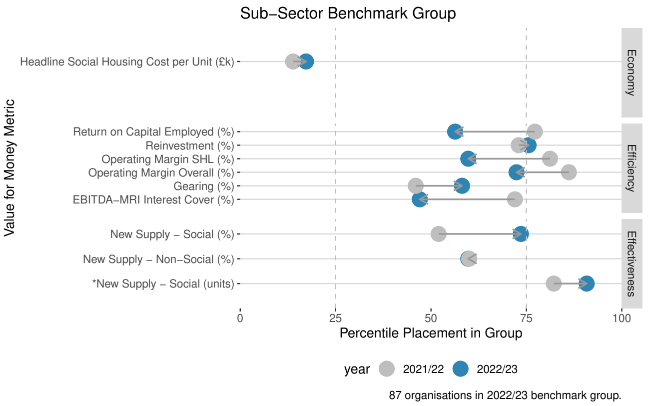


Figure 11: VFM metrics — year-on-year comparison with sub-sector benchmark group. *New Supply - Social (units) is not one of the regulator's VFM metrics but is provided here for additional context.

Jigsaw placed in the lowest cost quartile for *Headline Social Housing Cost Per Unit* in both 2022/23 and 2021/22. Meanwhile, with the exception of *Reinvestment*, the Group's perfomance against the remaining KPIs, has for 2022/23 moved into the interquartile range, whereas *Reinvestment* has moved into the upper-quartile range.

The Group's placement in the national data for *Reinvestment* at 9.5% continues the upward trend from the previous year, showing an increase relative to the peer group, placing at the 77th percentile compared to 73rd in 2021/22.

Sub-Sector Benchmarking

Jigsaw's position:

- Best performing quartile: 2 RSH VFM metrics (2021/22: 4)
- Interquartile range: 7 RSH VFM metrics (2021/22: 5)
- Lowest performing quartile: 0 RSH VFM metrics (2021/22: 0)

Figure 11 compares Jigsaw to a sub-sector benchmark group which includes our regional competitors. Similar to the national benchmarking results, it shows that the Group again places mainly within the interquartile range, but also notably within the lowest cost quartile for *Headline Social Housing Cost Per Unit* and in the upper quartile for *Reinvestment*.

The Group's position in the peer group with respect to *New Supply – Social Housing (%)* has significantly increased to the 74th percentile in the 2022/23 data from the 52nd percentile in 2021/22, as a result of the Group's delivery of new social housing units again increasing year-on-year to 701 units in 2022/23 from 554 units in 2021/22.

Discussion

There are three notable features in this year's data:

- Jigsaw's low but increasing *Headline Social Housing Cost per Unit* relative to benchmarked peers.
- Jigsaw's significantly positive movement in the *New Supply – Social Housing (%)* metric relative to benchmarked peers.

- Jigsaw's negative movement across four of the RSH's efficiency metrics relative to benchmarked peers.

These three features are discussed below.

Headline Social Housing Cost Per Unit

As shown in Figure 10 and Figure 11, Jigsaw's *Headline Social Housing Cost per Unit* has consistently placed in the lowest cost quartile and has remained low relative to peers. This has been primarily due to its relatively low capitalised maintenance expenditure being expenditure that extends the useful life of its properties such as investment in structural elements of homes or in the replacement of key components, notably kitchens, bathrooms and boilers.

The Group's relatively low capitalised maintenance costs are largely explained by the position that the Group's stock is in with regard to the cycle of component replacements. c. 55% of the Group's current stock is from stock transfer associations that undertook large investment programmes between 2005 and 2010 and as the Group has been in a low point in the cycle of component replacements for bathrooms and kitchens. The Group is however now moving into a period where it expects this expenditure to increase relative to previous years.

In addition to the impact of this component replacement cycle, the Group was affected by an enhanced level of repair requests from customers compared to previous norms. We had expected demand for repairs from our customers to return to pre-pandemic levels, but requests for repairs remained at elevated levels throughout 2022/23 and this has had a direct impact on increasing *Headline Social Housing Cost Per Unit* as well as reducing other efficiency value for money measures.

The UK's high inflationary environment during 2022/23 especially the well documented hikes in energy costs, placed significant cost pressures on the Group in that year. Although the Group was subject to this cost pressure, a decision was made to accelerate certain elements of the Group's major works programme and to utilise an element of the Group's financial headroom in order to future-proof this workstream against future cost increases. These factors all had the direct result of increasing the *Headline Social Housing Cost Per Unit* metric, as well as impacting on other efficiency value for money measures.

The Group's development programme, in combination with its operating model, had a countereffect on the Group's *Headline Social Housing Cost per Unit*. The Group's consistent delivery over many years of relatively high numbers of new homes reduces overall costs per unit, as new homes should require no planned, and relatively low responsive maintenance expenditure, whilst attracting only marginal increases in management costs in the initial years from handover.

The Group's experience to date has also been that such costs of management increase more slowly than the addition of new homes due to economies of scale, such as the Group being able to spread the fixed costs for existing services across more homes, and to absorb the demand from new tenants within the capacity of existing services such as contact centres.

New Supply - Social Housing (%)

A main element of its mission of "Creating homes, Building lives", will see Jigsaw continuing to grow by delivering new homes by developing a range of new affordable housing that will meet housing need across the communities in which it operates.

Despite a challenging year with continued disruption to the Group's new homes development programme in 2022/23 — through delays to schemes via material supply issues and the scarce availability of skilled labour — only 9% (2022: 14%) of organisations both at the national and sub-sector levels delivered more new social housing in 2022/23 than Jigsaw.

The Group remains committed to its fully-funded Development Strategy of 4,000 units for the five-year period from 2021 to 2026 and against a target of 906 homes, it successfully delivered 929 new homes in 2023/24 and entered into contract on a further 545 homes, resulting in approximately 1,687 homes being under construction as at 31 March 2024, across 53 sites in 26 local authority areas.

With this continuing success, we would expect to see high performance relative to peers in the *New Supply – Social Housing (%)* metric into the future.

Efficiency Metrics

As shown in Table 7, the following efficiency metrics changed year-on-year by more than sector norms:

- *Return on Capital Employed*
- *Operating Margin – Overall*
- *Operating Margin – Social Housing Lettings*
- *EBITDA MRI Interest Cover*

The movement in these four efficiency metrics is again largely influenced by the increase in *Headline Social Housing Cost per Unit* as described on page 31 and these metrics are all impacted by the relatively lower surplus the Group generated in 2022/23.

A further contributing factor to the year-on-year movement in Jigsaw's efficiency metrics can also be explained by the effect of relatively more new homes being brought into management than its peers. New homes generated increases in turnover, at relatively low marginal costs of management.

The Group's *EBITDA MRI Interest Cover* metric has not only been impacted by the Group's lower surplus resulting from increasing *Headline Social Housing Cost per Unit*, but also from an increase in funding costs compared to peers, derived from the first period following the Group's debut bond issuance drawn in May 2022. Both these factors had the impact of reducing the *EBITDA MRI Interest Cover* metric in 2022/23.

The Group's expects that as the funds secured through the 2022 bond issuance are utilised to deliver the Group's development programme, the surplus from these new units as they become let, will help to improve the *EBITDA MRI Interest Cover* metric, as these surpluses will begin to offset the funding cost.

Conclusions

This analysis shows that overall Jigsaw performs well across all of the VFM metric themes of economy, efficiency and effectiveness. The Group remains a high performer both when compared to a) the national sector dataset published by the regulator and; b) also when compared to a smaller sub-sector benchmark group of organisations that share similar regional wage levels and organisational characteristics.

In both cases, the key themes that emerge from the data are the same:

- Jigsaw Homes Group benefits from relatively low operating costs and continues to generate higher surpluses relative to its peers.
- Surpluses are put to good use with Jigsaw recording solid performance against the *New Supply – Social Housing (%)* metric which measures the number of new homes produced as a proportion of owned homes. In terms of actual numbers of new social homes produced, it can be seen that Jigsaw continues to be one of the sector's largest developers.

Looking to the future, Jigsaw's performance against the regulator's VFM metrics will be influenced by the following factors:

- The Group's future costs of operations are expected to continue to increase to support planned investment in its homes. This will further suppress surpluses and act to reduce performance as measured by several of the VFM metrics.
- On the other hand, the continued delivery of significant numbers of new homes will enable the Group to generate increases in turnover at relatively low marginal costs of management, acting to increase performance as measured by several of the VFM metrics.
- The cost-of-living crisis remained a dominant theme throughout 2022/2023, not only for Jigsaw but for our customers. At Jigsaw, part of our response to the crisis to support our tenants was to develop our own plans to voluntarily limit our rent increases for 2023/24 to 5% for Affordable Rents, below the government's rent cap of 7%.
- The sector's reputation has been severely damaged by repeated media reports of

sub-standard housing and poor customer service following the tragic death of Awaab Ishak and the quality of homes provided by the entire sector is now under greater scrutiny. We anticipate potentially major revisions to the Decent Homes Standard in the near future. It is expected that additional expenditure in relation to this will act to reduce performance as measured by several of the VFM metrics in the future.

Through the delivery of the Group's Corporate Plan (see page 22), the board anticipate that the VFM targets shown in Table 8 on page 34 will be achieved over the coming years.

Metric	2023/24	Targets 2024/25	2025/26	2026/27
Reinvestment (%)	9.54	9.41	6.25	5.86
New supply delivered: Social housing units (%)	2.60	2.27	2.35	1.32
New supply delivered: Non-social housing units (%)	–	–	–	–
EBTIDA MRI Interest cover (%)	137.11	117.67	148.69	138.82
Headline social housing cost per unit (£k)	4.12	4.62	4.40	4.48
Operating Margin: Overall (%)	24.69	25.22	27.79	28.51
Operating Margin: Social housing lettings (%)	25.01	24.77	26.71	27.16
Return on capital employed (%)	3.35	3.36	3.50	3.51

Table 8: VFM metrics latest financial year performance and future targets.

Corporate Responsibility

Employees

The Group recognises that the success of the business depends on the quality of its managers and employees. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

The board is aware of its responsibilities on all matters relating to health & safety. The Group has prepared detailed health & safety policies and provides employee training and education on health & safety matters.

Diversity and Inclusion

The Group recognises its responsibilities to provide equality of opportunity, eliminate discrimination and promote good relations in its activities as a landlord, managing agent, employer, contractor, partner and purchaser.

We are totally opposed to all forms of discrimination on the grounds of race, national origin, ethnic origin, nationality, religion or belief, gender, gender reassignment status, marital status, pregnancy or maternity, sexual orientation, disability or age.

The Group's policy in this area is available to download from the Jigsaw website: search for "equality and diversity".

We publish a report about the fairness of employee pay which considers the differences in the average pay of our staff by gender, our *gender pay gap* and also by ethnicity, our *ethnicity pay gap*. The headline figures that we report are the mean and median gaps in hourly pay.

As at 31 March 2023 our reportable mean gender pay gap was 5.8% and the median gender pay gap was 12.4%[6].

With regard to ethnicity, our results at 31 March 2023 are a mean ethnicity pay gap of 8.5% and a median ethnicity pay gap of 6.1%[7].

A full report on this topic is available to download from the Jigsaw website: search for "pay gap".

Modern Slavery and Human Trafficking Statement

The Group is absolutely committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking.

The Group's policy in this area is available to download from the Jigsaw website: search for "modern slavery".

Streamlined Energy and Carbon Reporting (SECR)

Consolidated green house gas emissions and energy usage for Jigsaw Homes Group for 2023/24 are reported below in accordance with 2019 UK Government Environmental Reporting Guidelines. Emissions for the whole Group are disclosed below in order to report on the Group's full activities.

[6] A positive number indicates a pay gap in favour of men, a negative number indicates a pay gap in favour of women.

[7] A positive number indicates a pay gap in favour of "white" ethnic groups, a negative number indicates a pay gap in favour of other ethnic minorities.

Methodology

In calculating emissions, the Group has used the methodology set out in GHG Protocol Corporate Accounting and Reporting Standard (revised edition). In accordance with the Standard, the Group has set the reporting boundary to include emissions measurable within the operational control of the Jigsaw Homes Group.

The Group is required to report on:

- scope 1 — direct emissions from sources that are owned or controlled by the Group.
- scope 2 — emissions from the generation of purchased electricity consumed by the Group.

The Group's primary business is the provision and management of housing. The Group has therefore chosen the metric *total scope 1 and scope 2 emissions in tonnes of* CO_2e *per home in management* as a measure of its intensity ratio.

The Group also reports on the mandatory element of scope 3 emissions[8], business travel.

The Group has used emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2022 to calculate relevant disclosures. The emissions from the Group's housing stock were calculated using SAP 10.2 values. Homeworking emissions were calculated using the methodology laid out in the white paper by EcoAct.

UK Emissions

Table 9 on page 36 summarises scope 1, scope 2 and scope 3 emissions.

Energy Efficiency Action

A key principle for the Group is to provide residents with housing that is energy efficient and affordable, to ensure they can heat their homes and at the same time making sure utility bills remain as low as possible.

During the year ended 31 March 2024, Jigsaw has made progress in working towards upgrading the energy efficiency of its housing properties. As at 1st January 2024, 17% of the Group's properties remain below EPC C and the Group continues to prioritise improvements to those homes in line with Jigsaw's *Asset Management Strategy* and continued funding from the Social Housing Decarbonisation Fund (SHDF).

The Group has adopted the DREam domestic stock modelling system to help determine retrofit priorities, which will provide the Group's forward plan for homes to be improved to a minimum EPC C between 2024 and 2030.

In the reporting year some notable successes included:

- Secured a further £1.5 million from the SHDF Wave 2 fund to support the programme of internal and external wall insulation, energy efficient lighting, air source heat pumps (ASHP) and high retention storage heaters. At the end of this stage of the project, the Group will have invested more than £4.7 million to help improve its homes.
- The EPC ratings of 2,804 homes were improved from D or below to C or above through a combination of retrofit improvements, including external and internal insulation, high retention heaters, solar PV panels and ASHPs.
- The retrofit installation of ASHPs into 83 homes through the Group's sustainability pilots.
- Invested c. £1.0 million in new hybrid systems at three Housing for Over 55 schemes incorporating ASHPs and smart thermostatic heating controls.
- the continued review of procurement procedures to ensure that contractors and suppliers consider sustainability in their operations.

The Group's 30 Year Financial Plan includes significant financial commitments amounting to c. £384.8 million to progress the Group's zero carbon and sustainability agenda.

During the coming financial year the Group's energy efficiency action priorities are:

[8] Being those emissions that are a consequence of the activities of the Group, but occur from sources not owned or controlled by the Group.

	Activity data	2024 unit	tCO_2e	Activity data	2023 unit	tCO_2e
Scope 1						
Combustion of gas for heating offices and communal areas of housing stock	18,307,720	kWh	3,348	22,477,395	kWh	4,103
Combustion of fuel for transport purposes	587,269	l	1,092	527,419	l	1,419.00
Refrigerants and other process gases from own maintenance activities	15	kg	28	15	kg	28
Total scope 1			**4,468**			**5,550**
Scope 2						
Purchased electricity (location based)	4,976,109	kWh	94	6,199,376	kWh	117
Total scope 1 & 2			**4,562.00**			**5,667**
Intensity ratio			**0.13**			**1,133**
Scope 3						
Business travel	361,065	miles	99.17	519,082	miles	143

Table 9: Jigsaw Homes Group carbon emissions.

- Delivering the Group's SHDF Wave 2 programme of retrofit works including the installation of external wall insulation, solar panels and ASHPs.
- Creating a *Sustainability Innovation Fund* to set aside savings generated through procurement of energy contracts, to enable the Group to mobilise quickly when new grant funding opportunities become available.
- Bidding for match funding through the £1.25 billion SHDF Wave 3 fund to support the Group's sustainability plans between 2025 and 2028.

Risk Management and Internal Controls

The board has overall responsibility for the system of internal control and risk management across the Group and for reviewing its effectiveness. The board also take steps to ensure the Group adheres to the Regulator of Social Housing's *Governance and Financial Viability Standard and its associated Code of Practice*. Risk & Audit Committee is responsible to the board for monitoring these arrangements and reporting on their effectiveness.

Risk Management

Figure 12 on page 37 summarises the Group's risk register at 31 March 2024. The assessment shows 64 risks which could impact on the delivery of the Group's corporate objectives categorised by the impact areas of 'People', 'Strategic', 'Financial', 'Business Interruption' and 'Reputation'.

Figure 12 shows how the Group's risk register is dominated by 'People' risks — predominantly health & safety and safeguarding concerns. We have adopted comprehensive policies in both of these areas to ensure that these risks are given due attention.

The Group's controls work to mitigate the likelihood or impact of risks. As a result, the residual assessment of all risks fall within the acceptable levels defined in the Group's *Risk Management Strategy*.

Our most significant residual risks are:

- Failure of controls leads to death or injury from fire.
- Ineffective safeguarding of staff, customers and third parties.
- Requirements to achieve carbon neutrality are cost prohibitive.
- Death or serious injury (Staff / 3rd party).

The area of each rectangle is proportional to the assessment of Inherent Risk, darker shading indicates higher Residual Risk.

Figure 12: Risk analysis.

- Inability to recruit appropriately skilled employees.
- Delays to development programme.
- Cyber disruption.
- Loss of skills and knowledge.
- Adverse publicity.
- Unsatisfactory regulatory returns.
- Breach of regulatory framework.

In accordance with the Group's *Risk Management Strategy*, the risk register is reviewed quarterly by the Group's Risk & Audit Committee and by board. The committee presides over a programme of internal audit work which is based on the risks identified.

Internal Controls Assurance

The board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2023 up to the date of approval of this document.

Key elements of the control framework include:

- Formal policies and procedures are in place, including the documentation of key processes and rules for the delegation of authorities (Scheme of Delegation). These policies and procedures are reviewed by the board and executive management team on an agreed cycle.
- A performance management framework is in place to provide monitoring information to

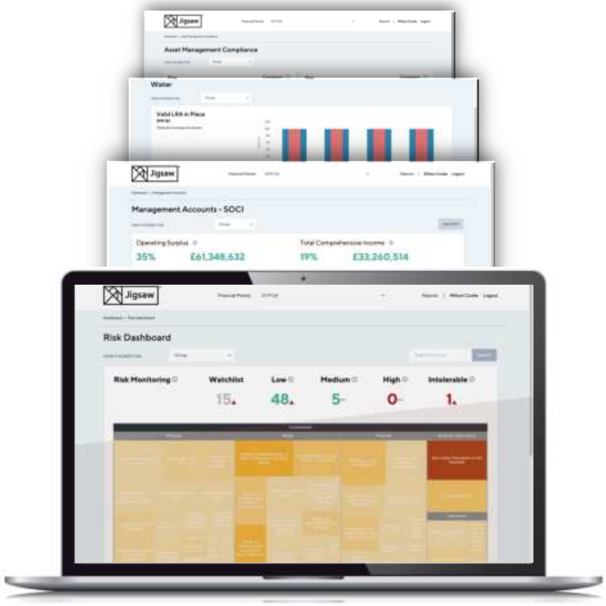


Figure 13: Examples from the Group's suite of performance dashboards.

the board and management. Employee progress against agreed, documented objectives is formally reviewed.

- Management report regularly on risks and how these are managed.
- The board receives quarterly information on the financial performance of the business together with a summary of key performance indicators covering the main business risks.
- Forecasts and budgets are prepared which allow the board and management to monitor financial objectives and risks. Monthly management accounts are prepared promptly and reported to board on a quarterly basis; with significant variances from budget investigated and accounted for. This reporting includes the monitoring of all loan covenants.
- There is a robust approach to treasury management supported by third party advisors.
- Regular monitoring of loan covenants and requirements of new loan facilities is in place.
- All significant new initiatives and projects are subject to formal appraisal and authorisation procedures by the appropriate board with clear links to the requirements of the Risk Management Policy.
- The Remuneration and Nominations Committee has oversight of the Group's approach to board appraisal, recruitment and succession.
- Experienced and suitably qualified employees are responsible for important business functions.
- A co-sourced internal audit service is provided by the Group, incorporating a team managed by a qualified, full-time employed audit manager complemented by third party expertise. The Risk & Audit Committee approves the annual audit plan and reviews internal audit reports as well as those from management and any third-party reviews including reports from tenant scrutiny.
- The Risk & Audit Committee reports quarterly to the board and reviews the assurance procedures, ensuring that an appropriate range of techniques is used to obtain the level of assurance required by the board.
- Risks are identified, assessed and documented in a risk register with details of how each risk will be managed. The risk register is reviewed on a quarterly basis by the executive management team and Risk & Audit Committee. Quarterly risk updates are also provided to each board within the Group. Internal audit independently reviews the risk identification procedures and control process implemented by management and reports to Risk & Audit Committee.
- The executive management team also reports to the board on significant changes in the business and external environment which affect significant risks.
- The Group's *Probity, Anti-Fraud and Whistleblowing Policy* clearly lays out the approach to be taken with respect to whistleblowing, anti-corruption and fraud.
- The Risk & Audit Committee and board review and approve this statement of the Group's internal controls assurance.

- A theft and fraud register is maintained by the Group Company Secretary and any fraud is reported to the Risk & Audit Committee.

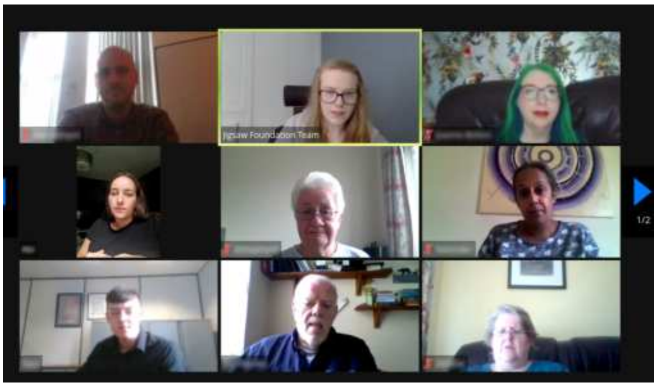


Figure 14: Our tenant scrutiny panels undertake deep-dive investigations into areas voted for by tenants.

The Group uses various financial instruments including loans, cash and other items such as rent arrears and trade creditors that derive directly from its operations. The main purpose of these financial instruments is to raise finance for the delivery of the Group's objectives.

The existence of these financial instruments exposes the Group to a number of financial risks. The main risks arising from the Group's financial instruments are considered by board to be interest rate risk, liquidity risk and credit risk. In accordance with its *Risk Management Policy* and *Treasury Management Strategy*, the board reviews and agrees policies for managing each of these risks as summarised below.

Interest Rate Risk

The Group finances its operations through a mixture of retained surpluses and various debt borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and variable rate facilities.

The Group currently borrows from a variety of lenders at both fixed and floating rates of interest. The Group's *Treasury Management Strategy* targets the level of fixed rates of interest to be up to 100% of its loan portfolio. At the year-end 94% (2023: 95%) of borrowings were at fixed rates between 10.9% and 2.1% with an average borrowing rate of 4.91%.

Liquidity Risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs and to invest cash assets safely and wisely.

The Group has a clear focus on cash collection and monitors cashflow forecasts closely and regularly, to ensure it has sufficient funds to meet its business objectives, pay liabilities when they fall due and ensure adequate liquidity with respect to emerging risks.

With respect to short term liquidity, at the year-end the Group had access to £40.7m (2023: £113m) of both cash balances and short term investments held as cash together, together with access to c. £335m (2023: £259m) of undrawn committed Group bank facilities. In addition, the Group retains £100m of retained bonds with a long–stop date of May 2027.

Credit Risk

The Group operates a prudent policy in respect of funding counterparties and aims to minimise the risk of financial loss or liquidity exposure associated with any counterparty. Short term investments are widely diversified and are kept at a minimum by temporarily repaying revolving credit facilities in order to manage working capital requirements. During 2024 all cash investments were held with counterparties which met the requirements of Group's *Treasury Management Strategy*.

The Group seeks to minimise the credit risk relating to tenant rent arrears through its robust recovery procedures, providing support to existing tenants where necessary and by undertaking affordability assessments with applicants for new tenancies. The Group's money advice service provides the necessary support to tenants and the Group's arrears recovery team closely monitors tenant arrears as a whole.

Unregulated Subsidiaries

The Group has a number of unregulated subsidiaries which traded in the year (see page 52). They are managed and monitored under the same internal control framework as outlined above.

There is no detrimental financial risk to the Group should the unregulated subsidiaries cease operations at any point as their assets exceed their liabilities.

Compliance

This document has been prepared in accordance with applicable reporting standards and legislation. The board confirms that the Group has complied with the regulator's *Governance and Financial Viability Standard*.

Code of Governance

During 2023/24 the Group's Code of Governance was *Code of Governance 2020* (National Housing Federation, 2020). The board is pleased to report full compliance with the Code with the following exception:

The Group has decided not to impose a six year limit on the term of office of board members who were appointed prior to the adoption of the Code as this would have required an excessive churn in board members. Rather, the Group has adopted a board member recruitment strategy which seeks to smooth the replacement of board members in order to minimise disruption in the board room and ensure continued good governance. New board members will be appointed on the expectation that they will normally serve a maximum of six years.

Regulatory Framework

The Group is subject to the Regulator of Social Housing's Regulatory Framework. The board is pleased to report full compliance.

Statement of Responsibilities of the Board for the Report and Financial Statements

The board members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Under the Co-operative and Community Benefit Societies Act 2014 and social housing legislation the board are required to prepare financial statements for each financial year in accordance with *United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards)* and applicable law.

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the *Statement of Recommended Practice for registered housing providers: Housing SORP 2018* 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 members are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions of the Group and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the report of the board is prepared in accordance with the *Statement of Recommended Practice for registered housing providers: Housing SORP 2018*.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going Concern

Based on the following assessment the board is comfortable that the Group continues to be a going concern and have therefore produced financial statements on a going concern basis.

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The board approved the Group's 2024/25 budget prior to the start of the financial year and approved the Group's thirty year financial plan shortly afterwards. The board is content that these plans were affordable and that the financial statements should be prepared on a going concern basis.

The Group board reviewed a range of scenarios and stress tests in order to fully understand the potential impact on the thirty year financial plan and the Group's loan covenant position. This considered how alternate projections for inflation, interest rates and house prices impact on the Group's loan covenant position. The alternate projections for inflation, interest rates and house prices arise from three different macroeconomic scenarios:

1. A central forecast based on estimates published in the Economic and Fiscal Outlook by The Office for Budget Responsibility in the short to medium term and in the longer term on sector norms as advised by the Group's treasury advisors.
2. The 2022 Bank of England stress test scenario which envisages deep simultaneous recessions in the UK and global economies, large falls in asset prices and higher global interest rates.
3. A *Black Swan Event* which — perhaps stretching the limits of plausibility — combines the worst independent ten year movements in recent memory of each macroeconomic variable[9] into a single unprecedentedly challenging scenario.

For the purposes of the stress test, the board selected scenarios where combinations of key risks unexpectedly materialise to present medium and long term impacts to the business. The board also explored both the medium and long term impacts occurring at the same time to present the business with an unprecedentedly challenging *Perfect Storm* of severe materialised risks.

The Group board continues to review the Group member's financial plans with the executive team to make any necessary changes and continue to work with our customers and stakeholders to deliver our services.

The Group has access to long-term debt facilities and sufficient liquidity, which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group's long-term financial plans show that it is able to service debt facilities whilst continuing to comply with lenders' covenants.

The board is, to the best of its knowledge, satisfied that covenant compliance is maintained throughout the life of the plan on the basis that the thirty year financial plan has been stress tested to withstand significant composite risks materialising without breaching lender covenants, thus confirming the future viability of the Group.

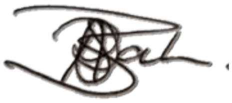
Auditor

All of the current board members have taken the steps that they ought to have taken to ensure they are aware of any information needed by the Group's auditor for the purposes of their audit, and to establish that the auditor is aware of that information. The board members are not aware of any relevant audit information of which the auditor is not aware.

Beever and Struthers has expressed their willingness to continue in office as the Group's auditors.

[9] Specifically the house price movements experienced during 2008–2018, interest rate movements in 1971–1980, increases in inflation experienced between 1960–1969, and the rent reductions imposed during 2016–2020.

Approved by the Board on 12th September 2024
and signed on its behalf on 12th September 2024
by:



Roli Barker

Group Chair

More Affordable Homes for Lenton

Work gets underway to transform a former furniture warehouse into 34 new affordable apartments.

4. Financial Statements

Independent Auditor's Report to the Members of Jigsaw Homes Group Limited

Opinion on the Financial Statements

We have audited the financial statements of Jigsaw Homes Group Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the Group and Association statement of comprehensive income, the Group and Association statement of financial position, the Group and Association statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of principal accounting policies in Note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 Group's or 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 the information included in the Strategic Report, 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 except to the extent otherwise explicitly stated in our report, 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 where we are required by the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; 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 Responsibilities set out on page 40, 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 Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Extent to Which the Audit Was 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 noncompliance 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 2014, 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 2022, 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

Use of Our Report

This report is made solely to the Association as a body, 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 as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers, Statutory Auditor

For and on behalf of
Beever and Struthers
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 25 September 2024

Statement of Comprehensive Income

Year ended 31 March 2024		**2024**		**2023**	
		Group	**Association**	**Group**	**Association**
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Turnover	3	215,086	71,617	200,869	66,014
Cost of sales	3	(5,733)	–	(7,513)	–
Operating expenditure	3	(156,241)	(71,532)	(150,244)	(65,910)
Profit on disposal of fixed assets	5	3,075	–	5,698	–
Operating surplus	**8**	**56,187**	**85**	**48,810**	**104**
Interest receivable	6	2,282	160	2,237	31
Interest and financing costs	7	(36,870)	(137)	(37,883)	(923)
Movement in fair value of Investment Properties	13	(35)	–	–	–
Surplus/(deficit) before tax	**8**	**21,564**	**108**	**13,164**	**(788)**
Taxation	9	(46)	(46)	210	210
Surplus/(deficit) for the year after tax		**21,518**	**62**	**13,374**	**(578)**
Other comprehensive income					
Actuarial gain in respect of pension schemes	30	11,583	10,583	90,221	78,189
Effect of the asset ceiling	30	(13,939)	(11,649)	(54,610)	(45,960)
Taxation	9	267	267	(8,057)	(8,057)
Total comprehensive income for the year		**19,429**	**(737)**	**40,928**	**23,594**

The results for the year relate wholly to continuing activities and the notes on pages 52 to 83 form an integral part of these Financial Statements.

The Financial Statements and notes on pages 52 to 83 were approved and authorised for issue by the Board on 12th September 2024 and signed on its behalf on 12th September 2024 by:

R. Barker
Chair

M. Murphy
Secretary

B. Moran
Executive Member

Statement of Financial Position

At 31 March 2024	Notes	2024 Group £'000	2024 Association £'000	2023 Group £'000	2023 Association £'000
Fixed assets					
Tangible fixed assets	12	1,675,270	2,728	1,548,318	2,788
Investment in Subsidiaries		–	50	–	50
Investment properties	13	1,029	325	1,064	325
Current assets					
Stock	14	17,652	678	11,893	591
Trade and other debtors	15	18,534	2,973	20,700	5,886
Investments	16	3,035	–	3,393	–
Cash and cash equivalents	17	37,622	8,254	109,515	4,996
		76,843	**11,905**	**145,501**	**11,473**
Less: Creditors: amounts falling due within one year	18	(74,085)	(9,812)	(64,564)	(9,107)
Net current assets		**2,758**	**2,093**	**80,937**	**2,366**
Total assets less current liabilities		**1,679,057**	**5,196**	**1,630,319**	**5,529**
Creditors: amounts falling due after more than one year	19	(1,164,909)	–	(1,132,743)	–
Provisions for liabilities					
Pension provision	30	(8,436)	(3,640)	(7,739)	(3,236)
Other provisions	19	–	–	(3,554)	–
Total net assets		**505,712**	**1,556**	**486,283**	**2,293**
Reserves					
Revenue reserve		505,712	1,556	486,283	2,293
Designated reserve		–	–	–	–
Total reserves		**505,712**	**1,556**	**486,283**	**2,293**

The Financial Statements and the notes on pages 52 to 83 which form an integral part of these Financial Statements, were approved and authorised for issue by the Board on 12th September 2024 and signed on its behalf on 12th September 2024 by:

R. Barker
Chair

M. Murphy
Secretary

B. Moran
Executive Member

Statement of Changes in Equity

Group	Revenue reserve £'000	Total £'000
Balance at 31 March 2022	**445,356**	**445,356**
Surplus from Statement of Comprehensive Income	13,374	13,374
Actuarial gain in respect of pension schemes (Note 30)	90,221	90,221
Pension surplus deemed not recoverable (Note 30)	(54,610)	(54,610)
Recognition of deferred tax asset	(8,057)	(8,057)
Balance at 31 March 2023	**486,283**	**486,283**
Surplus from Statement of Comprehensive Income	21,518	21,518
Actuarial gain in respect of pension schemes (Note 30)	11,583	11,583
Pension surplus deemed not recoverable (Note 30)	(13,939)	(13,939)
Recognition of deferred tax asset	267	267
Balance at 31 March 2024	**505,712**	**505,712**

Association	Revenue reserve £'000	Total £'000
Balance at 31 March 2022	**(21,301)**	**(21,301)**
Surplus from Statement of Comprehensive Income	(578)	(578)
Actuarial gain in respect of pension schemes (Note 30)	78,189	78,189
Pension surplus deemed not recoverable (Note 30)	(45,960)	(45,960)
Recognition of deferred tax asset	(8,057)	(8,057)
Balance at 31 March 2023	**2,293**	**2,293**
Surplus from Statement of Comprehensive Income	62	62
Actuarial gain in respect of pension schemes (Note 30)	10,583	10,583
Pension surplus deemed not recoverable (Note 30)	(11,649)	(11,649)
Recognition of deferred tax asset	267	267
Balance at 31 March 2024	**1,556**	**1,556**

Statement of Cash Flows

Year ended 31 March 2024	**2024**	**2023**
	£'000	**£'000**
Net cash generated from operating activities (see below)	**62,927**	**52,461**
Cash flow from investing activities		
Purchase of tangible fixed assets	(155,075)	(129,956)
Proceeds from sale of tangible fixed assets	13,076	12,261
Grants received	25,956	23,373
Interest received	3,454	2,487
	(112,589)	**(91,835)**
Cash flow from financing activities		
Interest paid	(42,781)	(34,286)
New secured loans	83,000	253,487
Repayment of borrowings	(62,809)	(132,036)
	(22,590)	**87,165**
Net change in cash and cash equivalents	**(72,252)**	**47,790**
Cash and cash equivalents at beginning of the year	112,909	65,119
Cash and cash equivalents at end of the year	**40,657**	**112,909**

	2024	**2023**
	£'000	**£'000**
Cash flow from operating activities		
Surplus for the year	21,518	13,374
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	24,295	21,250
Taxation expense	46	(210)
Net fair value losses recognised in profit and loss	35	(325)
(Increase)/decrease in stock and properties for sale	(5,759)	(4,400)
Decrease/(Increase) in trade and other debtors	308	5,579
Decrease in trade and other creditors	(1,964)	(8,492)
Pension costs less contributions paid	(1,977)	1,486
(Surplus)/deficit on the sale of fixed assets	(4,631)	(8,203)
Adjustments for investing or financing activities:		
Government grants utilised in the year	(3,459)	(3,246)
Interest payable	36,870	37,883
Interest receivable	(2,282)	(2,237)
Taxation paid/(received)	(73)	1
Net cash generated from operating activities	**62,927**	**52,461**

The notes on pages 52 to 83 form an integral part of these financial statements.

Notes to the Financial Statements

1. Legal Status

Jigsaw Homes Group Limited is incorporated in England 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 registered office is Cavendish 249, Cavendish Street, Ashton-under-Lyne, Tameside, OL6 7AT.

Jigsaw Homes Group Limited is a member of the Jigsaw Homes Group Structure (the Group), of which Jigsaw Homes Group Limited is the parent company. At the year end, the Group comprised the parent company and the following principal entities:

Name	Incorporation	RSH registration	Parent
Cavendish Property Developments Limited	Companies Act 2006	Non-registered	JHG
Jigsaw Funding PLC	Companies Act 2006	Non-registered	JHG
Jigsaw Homes Midlands	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Jigsaw Homes North	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Jigsaw Homes Tameside	Companies Act 2006	Registered	JHG
Jigsaw Support	Co-operative and Community Benefit Societies Act 2014	Non-registered	JHG
Jigsaw Treasury Limited	Companies Act 2006	Non-registered	JHG
Palatine Contracts Limited	Companies Act 2006	Non-registered	JHN
Snugg Properties Limited	Companies Act 2006	Non-registered	JHN

Table 10: Principal group members.

The board of Jigsaw Homes North is the corporate trustee of the James Tomkinson Memorial Cottages Trust.

2. Principal Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with applicable law, the United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 (SORP). The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated financial statements. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies.

The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of investments and are presented in pounds sterling.

Parent Company Disclosure Exemptions

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

- no cash flow statement has been presented for the parent company,
- disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole, and

- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

Basis of Consolidation

The Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March 2024. The consolidated financial statements incorporate the financial statements of the Association and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Going Concern

Based on the following assessment the board is comfortable that the Group continues to be a going concern and have therefore produced financial statements on a going concern basis.

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Board approved the Group's 2024/25 budget prior to 31 March 2024 and approved the Group's thirty year financial plan shortly afterwards. The board is content that these plans were affordable and that the financial statements should be prepared on a going concern basis.

The Group board reviewed a range of scenarios and stress tests in order to fully understand the potential impact on the thirty year financial plan and the Group's loan covenant position. This considered how alternate projections for inflation, interest rates and house prices impact on the Group's loan covenant position. The alternate projections for inflation, interest rates and house prices arise from three different macroeconomic scenarios:

1. A central forecast based on estimates published in the Economic and Fiscal Outlook by The Office for Budget Responsibility in the short to medium term and in the longer term on sector norms as advised by the Group's treasury advisors.
2. The 2022 Bank of England stress test scenario which envisages deep simultaneous recessions in the UK and global economies, large falls in asset prices and higher global interest rates.
3. A *Black Swan Event* which — perhaps stretching the limits of plausibility — combines the worst independent ten year movements in recent memory of each macroeconomic variable[10] into a single unprecedentedly challenging scenario.

For the purposes of the stress test, the board selected scenarios where combinations of key risks unexpectedly materialise to present medium and long term impacts to the business. The board also explored both the medium and long term impacts occurring at the same time to present the business with an unprecedentedly challenging *Perfect Storm* of severe materialised risks.

[10] Specifically the house price movements experienced during 2008–2018, interest rate movements in 1971–1980, increases in inflation experienced between 1960–1969, and the rent reductions imposed during 2016–2020.

The Group board continues to review the Group member's financial plans with the executive team to make any necessary changes and continue to work with our customers and stakeholders to deliver our services.

The Group has access to long-term debt facilities and sufficient liquidity, which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group's long-term financial plans show that it is able to service debt facilities whilst continuing to comply with lenders' covenants.

The board is, to the best of its knowledge, satisfied that covenant compliance is maintained throughout the life of the plan on the basis that the thirty year financial plan has been stress tested to withstand significant composite risks materialising without breaching lender covenants, thus confirming the future viability of the Group.

Judgements and Key Sources of Estimation Uncertainty

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

Development expenditure

The Group capitalises development expenditure in accordance with the accounting policy described on page 58. Initial capitalisation of costs is based on management's judgement when a development scheme is confirmed, usually when board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

Categorisation of housing properties

Property assets are classified as investment property or property, plant and equipment depending on the intended use of the property.

The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals.

Impairment

The Group has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management consider the detailed criteria set out in the SORP to identify factors which are considered to be a trigger for impairment including but not limited to:

- Changes in legislation.
- Long term voids/demand for properties.
- Material reduction in market value.
- Development issues.

If at the time of approving the annual financial statements, management are aware of any contractors being in liquidation, and therefore risk exists to the validity of an ongoing development, the Group will only perform an impairment assessment, if, once the future costs are known with certainty the development does not meet the approved appraisal criteria when reappraised.

The Group is then required to determine the level at which the recoverable amount is to be assessed. The Group has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

Tangible fixed assets

Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits and the present value of the net pension position reported in the Financial Statements depend on a number of factors and assumptions, including life expectancy, future salary increases and the discount rate on corporate bonds. Management review these factors and assumptions in the annual actuarial valuations alongside appropriate sensitivity analysis produced by the respective scheme actuary, when determining the net pension position to be reported in the Financial Statements. Variations in these assumptions could significantly impact the net pension position reported in the Financial Statements.

In assessing whether a defined benefit pensions scheme surplus is recoverable, the Group considers its current right to obtain a refund or a reduction in future contributions. The Group has therefore assessed the probability of recovery and the reliable measurement of any asset and has concluded that a nil position is appropriate where the calculation of the scheme position has indicated a net asset position.

Impairment of non-financial assets

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Turnover and Revenue Recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Revenue is recognised on completion if the sale of goods or services is short-term in nature. Where this is not the case, revenue is recognised in proportion to the stage of completion at the reporting date. Revenue recognition commences only when the outcome of the goods and services rendered can be reliably measured, by reference to individual terms and conditions within each service contract, and it is probable that the economic benefits associated with the contract will flow to the Group, otherwise it is recognised to the extent costs are incurred.

Supporting People contract income received from Administering Authorities is accounted for as 'Charges for support services'.

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required a provision may be built up over the years in consultation with residents. Until costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Loan Interest Costs

Loan interest costs are calculated using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loan and is determined on the basis of the carrying amount of the financial liability at initial recognition.

Loan Finance Issue Costs

Loan finance issue costs are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income in the year in which the redemption took place.

Bond Issue Costs

All of the Group's costs related to capital market funding services sourced by the Jigsaw Funding plc are recharged as interest in line with funding agreements to Jigsaw Treasury Limited, to whom the proceeds of such transactions have been on-lent and accounted for as interest receivable. These costs are then recharged from Jigsaw Treasury Limited to other members of the Group, in line with the amount of monies on-lent further.

Taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the year-end date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

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

Value Added Tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the financial statements are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.

Gift Aid

Donations payable to charitable entities within the Jigsaw Homes Group are treated as distributions and are presented within the Statement of Changes in Equity. The tax effect of gift aid payments is recognised in the surplus or deficit in the period in which it will be recognised for corporation tax purposes.

Tangible Fixed Assets and Depreciation

Housing properties

Housing properties are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, e.g. a local authority, are accounted for as a non-monetary government grant and are included as an asset and equal liability in the Statement of Financial Position at the fair value less consideration paid.

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

Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during their development.

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 the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Freehold land is not depreciated.

Improvements to housing properties that are expected to provide incremental future benefits are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in the surplus or deficit in the Statement of Comprehensive Income.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELS), each component is accounted for separately and depreciated over its individual UELS. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELS of the component categories.

UELS for identified components are as follows:

Component	Years
Boilers	15
Kitchens	20
Lifts	25–30
Bathrooms	30
Doors	30
Heating and electrical	30
Windows	30
Roofs	60–80
Structure	100

Table 11: Useful Economic Lives.

Other fixed assets

Other tangible fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following rates:

Asset type	Rate
Land & buildings	3.33% on cost or length of lease
Furniture, fixtures & fittings	10% per annum on cost
Office & computer equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

Table 12: Fixed Asset Depreciation Rates.

Capitalisation of Interest and Administration Costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Property Managed by Agents

Where the Group carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Group.

In both cases, the assets and associated liabilities are included in the Statement of Financial Position.

Leasing

Rental payments under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

Assets held under finance leases are included in the Statement of Financial Position and depreciated in accordance with the Group's accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the income statement for the period of the lease in proportion to the balance of capital repayments outstanding.

Investment Property

Investment property includes commercial and other properties not held for the social benefit of the Group.

Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Current Asset Investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Stock and Properties Held for Sale

Stock of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

Properties developed for shared ownership are reviewed at first tranche sale to ensure that the market value has not declined compared to the original appraisal assumption.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Debtors and Creditors

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

Sinking Fund

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

Financial Instruments

Financial instruments held are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at cost less impairment.
- Financial liabilities such as loans are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity are held at cost less impairment.

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

Financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account.

The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income immediately.

Development Agreement

A development agreement was in place with Gedling Borough Council where investment works had been identified and any VAT incurred was reclaimed under a VAT shelter agreement. On the Statement of Financial Position, the long term debtor and long term provision balances showed the commitment to carry out the work and the liability for the cost of the work. As at 31 March 2024, all works had been completed and no debtor or provision remain in the financial statements for 2023/24.

Social Housing Grant (SHG) and Other Government Grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income is included as part of turnover.

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Non-Government Grants

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

Recycling of Capital Grant

Where SHG is recycled, as described above, the SHG is credited to a fund which appears as a creditor in the Statement of Financial Position, until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year in the Statement of Financial Position.

lf there is no requirement to recycle or repay the grant on disposal of an asset any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Retirement Benefits

Defined benefit pension schemes

Under defined benefit accounting, for all such schemes the Group participates in, the scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The Group's Statement of Financial Position includes the net surplus or deficit, being the difference between the fair value of scheme assets and the discounted value of scheme liabilities at the balance sheet date. Surpluses are only recognised to the extent that they are considered recoverable through reduced contributions in the future or through refunds from the schemes. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Defined contribution pension schemes

In relation to defined contribution schemes in which the Group participates in, contributions payable are charged to the Statement of Comprehensive Income in the period to which they relate.

Reserves

General reserves reflects accumulated surpluses for the Group which can be applied at its discretion for any purpose.

3. Turnover

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

2024	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of property, plant & equipment £'000	Operating surplus £'000
Social housing lettings (Note 3c)	187,851	–	(140,873)	–	46,978
Other social housing activities:					
Housing management contracts	12,354	–	(10,532)	–	1,822
First tranche low cost home ownership sales	7,289	(5,733)	–	–	1,556
Other rental	1,277	–	(1,300)	–	(23)
Supporting people contract income	803	–	(817)	–	(14)
Other activities	4,967	–	(2,650)	–	2,317
Non-social housing activities:					
Other rental	545	–	(69)	–	476
Disposal of fixed assets (Note 5)	–	–	–	3,075	3,075
Total	**215,086**	**(5,733)**	**(156,241)**	**3,075**	**56,187**

3b) Turnover, cost of sales, operating expenditure and operating surplus.

2023	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of property, plant & equipment £'000	Operating surplus £'000
Social housing lettings (Note 3c)	172,884	–	(136,015)	–	36,869
Other social housing activities:					
Housing management contracts	11,262	–	(9,141)	–	2,121
First tranche low cost home ownership sales	9,330	(7,499)	–	–	1,831
Other rental	611	–	(744)	–	(133)
Supporting people contract income	226	–	(275)	–	(49)
Other activities	5,995	–	(3,985)	–	2,010
Non-social housing activities:					
Other rental	551	–	(65)	–	486
Sales of other housing properties		(14)	–	–	(14)
Disposal of fixed assets (Note 5)	–	–	–	5,698	5,698
Other activities	10	–	(19)	–	(9)
Total	**200,869**	**(7,513)**	**(150,244)**	**5,698**	**48,810**

The turnover reported for the Group of £71.62m (2023: £53.7m) relates in the main to recharges for services provided to subsidiary members of the Group.

3c) Turnover, operating expenditure and operating surplus from social housing lettings.

	General housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total 2024 £'000	Total 2023 £'000 Restated
Income					
Rent receivable net of identifiable service charges and net of voids	145,498	18,029	4,469	167,996	155,357
Service charge income	6,836	7,185	795	14,816	12,042
Charges for support services	746	835	–	1,581	2,238
Amortised government grants	2,662	539	257	3,458	3,248
Turnover from social housing lettings	**155,742**	**26,588**	**5,521**	**187,851**	**172,885**
Operating expenditure					
Management	26,362	3,899	843	31,104	35,233
Service charge costs	6,594	8,546	813	15,953	11,238
Routine maintenance	35,703	4,389	79	40,171	31,105
Planned maintenance	14,071	2,367	64	16,502	27,473
Major repairs expenditure	11,499	1,240	–	12,739	9,125
Bad debts	1,030	109	1	1,140	768
Property lease charges	162	1	–	163	183
Depreciation of housing properties	20,093	1,971	953	23,017	20,549
Depreciation of other fixed assets	–	–	–	–	–
Other costs	67	17	–	84	340
Operating expenditure on social housing lettings	**115,581**	**22,539**	**2,753**	**140,873**	**136,014**
Operating surplus on social housing lettings	**40,161**	**4,049**	**2,768**	**46,978**	**36,870**
Void losses	1,688	562	29	2,279	1,929

4. Accommodation Owned, Managed and in Development

Group		**2024**	**No. of units**			**2023**	**No. of units**	
	Group Owned	**Association Owned**	**Group Managed**	**Association Managed**	**Group Owned**	**Association Owned**	**Group Managed**	**Association Managed**
Social Housing								
General needs housing								
Social rent	20,832	4	1,258	–	20,818	4	1,266	–
Affordable rent	8,071	1	55	–	7,418	1	55	–
Market rent	83	–	–	–	83	–	–	–
Intermediate rent	213	–	–	–	188	–	–	–
Sheltered housing for older people	3,108	–	71	–	3,108	–	71	–
Supported housing	723	–	11	–	682	–	9	–
Low-cost home ownership	1,374	–	93	–	1,214	–	94	–
Leasehold where the Group owns the freehold	1,457	–	57	–	1,479	–	52	–
Total units social housing	**35,861**	**5**	**1,545**	**–**	**34,990**	**5**	**1,547**	**–**

The Association had five units in management (2023: five).
The Group owns 550 (2023: 545) properties which are managed by others.

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Group – In Development	**2024 No. of units**	**2023 No. of units**
Social Housing		
General needs housing		
Social rent	183	33
Affordable rent	858	1,273
Supported housing	19	108
Low-cost home ownership	627	652
Total units social housing	**1,687**	**2,066**

	General Needs Social Rent	**General Needs Affordable Rent**	**Inter-mediate Rent**	**Market Rent**	**Supported Housing**	**Low Cost Home Ownership**	**Sheltered Housing for Older People**	**Leasehold group owns freehold**	**Total**
Opening units	**20,818**	**7,418**	**188**	**83**	**682**	**1,214**	**3,108**	**1,479**	**34,990**
New units developed	67	668	57	–	35	102	–	–	929
Units sold	(46)	(9)	(1)	–	–	(15)	–	(1)	(72)
Units demolished	–	–	–	–	–	–	–	–	–
Lease expired	(4)	–	–	–	(10)	–	–	–	(14)
Other adjustments	(3)	(6)	(31)	–	16	73	–	(21)	28
Net change in units	**14**	**653**	**25**	**–**	**41**	**160**	**–**	**(22)**	**871**
Closing units	**20,832**	**8,071**	**213**	**83**	**723**	**1,374**	**3,108**	**1,457**	**35,861**

5. Profit on Disposal of Fixed Assets

Group	**2024 £'000**	**2023 £'000**
Proceeds of sales	6,121	11,991
Carrying value	(2,935)	(6,129)
Incidental costs	(111)	(164)
Total profit	**3,075**	**5,698**

6. Interest Receivable

Group	**2024 £'000**	**2023 £'000**
Bank interest receivable	2,282	2,237
Total	**2,282**	**2,237**

7. Interest and Financing Costs

Group	**2024 £'000**	**2023 £'000**
Loans and bank overdrafts	44,113	42,149
Amortisation of loan fees	(77)	(117)
Notional interest on Recycled Capital Grant Fund (Note 22)	44	51
Interest on pension deficit (Note 30)	324	1,122
Interest capitalised on housing properties under construction	(7,534)	(5,322)
Total	**36,870**	**37,883**

The Group's weighted average interest on borrowings of 4.91% (2023: 4.85%) was used for calculating capitalised finance costs.

8. Operating Surplus

Group	2024 £'000	2023 £'000 Restated
The operating surplus is stated after charging:		
Auditor's remuneration (excluding VAT):		
Audit of the Group financial statements	32	36
Audit of subsidiaries	43	69
Fees payable to the company's auditor & its associates for other services to the Group	29	8
Operating lease rentals:		
Land and buildings	87	113
Other	3,022	2,276
Depreciation:		
Depreciation of housing properties	23,017	20,550
Depreciation of other fixed assets	1,272	1,268

£31,951 (2023: £36,000) of auditor's remuneration charged to operating surplus relates to the Association.

During the period, the Group's auditors Beever and Struthers provided audit services only. Taxation services are provided by another organisation.

9. Taxation

Group	2024 £'000	2023 £'000
Current tax		
Current tax on income for the year	–	79
Total current tax charge	**(7)**	**79**
Deferred tax		
Origination and reversal of timing differences	47	(287)
Adjustment in respect of previous years	6	(2)
Effect of tax rate change on opening balance	–	–
Total deferred tax credit	**53**	**(289)**
Total tax recognised in the Statement of Comprehensive Income	**46**	**(210)**

Reconciliation of effective tax rate	2024 £'000	2023 £'000
Surplus for the year	21,518	13,374
Total tax expense	46	(210)
Surplus excluding taxation	**21,564**	**13,164**
Tax using the UK corporation tax rate of 25% (2023: 19%)	5,391	2,501
Effect of tax free income due to charitable activities	(5,182)	(2,518)
Amounts credited directly to other comprehensive income	–	6,030
Fixed asset differences	20	11
Other permanent differences	(357)	–
Deferred tax relating to other comprehensive income	–	(8,057)
Adjustments in respect of prior periods	(7)	–
Adjustments in respect of prior periods – deferred tax	6	(2)
Tax rate differences on deferred tax	–	1,876
Deferred tax not recognised	175	(51)
Total tax credit	**46**	**(210)**

On 1 April 2023, the main rate of UK corporation tax increased from 19% to 25%. This change will increase the Group's future current tax charge accordingly. The deferred tax assets at 31 March have been calculated based on the new rate

Deferred tax assets and liabilities	**Assets**		**Liabilities**		**Net**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Unused tax losses	141	–	–	–	141	–
Other short term timing	877	805	–	–	877	805
Tax assets / (liabilities)	**1,018**	**805**	**–**	**–**	**1,018**	**805**

In addition to the deferred tax asset above, the Group has additional unrecognised gross tax losses of £0 (2023: £83,406) in respect of capital losses carried forward and short term timing differences.

10. Directors' Remuneration

Directors (key management personnel) are defined as members of the Board, the group chief executive and any other person who is a member of the senior management team or its equivalent. There were no pension payments made in 2023/24 for the group chief executive, who was the highest paid director in the year.

Group	**2024**	**2023**
	£'000	**£'000**
		Restated
Executive directors' emoluments	1,499	1,255
Amounts paid to non-executive directors	227	221
Compensation for loss of office	–	–
Contributions made to pension schemes	211	123

Jigsaw Homes Group Limited pays the board members who serve across the Jigsaw Homes Group Structure and makes appropriate recharges to the relevant subsidiary. The following table details payments made across the group structure.

Board members	**Total 2024**	**Total 2023**
Non-executive		
A Todd	23,923	9,500
F Selvan	19,312	25,750
R Barker	18,250	15,750
T Ryan	15,750	15,750
B Groarke	15,750	15,750
G Brown	15,750	15,750
M Kenyon	9,500	6,214
E Matley	9,500	3,203
G Cooney	–	9,500
S Dunn	–	9,500
A Jabbar	5,250	–
Y Cartey	4,794	–
R O'Connell	4,500	7,814
D Addy	4,500	7,814
L Garsden	4,500	4,500
P Lees	4,500	4,500
S Akhtar	4,500	4,500
J Mutch	4,500	4,500
M Rudkin	4,500	4,500
C Green	4,500	4,556
S White	4,500	4,500
M McDermott	4,500	4,500
A Powell	4,500	4,500
D Jackson	4,500	4,500
K Potts	–	4,500
C Beaumont	4,500	4,500
P Joyce	4,500	4,500
A Margai	4,500	4,500
S Walker	4,500	4,500
L Picart	4,500	4,500
M Lynch	4,500	4,500
C Elliott	4,500	2,250
K Jalli	2,375	–
N Ahmed	1,500	–
Total	**227,154**	**221,102**

11. Employee Information

	Group 2024	Group 2023 Restated	Association 2024	Association 2023 Restated
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Management and administration	469	484	441	448
Development	30	28	30	28
Housing, support and care	800	742	557	511
Other	49	34	42	28
Total	**1,348**	**1,288**	**1,070**	**1,015**

Staff costs	Group 2024 £'000	Group 2023 £'000 Restated	Association 2024 £'000	Association 2023 £'000 Restated
Wages and salaries	47,664	42,163	38,800	34,195
Social security costs	4,705	4,267	3,879	3,516
Other pension costs	7,075	6,994	5,831	5,647
Total	**59,444**	**53,424**	**48,510**	**43,358**

Aggregate number of full time equivalent staff whose remuneration (including pension contributions) exceeded £60,000 in the period:	Group 2024	Group 2023 Restated
£60,001 – £70,000	36	31
£70,001 – £80,000	15	16
£80,001 – £90,000	11	7
£90,001 – £100,000	2	4
£100,001 – £110,000	3	4
£110,001 – £120,000	3	1
£120,001 – £130,000	1	1
£130,001 – £140,000	1	–
£140,001 – £150,000	–	–
£150,001 – £160,000	–	–
£160,001 – £170,000	–	1
£170,001 – £180,000	1	–
£180,001 – £190,000	–	1
£190,001 – £200,000	1	2
£200,001 – £210,000	1	–
£210,001 – £220,000	1	1
£220,001 – £230,000	1	1
£230,001 – £240,000	1	1

12. Tangible Fixed Assets

Housing properties	Social housing properties for letting completed £'000	Social housing properties for letting under construction £'000	Shared ownership properties completed £'000	Shared ownership properties under construction £'000	Total housing properties £'000
Cost					
At start of the year	1,508,750	117,203	95,832	11,353	1,733,138
Additions	–	108,543	–	23,570	132,113
Capitalised administration costs	–	2,671	–	630	3,301
Interest capitalised	–	6,070	–	1,464	7,534
Component replacements	15,343	–	–	–	15,343
Components replaced cost	(3,613)	–	–	–	(3,613)
Schemes completed	124,123	(124,123)	17,095	(17,095)	–
Disposals cost	(2,236)	–	(6,477)	–	(8,713)
At end of the year	**1,642,367**	**110,364**	**106,450**	**19,922**	**1,879,103**
Depreciation and impairment					
At start of the year	195,887	–	5,769	–	201,656
Charge for the year	20,732	–	930	–	21,662
Components replaced	(2,258)	–	–	–	(2,258)
Disposals	(386)	–	(117)	–	(503)
At end of the year	**213,975**	**–**	**6,582**	**–**	**220,557**
Net book value:					
At 31 March 2024	**1,428,392**	**110,364**	**99,868**	**19,922**	**1,658,546**
At 31 March 2023	1,312,863	117,203	90,063	11,353	1,531,482

All properties are held on either a freehold or long leasehold basis. There are 2,310 properties held on a long leasehold basis with an associated cost of £134m. 77% of the remaining lease periods are greater than 70 years.

The Group's weighted average interest on borrowings of 4.91% (2023: 4.85%) was used for calculating capitalised finance costs.

The Group considers its housing schemes to represent separate cash generating units (CGUs) when assessing for impairment in accordance with the requirements of FRS102 and the SORP. During the current year, the Group has carried out a review of impairment. This review involved an assessment of existing social housing properties to determine if there has been any indicator of impairment in the current financial year. This review is done at a scheme level, which is deemed to be an appropriate level of a cash generating unit of housing property assets. Where any potential indicator as defined in FRS 102.27 *Impairment of Assets* is identified, a review of the affected scheme is undertaken to determine if an impairment is required.

Examples of key indicators for impairment include:

- Change in government policy, regulation or legislation which has a material detrimental impact.
- A change in demand for a property that is considered irreversible.
- Material reduction in the market value of properties intended to be sold.
- Obsolescence of a property or part of a property.

An assessment was carried out to identify impairment indicators linked to the fixed assets at year end. There were no indicators identified that required a full impairment review to be carried out using the depreciated replacement cost methodology. Therefore no impairment has been included in the Financial Statements.

Details of Social Housing Grant received during the year are provided in Note 21 on page 74.

Group	2024 £'000	2023 £'000
Works to existing properties in the year:		
Improvement works capitalised	15,343	10,229
Amounts charged to expenditure	69,412	67,703
Total	**84,755**	**77,933**

Group – Other fixed assets	Land and buildings £'000	Motor vehicles, plant & machinery £'000	Furniture and equipment £'000	Total other fixed assets £'000
Cost				
At start of the year	20,687	640	22,362	43,689
Additions	6	68	1,092	1,166
Disposals	–	(255)	–	(255)
At end of the year	**20,693**	**453**	**23,454**	**44,600**
Depreciation and impairment				
At start of the year	6,943	499	19,410	26,852
Charge for the year	456	56	767	1,279
Disposals	–	(255)	–	(255)
At end of the year	**7,399**	**300**	**20,177**	**27,876**
Net book value:				
At 31 March 2024	**13,294**	**153**	**3,277**	**16,724**
At 31 March 2023	13,744	141	2,952	16,836

Other fixed assets – Association	Land and buildings £'000	Furniture and equipment £'000	Motor vehicles, plant & mahcinery £'000	Total £'000
Cost				
At start of the year	3,354	13,283	242	16,879
Additions	–	45	–	45
Disposals	–	–	(242)	(242)
At end of the year	**3,354**	**13,328**	**–**	**16,682**
Depreciation and impairment				
At start of the year	591	13,257	242	14,090
Charge for the year	80	26		106
Disposals	–	–	(242)	(242)
At end of the year	**671**	**13,283**	**–**	**13,954**
Net book value:				
At 31 March 2024	**2,683**	**45**	**–**	**2,728**
At 31 March 2023	2,763	26	–	2,788

13. Investment Properties

Group	2024 £'000	2023 £'000
At start of year	1,064	739
Transfer from other fixed assets	–	325
Loss from adjustment in value	(35)	–
At end of year	**1,029**	**1,064**

14. Stock

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
First tranche shared ownership properties				
Completed	1,386	1,718	–	–
Work in progress	15,518	9,507	–	–
Materials stock	748	668	678	591
Total	**17,652**	**11,893**	**678**	**591**

15. Trade and Other Debtors

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Rent arrears	9,519	8,533	–	–
Less: provision for bad debts	(5,180)	(4,744)	–	–
Sub-total	**4,339**	**3,789**	**–**	**–**
Trade debtors	1,973	3,704	123	–
Less: provision for bad debts	(1,032)	(836)	(111)	–
Sub-total	**941**	**2,868**	**12**	**–**
Prepayments and accrued income	7,466	6,705	1,577	1,420
Amounts owed by group undertakings	(0)	–	222	3,627
Other taxation and social security	66	564	36	19
Social housing grant receivable	3,182	1,221	–	–
Deferred tax	1,018	805	1,018	805
Other debtors	1,522	1,388	108	15
Sub-total	**13,254**	**10,683**	**2,973**	**5,886**
Debtors due after more than one year	–	3,360	–	–
Total	**18,534**	**20,700**	**2,973**	**5,886**

A number of tenants in arrears are in formal repayment agreements with the Group. An assessment of the net present value of those repayment agreements was carried out. The potential adjustment identified was insignificant and was less than the provision for bad debts against those tenancies. On this basis, no adjustment has been made in the financial statements in relation to the net present value of the repayment agreements.

Gedling Borough Council entered into a contract with Jigsaw Homes Midlands (then named Gedling Homes) for it to carry out these improvement works on its behalf. Essentially the "benefit" (commitment owed) to Jigsaw Homes Midlands under the contract had created a debtor which was effectively offset by the provision previously stated in Note 19.

There is no longer a debtor due after more than one year as the obligation to have refurbishment work carried out to the properties which was transferred to Jigsaw Homes Midlands (then named Gedling Homes) has been completed.

The terms of the loans to group undertakings have been set to match the repayment terms to the bondholders. The loans are effectively secured through the security arrangements in place between the bondholders and Jigsaw Homes Group and as such there are sufficient net assets and liabilities in place to meet their obligations to the Group. Therefore the directors consider the credit risk to be low and no provision is required againsts the amounts due.

16. Investments

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Cash security	2,376	2,307	–	–
Liquidity reserve	659	1,086	–	–
Total	**3,035**	**3,393**	**–**	**–**

The monies held in liquidity reserves by counterparties as collateral for loans are held separately to cash at bank.

17. Cash and Cash Equivalents

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Cash at bank	37,622	109,515	8,254	4,996
Total	**37,622**	**109,515**	**8,254**	**4,996**

18. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Loans and overdrafts (Note 20)	26,024	12,026	–	–
Trade creditors	5,190	5,120	968	732
Amounts owed to group undertakings	–	–	5,810	4,852
Funds held on behalf of homeowners	1,893	1,769	–	–
Rents and service charges paid in advance	4,305	5,043	–	–
Corporation tax	–	80	–	80
Other taxation and social security payable	406	1,199	20	832
Accruals and deferred income	18,217	23,286	1,768	1,333
Deferred capital grant (Note 21)	3,640	3,381	–	–
Recycled capital grant fund (Note 22)	130	124	–	–
Other creditors	14,280	12,536	1,246	1,278
Total	**74,085**	**64,564**	**9,812**	**9,107**

19. Creditors: Amounts Falling Due After More Than One Year

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Social housing loans (Note 20)	804,087	797,315	–	–
Deferred capital grant (Note 21)	359,724	333,931	–	–
Recycled capital grant fund (Note 22)	1,023	1,422	–	–
Local authority loan	75	75	–	–
Total	**1,164,909**	**1,132,743**	**–**	**–**
Provision for liabilities and charges				
Development agreement (VAT shelter)				
with Gedling Borough Council	–	3,554	–	–
Total	**–**	**3,554**	**–**	**–**

There is no longer a provision for the development agreement/VAT shelter that represented the best estimate of the costs of contracted works for the repair and improvement of transferred properties incurred under the development agreement, as all works have now been completed. See Note 15 for further details.

20. Debt Analysis

Group	2024	2023
	£'000	**£'000**
Social housing loans		
Loans repayable by instalments:		
Within one year	9,980	9,982
In one year or more but less than two years	7,546	12,717
In two years or more but less than five years	93,605	71,451
In five years or more	411,832	405,332
Loans not repayable by instalments:		
Within one year	16,000	2,000
In one year or more but less than two years	–	16,000
In two years or more but less than five years	–	–
In five years or more	299,900	299,900
Fair value adjustment on financial instruments	119	230
Less: loan issue costs	(8,034)	(7,477)
Loans premium/(discount):		
Amount due to be released within one year	44	44
Amount due to be released after more than one year	(881)	(837)
Total loans	**830,111**	**809,341**

Loans from external funders are secured by fixed charges on individual housing properties.
All loans are repayable with interest chargeable at varying rates from 10.9% to 2.1% during the year.

On 5 May 2022 Jigsaw Funding plc issued a £360 million (including £100 million retained) 30 year bond with an annual coupon of 3.375%. The bond was issued at a discount of 2.19% so that funds received were £254.3 million, which equated to a fixed rate of 3.45%. All of this funding has been on-lent to fellow group member and group treasury vehicle, Jigsaw Treasury Limited, via secured loans under a guarantee and security trust basis. The bond discount and the costs of issue are amortised over the term of the bond maturing in May 2052. The members of Jigsaw Homes Group are liable to Jigsaw Funding plc for both the bond coupon, any amortisation cost of any bond discount/premium and issue costs, under an agreement between both companies.

In December 2023, the Group successfully completed deals following a comprehensive treasury strategy review, focusing on enhancing liquidity and financial capacity with an overall aim of optimising Jigsaw's treasury operations. The deals helped grow the Group's available finance resources by over £100 million. It involved increasing the tenor of Jigsaw's revolving credit facilities (RCFs), raising a £50m private placement and optimising financial covenants, whilst lowering the overall average interest margin. As part of the treasury review, the Group repaid loans of c. £17.4 million and incurred break costs which amounted to c. £0.5 million. In addition, capitalised loan fees of c. £0.7 million were derecognised (written off) in December 2023, following the completion of the exercise. The total of both break costs and derecognised costs, amounts to c. £1.3 million.

Where RCFs have been extended, Jigsaw has derecognised the original liabilities and subsequently recognised the costs directly relating to the extended RCFs as new liabilities which will be amortised over the life of the facilities. Eligible costs incurred in raising the new private placement have also been recognised as a new liability to be amortised over the life of the placement. All liabilities relating to the repaid loans have been derecognised in the month the repayment was made.

The interest rate profile of the Group at 31 March 2024 was	Total	Variable rate	Fixed rate	Weighted average rate	Weighted average term
	£'000	**£'000**	**£'000**	**%**	**Years**
Instalment loans	522,962	46,941	476,021	5.77	13.06
Non-instalment loans	315,901	–	315,901	3.67	25.58
Total loans	**838,863**	**46,941**	**791,922**	**4.98**	**17.77**

At 31 March 2024 the Group had the following borrowing facilities:	£'000
Undrawn facilities	335,000
Total	**335,000**

21. Deferred Capital Grant

Group	**2024**	**2023**
	£'000	**£'000**
At start of the year	337,312	315,201
Grant received in the year	29,220	24,493
Reclassification of grant received in 2020	–	648
Disposals	(847)	(1,491)
Released to income in the year	(3,459)	(3,246)
Additions from Recycled Capital Grant Fund (Note 22)	1,138	1,707
At end of the year	**363,364**	**337,312**
Amount due to be released within one year	3,640	3,381
Amount due to be released after more than one year	359,724	333,931
Total	**363,364**	**337,312**

22. Recycled Capital Grant Fund

Group	**2024**	**2023**
	£'000	**£'000**
At the start of the year	1,545	2,221
Grants to recycle	692	972
Interest accrued	54	60
Recycling: grants recycled	(1,138)	(1,707)
At the end of the year	**1,153**	**1,546**
Amount three years or older where repayment may be required	–	–

23. Share Capital

Association	**2024**	**2023**
	£	**£**
At the start of the year	9	9
Issued/(disposed) during the year	–	–
At the end of the year	**9**	**9**

The par value of each ordinary share is £1. Each share has full voting rights and are not redeemable. The shares do not have a right to any dividend or distribution in a winding-up. All shares are fully paid.

24. Reserves

Revenue reserves records retained earnings and accumulated losses. Share capital represents the nominal values of shares that have been issued.

25. Capital Commitments

Group	**2024**	**2023**
	£'000	**£'000**
Capital expenditure contracted for but not provided for in the Financial Statements	165,953	198,685
Capital expenditure authorised by the Board but not yet been contracted for	35,225	28,571
Total	**201,178**	**227,256**
The Group expects these commitments to be financed with:		
Social housing grant	27,698	31,145
Proceeds from the sales of properties	24,718	25,182
Committed loan facilities and surpluses generated from operating activities	148,762	170,929
Total	**201,178**	**227,256**

The above figures include the full cost of shared ownership properties contracted for.

26. Operating Leases

Operating lease payment obligations are as follows:	**Group**		**Association**	
	2024	**2023**	**2024**	**2023**
	£'000	£'000	£'000	£'000
Land and buildings:				
Within one year	125	121	–	–
In one year or more but less than five years	371	301	–	–
In five years or more	134	173	–	–
Others:				
Within one year	1,468	1,408	1,468	1,408
In one year or more but less than five years	1,197	925	1,197	925
Total	**3,295**	**2,928**	**2,665**	**2,333**

Lease agreements do not include contingent rent or restrictions. Leases for land & buildings include renewal periods after five years throughout the lease.

27. Grant and Financial Assistance

Group	**2024**	**2023**
	£'000	**£'000**
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant (Note 21)	363,364	337,313
Recognised as income in Statement of Comprehensive Income	114,445	111,757
Total	**477,809**	**449,070**

28. Related Parties

Association	Income	Debtors/ (Creditors)
	£'000	£'000
Cavendish Property Developments	–	1
Jigsaw Funding PLC	–	(50)
Jigsaw Homes Midlands	2,634	(21)
Jigsaw Homes North	35,016	(933)
Jigsaw Homes Tameside	33,604	(4,668)
Jigsaw Support	71	24
Jigsaw Treasury Limited	–	55
Palatine Contracts	–	2
Snugg Properties	–	1

The Jigsaw Group Structure is shown in Note 1.

Jigsaw Homes Group Limited provides core administration, finance, development, management and maintenance services for each of the Group's subsidiaries. All transactions are recharged from the Group under a management agreement at an agreed return on cost.

29. Financial Instruments

Group	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Financial Assets				
• Trade receivables	5,281	6,657	12	–
• Other receivables	13,254	14,044	2,962	5,886
• Short term investments	3,035	3,393	–	–
• Cash and cash equivalents	37,622	109,515	8,254	4,996
Total Financial Assets	**59,192**	**133,608**	**11,228**	**10,881**
Financial Liabilities				
Financial Liabilities measured at amortised cost				
• Loans payable	830,111	809,341	–	–
Financial Liabilities measured at historical cost		–		
• Trade creditors	5,190	5,120	968	732
• Other creditors	403,691	382,846	8,844	8,376
Total Financial Liabilities	**1,238,992**	**1,197,307**	**9,812**	**9,108**

Of the total £360 million bond issuance in May 2022, £260 million has been drawn and £100 million remains as retained bonds. The initial £260 million is secured by fixed charges over 3,321 of the Group's rented properties, valued for security purposes at c. £292 million as at 31 March 2024. The carrying value of those assets within the Group's financial statements is £310 million.

No collateral has been called in the period to 31 March 2024.

Costs incurred by Jigsaw Funding plc in the period to 31 March 2024 amounting to c. £9.1 million and which relate to providing funding services to the Group are recharged to Jigsaw Treasury Limited, which are further recharged to the eventual group member recipient of the funds.

The market value of the 30-year £360 million 3.375% instrument (repayable in May 2052) as at 31 March 2024 was £271.1 million. This value reflects the quoted price on the reporting date.

The risks in relation to this faced by the Group have been disclosed in the Strategic Report.

30. Pensions

Defined Benefit Pension Obligations

The Group participates in four pension schemes: the Social Housing Pension Scheme (SHPS), the Greater

Manchester Pension Fund (GMPF), the Nottinghamshire Local Government Pension Scheme (NLGPS), and the Lancashire County Pension Fund (LCPF). All four schemes are multi-employer defined benefit schemes. The schemes are funded and are contracted out of the state scheme.

Social Housing Pension Scheme (SHPS)

The Group participates in the SHPS multi-employer pension defined benefit scheme.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Group is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

There is an actuarial valuation of the SHPS every three years. The main purpose of the valuation is to determine the financial position of the SHPS in order to determine the level of future contributions required so that the SHPS can meet its pension obligations as they fall due.

The last formal valuation of the SHPS pension scheme was performed at 30 September 2020 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a deficit of £1560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

During the year to 31 March 2024 Group paid contributions at the rate of 19.2% (2023: 19.2%). Member contributions varied between 3.25% and 22%.

Greater Manchester Pension Fund (GMPF)

The Group participates in the Greater Manchester Pension Fund (GMPF). GMPF is a multi-employer defined benefit scheme under the regulations governing the Local Government Pension Scheme. This scheme is funded and is contracted out of the state scheme.

There is an actuarial valuation of the GMPF every 3 years. The main purpose of the valuation is to determine the financial position of the GMPF in order to determine the level of future contributions required so that the GMPF can meet its pension obligations as they fall due.

The last formal valuation of the GMPF was performed at 31 March 2022 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a surplus of £1,021m.

During the year to 31 March 2024, the Group's members paid contributions of 17.2% (2023: 18.5%) and 19.8% (2023: 23.3%) dependent on contractual arrangements.

Lancashire County Pension Fund (LCPF)

Jigsaw Homes North (JHN) participates in the Lancashire County Pension Fund (LCPF). The LCPF is a multi-employer defined benefit scheme under the regulations governing the Local Government Pension Scheme. This scheme is funded and is contracted out of the state scheme.

There is an actuarial valuation of the LCPF every three years. The main purpose of the valuation is to determine the financial position of the LCPF in order to determine the level of future contributions required so that the LCPF can meet its pension obligations as they fall due.

The last formal valuation of the LCPF was performed at 31 March 2022 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a surplus of £3.8m.

During the year to 31 March 2024 JHN paid contributions at the rate of 22.3% (2023: 20.1%) . Member contributions varied between 5.5% and 12.5%.

Nottinghamshire Local Government Pension Scheme (NLGPS)

Jigsaw Homes Midlands participates in the Nottinghamshire Local Government Pension Scheme (NLGPS). The NLGPS is a multi-employer defined benefit scheme under the regulations governing the Local Government Pension Scheme. This scheme is funded and is contracted out of the state scheme.

There is an actuarial valuation of the NLGPS every three years. The main purpose of the valuation is to determine the financial position of the NLGPS in order to determine the level of future contributions required so that the NLGPS can meet its pension obligations as they fall due.

The last formal valuation of the NLGPS pension scheme was performed at 31 March 2022 by a professionally qualified actuary using the Projected Unit Method. This valuation revealed a surplus of £9m.

Although under FRS102 accounting, Jigsaw Homes Midlands has a notional pension deficit for accounting purposes, it does not have an actuarial deficit and therefore Jigsaw Homes Midlands does not make secondary contributions to the scheme. The pension scheme does not require a Recovery Plan.

During the year to 31 March 2024 Jigsaw Homes Midlands paid contributions at the rate of 10% (2023: 17.9%). Member contributions varied between 5.5% and 12.5%.

Summary	**2024 £'000 Group**	**2023 £'000 Group**
Defined benefit pension (liability)/asset:		
Social Housing Pension Scheme	(8,436)	(7,739)
Greater Manchester Pension Fund	–	–
Lancashire County Pension Fund	–	–
Nottinghamshire Local Government Pension Scheme	–	–
	(8,436)	**(7,739)**
Amounts recognised in operating costs:		
Social Housing Pension Scheme	554	960
Greater Manchester Pension Fund	3,053	6,114
Lancashire County Pension Fund	106	187
Nottinghamshire Local Government Pension Scheme	436	1,008
	4,149	**8,269**
Net amounts recognised in finance costs:		
Social Housing Pension Scheme	315	183
Greater Manchester Pension Fund	9	869
Lancashire County Pension Fund	(1)	38
Nottinghamshire Local Government Pension Scheme	(5)	32
	318	**1,122**
Actuarial gains/(losses) recognised in other comprehensive income:		
Social Housing Pension Scheme	(2,881)	(2,085)
Greater Manchester Pension Fund	329	34,028
Lancashire County Pension Fund	(7)	1,558
Nottinghamshire Local Government Pension Scheme	203	2,110
	(2,356)	**35,611**

Financial Assumptions and Particulars of Amounts Recognised in the Financial Statements

The major assumptions used by the actuary in assessing scheme liabilities as at 31 March 2024 together with the analysis of amounts recognised in the financial statements are as follows:

Statement of Financial Position Items

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2024 by scheme								
Present value of funded benefit obligations	44,431	18,911	171,731	169,295	14,487	12,297	242,946	188,206
Fair value of plan assets	(35,995)	(15,271)	(231,945)	(229,087)	(20,574)	(17,144)	(305,658)	(244,358)
Pension surplus deemed not recoverable	–	–	60,214	59,792	6,087	4,847	71,148	59,792
Deficit/(Surplus)	**8,436**	**3,640**	**–**	**–**	**–**	**–**	**8,436**	**3,640**
2023 by scheme								
Present value of funded benefit obligations	44,429	18,835	171,728	169,278	14,383	11,867	242,407	188,113
Fair value of plan assets	(36,690)	(15,599)	(217,936)	(215,238)	(19,274)	(15,378)	(289,278)	(230,837)
Pension surplus deemed not recoverable	–	–	46,208	45,960	4,891	3,511	54,610	45,960
Deficit/(Surplus)	**7,739**	**3,236**	**–**	**–**	**–**	**–**	**7,739**	**3,236**

Components of Pension Cost

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2024 by scheme								
Service cost	514	306	3,053	3,016	103	428	4,098	3,322
Net interest cost	315	129	9	8	(1)	(5)	318	137
Administrative expenses	40	17	–	–	3	8	51	17
Total pension cost recognised in Statement of Comprehensive Income	**869**	**452**	**3,062**	**3,024**	**105**	**431**	**4,467**	**3,476**
2023 by scheme								
Service cost	917	578	6,114	6,034	184	1,002	8,217	6,612
Net interest cost	183	74	869	849	38	32	1,122	923
Administrative expenses	43	20	–	–	3	6	52	20
Total pension cost recognised in Statement of Comprehensive Income	**1,143**	**672**	**6,983**	**6,883**	**225**	**1,040**	**9,391**	**7,555**

Statement of Comprehensive Income

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2024 by scheme								
Experience on plan assets (excl amounts in net interest cost – (loss)	(4,136)	(2,091)	5,894	5,821	670	921	3,349	3,730
Experience gains and losses on the plan liabilities – gain/(loss)	129	60	(5,364)	(5,302)	(113)	(71)	(5,419)	(5,242)
Re-measurements – demographic assumptions	465	184	1,088	1,071	205	155	1,913	1,255
Re-measurements – financial assumptions	661	460	10,522	10,380	192	365	11,740	10,840
Effect of the asset ceiling	–	–	(11,811)	(11,649)	(961)	(1,167)	(13,939)	(11,649)
Pension surplus deemed not recoverable								
Total – gain/(loss)	**(2,881)**	**(1,387)**	**329**	**321**	**(7)**	**203**	**(2,356)**	**(1,066)**
2023 by scheme								
Experience on plan assets (excl amounts in net interest cost) – gain	(26,310)	(12,640)	(2,347)	(2,132)	(134)	(748)	(29,539)	(14,772)
Experience gains and losses on the plan liabilities – (loss)	1,943	749	(13,515)	(13,606)	(1,543)	(3,671)	(16,786)	(12,857)
Re-measurements – demographic assumptions	98	39	6,329	6,235	7,665	958	15,050	6,274
Effect of the asset ceiling	22,184	10,856	89,769	88,688	461	9,082	121,496	99,544
Pension surplus deemed not recoverable			(46,208)	(45,960)	(4,891)	(3,511)	(54,610)	(45,960)
Total – gain/(loss)	**(2,085)**	**(996)**	**34,028**	**33,225**	**1,558**	**2,110**	**35,611**	**32,229**

Change in Benefit Obligations

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2024 by scheme								
Benefit obligation at 1 April	44,429	18,835	171,728	169,278	14,383	11,867	242,407	188,113
Current service cost	514	306	2,641	2,604	103	428	3,686	2,910
Expenses	40	17	–		–	–	40	17
Interest on pension liabilities	2,136	908	8,114	7,998	682	567	11,499	8,906
Member contributions	–	–	912	901	38	146	1,096	901
Past service costs including curtailments	–	–	412	412	–	–	412	412
Experience on plan liabilities (gain)/loss	(129)	(60)	5,364	5,302	113	71	5,419	5,242
Re-measurements (liabilities)								
(Gain) on demographic assumptions	(465)	(184)	(1,088)	(1,071)	(192)	(155)	(1,900)	(1,255)
(Gain) on financial assumptions	(661)	(460)	(10,522)	(10,380)	(205)	(365)	(11,753)	(10,840)
Benefits/transfers paid	(1,433)	(451)	(5,830)	(5,749)	(435)	(262)	(7,960)	(6,200)
As at 31 March	**44,431**	**18,911**	**171,731**	**169,295**	**14,487**	**12,297**	**242,946**	**188,206**
2023 by scheme								
Benefit obligation at 1 April	67,502	29,351	248,403	244,801	20,595	17,005	353,505	274,152
Current service cost	917	578	6,018	5,938	184	1,002	8,121	6,516
Expenses	43	20	–	–	–	–	43	20
Interest on pension liabilities	1,866	817	6,854	6,757	571	439	9,730	7,574
Member contributions	13	13	887	875	37	135	1,072	888
Past service costs including curtailments	–	–	96	96	–	–	96	96
Experience on plan liabilities loss	(1,943)	(749)	10,377	10,468	1,543	3,671	13,648	9,719
Re-measurements (liabilities)							–	–
(Gain) on demographic assumptions	(98)	(39)	(6,329)	(6,235)	(461)	(958)	(7,846)	(6,274)
(Gain) on financial assumptions	(22,184)	(10,856)	(89,769)	(88,688)	(7,665)	(9,082)	(128,700)	(99,544)
Benefits/transfers paid	(1,687)	(300)	(4,809)	(4,734)	(421)	(345)	(7,262)	(5,034)
As at 31 March	**44,429**	**18,835**	**171,728**	**169,278**	**14,383**	**11,867**	**242,407**	**188,113**

Change in Plan Assets

	SHPS (Group) £'000	SHPS (Assoc.) £'000	GMPF (Group) £'000	GMPF (Assoc.) £'000	LCPF (Group) £'000	NLGPS (Group) £'000	Total (Group) £'000	Total (Assoc.) £'000
2024 by scheme								
Fair value of plan assets at 1 April	36,690	15,599	217,936	215,238	19,274	15,378	289,278	230,837
Interest on plan assets	1,821	779	10,300	10,173	918	741	13,780	10,952
Return on assets less interest	(4,136)	(2,091)	5,894	5,821	670	921	3,349	3,730
Administration expenses	–	–	–	–	(3)	(8)	(11)	–
Employer contributions	3,053	1,435	2,733	2,703	112	228	6,126	4,138
Member contributions	–	–	912	901	38	146	1,096	901
Benefits/transfers paid	(1,433)	(451)	(5,830)	(5,749)	(435)	(262)	(7,960)	(6,200)
Fair value of plan assets at 31 March	**35,995**	**15,271**	**231,945**	**229,087**	**20,574**	**17,144**	**305,658**	**244,358**
2023 by scheme								
Fair value of plan assets at 1 April	59,807	26,201	218,235	215,371	19,163	15,558	312,763	241,572
Interest on plan assets	1,683	743	5,985	5,908	533	407	8,608	6,651
Return on assets less interest	(26,310)	(12,640)	(5,485)	(5,270)	(134)	(748)	(32,677)	(17,910)
Administration expenses	–	–	–	–	(3)	(6)	(9)	–
Employer contributions	3,184	1,582	3,123	3,088	99	377	6,783	4,670
Member contributions	13	13	887	875	37	135	1,072	888
Benefits/transfers paid	(1,687)	(300)	(4,809)	(4,734)	(421)	(345)	(7,262)	(5,034)
Fair value of plan assets at 31 March	**36,690**	**15,599**	**217,936**	**215,238**	**19,274**	**15,378**	**289,278**	**230,837**

Asset Allocation

	2024 £'000	2023 £'000
Equities	19 to 158070	19 to 9425
Government bonds	0 to 435	156 to 458
Other bonds	0 to 34363	372.32 to 2242
Property	229 to 18327	229.12 to 1999
Cash/liquidity	154 to 18327	114 to 871
Other	32 to 18773	-39 to 18205
Absolute return	596 to 809	1348 to 1348
Alternative risk premia	485 to 658	1108 to 1108
Credit relative value	500 to 679	1117 to 1117
Distressed opportunities	538 to 731	1203 to 1203
Emerging markets debt	198 to 268	978 to 978
Infrastructure	1291 to 2093	924 to 2394
Insurance linked securities	79 to 107	784 to 784
Liability driven investment	6215 to 8434	9377 to 9377
Long lease property	99 to 134	865 to 865
Private debt	560 to 815	862 to 862
Risk sharing	894 to 1213	1106 to 1106
Secured income	456 to 619	1252 to 1252
Opportunistic illiquid Credit	597 to 810	1129 to 1129
Inflation linked pooled funds	0 to 815	820 to 820
High yield	2 to 3	290 to 290
Opportunistic credit	0 to 0	120 to 120

Financial Assumptions

	2024 %	2023 %
Rate of CPI inflation	2.7 to 2.9	2.82 to 3.4
Pension increase rate	2.75 to 2.9	2.95 to 3.5
Salary Increase rate	2.9 to 4.2	3.75 to 4.9
Discount rate	4.8 to 4.95	2.8 to 4.83

Mortality Assumptions

	Males	Females
Current Pensioners	18.7 to 21.1	23 to 23.5
Future retiring in 20 years	19.8 to 22.4	23.5 to 25.3

Defined Contribution Pension Obligations

The Group participates in defined contribution schemes where the amount charged to the statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period.

31. Analysis of Changes in Net Debt

Group	At 1 April 2023	Cash flows	New finance leases	Other non-cash changes	At 31 March 2024
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	109,515	(71,894)	–	–	37,622
Investments	3,393	(358)	–	–	3,035
Obligations under finance leases	(2,928)	(3,109)	2,742	–	(3,295)
Bank loans	(809,341)	(20,191)	–	864	(830,111)
Net debt	**(699,361)**	**(95,552)**	**2,742**	**864**	**(792,749)**

Creating homes. Building lives.

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