Financial Statements for the year ended 31 March 2024

Creating homes.
Building lives.

Jigsaw

Jigsaw Homes North

Contents

Company Information

Registration number	Co-operative and Community Benefit Societies Act 2014, number 16668R
Regulator of Social Housing Registration Number	LH0131
Registered office	Cavendish 249 Cavendish Street Ashton-under-Lyne Tameside OL6 7AT
Board members	T. Ryan (chair: appointed December 2023) R. Barker (chair: resigned December 2023) S. Akhtar C. Beaumont C. Elliott L. Garsden (retired April 2024) P. Lees (resigned March 2024) M. Lynch J. Mutch L. Picart B Moran (executive member: appointed December 2023) H. Roberts (executive member: resigned December 2023)
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 North for the 2023/24 financial year.

This document sets out an account of our activities during 2023/24 and provides an insight into the Association'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.

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.

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. 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.

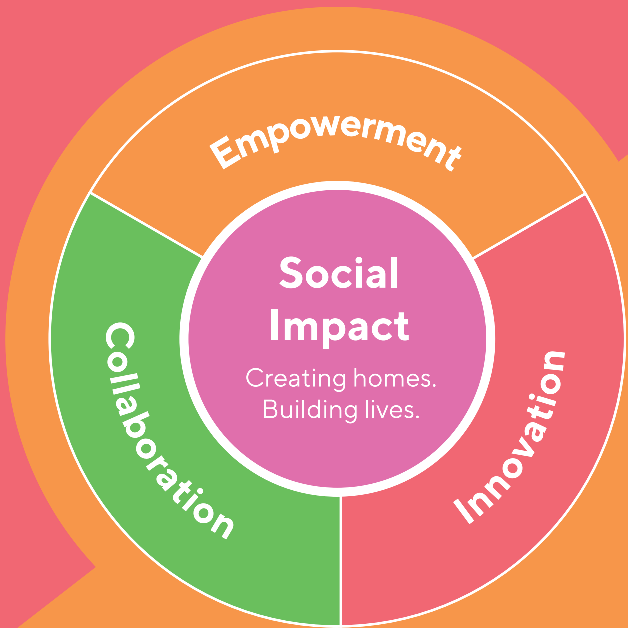
I look forward to working with my colleagues across the whole Jigsaw Group in 2024/25. Together we will make a real difference to the housing sector and for our current and future customers as we progress our mission of:

"Creating homes. Building lives."

Tim Ryan

Association Chair

our values



Our Vision

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

Our Mission

Creating homes. Building lives.

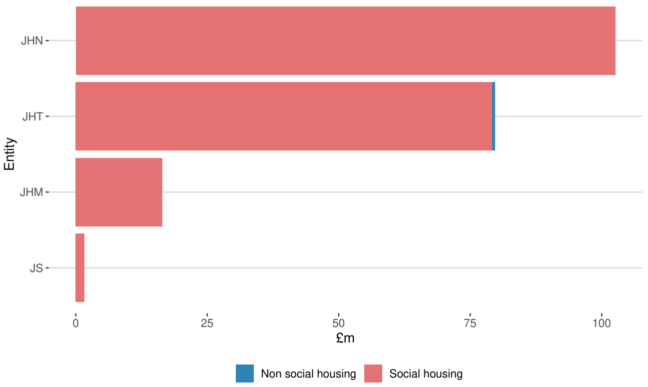
About Us

We are a member of Jigsaw Homes Group which 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, Jigsaw is 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

The Group builds, renovates and manages 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 North is responsible for 17,806 homes. The location of homes managed by Jigsaw Homes North is shown in Figure 2 on the current page. Jigsaw Homes North is active in 29 local authority areas.

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

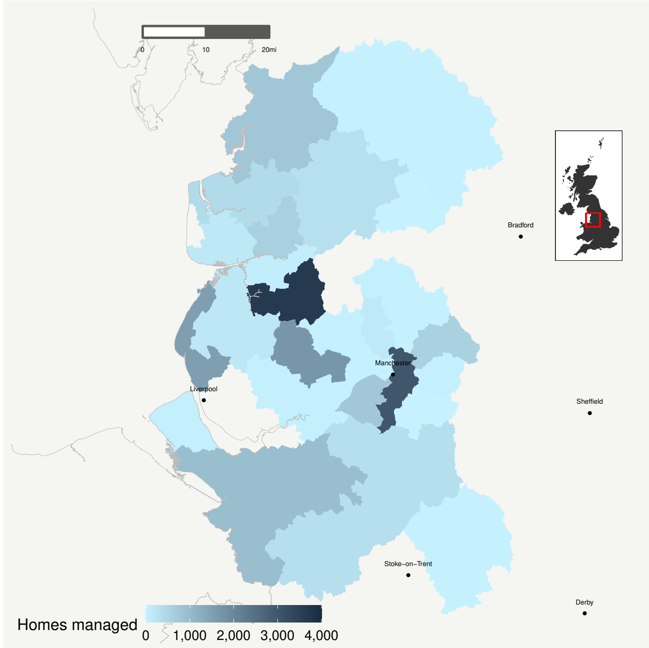


Figure 2: Location of housing stock — shading shows concentrations.

We work to help regenerate neighbourhoods and increase life opportunities for disadvantaged individuals and communities.

The Group also provides a range of 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.

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

Operational Performance

The Association has established a suite of performance measures to track performance against its corporate objectives. Year end Key Performance Indicator (KPI) performance is shown in Table 1 on the following page 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).

Caring for Our Customers, Our Assets and Neighbourhoods

Table 1 shows that 18 of the 25 KPIs established to monitor the delivery of this strategic objective were achieved in the year.

The only very high or high priority KPI that did not meet target levels was in relation to *Void loss* with performance at 1.78% at 31 March 2024, notably higher than the target for the year of 1.3% with the KPI falling short of that target for most of the year. Performance is this area has been identified as a priority and as a result in the period since January 2024, the Group has 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 perfomance for general needs properties and Over-55s schemes plateaued in March 2024 and since then has begun to fall.

Maintaining a Strong Corporate Foundation

Table 1 shows that one of the two 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:

- Operating Margin.
- Reinvestment.

In general, the *Operating Margin* at 28.8% is only slightly lower than the annual target of 29.9%. 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 the 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 Association's recent financial results is shown in Table 2 on page 15 and highlights of the Association's financial position are shown in Table 3 on page 15.

The board is pleased to report that *Operating Surplus* amounted to £33.3m or 30.4% of turnover.

With regard to loan finance, during the year the Association repaid £125.1m in line with agreed debt profiles. £244.2m of loan finance was drawn-down in the year. At the year-end gross debt borrowings amounted to £440.3m, maturing as outlined in Note 20 to the financial statements.

Valuing Staff

Table 1 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.

Growing the Business

Table 1 shows one of three KPIs established to monitor the delivery of this strategic objective was

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

	KPI	KPI priority	Target	Actual	Trend
	Caring for our customers our assets and neighbourhoods				
	Current Tenant Arrears	VH	3.6%	2.95%	↑
	Income Collected	VH	99%	99.7%	↓
	CRM actions completed	H	80%	86.16%	↓
	Satisfaction with Repairs	H	88.0%	88.12%	↓
	TSM: % of homes for which all gas safety checks have been carried out	H	99.9%	99.92%	—
	TSM: % of homes for which all required fire risk assessments have been carried out	H	100%	100%	—
	TSM: % of homes that do not meet the decent homes standard	H	1%	0.31%	—
●	Void Loss	H	1.3%	1.78%	↓
	RIDDOR incidents	M	8	4	↓
●	Average Time for Non-Emergency Repairs (no. of days)	M	11	11.2	↑
	Component replacements	M	1,490	1,612	—
●	Median Void Length – General Needs (no. of days)	M	18	44	↓
●	Median Void Length – Retirement Living (no. of days)	M	20	25	↑
	Money advice provided (no of tenants)	M	1544	1459	↑
●	Number of Properties Below Level C	M	3,331	3,580	↑
	Properties compliant with gas safety requirements at quarter end	M	100%	100%	—
	Properties with Invalid Gas Certificates during Reporting Period	M	0	0	↑
	Satisfaction of tenants with new home	M	80%	92.13%	↑
	Satisfaction with handling of ASB Case	M	80%	86.3%	↓
●	TSM: Complaints responded to within complaint handling timescales	M	80%	72.26%	—
	TSM: Complaints per 1000 properties	M	Contextual measure	13.45	—
	TSM: Emergency repairs completed within target timescale	M	97%	98.78%	—
●	TSM: Non emergency repairs completed within target timescale	M	80%	78.5%	—
	TSM: % of homes for all other required safety checks have been carried out	M	100%	100%	—
	TSM:ASB cases per 1000 properties	M	Contextual measure	16.24	—
	Maintaining a strong corporate foundation				
	EBITDA MRI Interest Cover	VH	116.49%	135.32%	↑
●	Gearing	VH	49.95%	45.76%	↓
	Headline Social Housing Cost Per Unit	VH	£4,119	£3,986	↓
●	Operating Margin	VH	29.86%	28.8%	↑
●	Reinvestment	H	15.35%	10.86%	↑
	Return on Capital Employed	H	2.94%	3.09%	↑
	Growing the business				
●	New Property Sales	H	62 units	57 units	↓
	New Supply Delivered	H	3.6%	4.19%	↑
●	Starts on Site	H	505 units	316 units	↓

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

Table 1: Quarterly KPI performance at year end (financial data based on unaudited management accounts.)

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 Association's development programme continued to recover from the disruptions caused by the COVID-19 pandemic. Although performance through the year was above target, performance at the year-end narrowly missed target due as a result of delayed handovers and sales falling away when at an advanced stage.

The Association's *Starts on Site* performance of 316 units was below the target of 505 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 the Association's ability to progress into contract on those particular schemes.

In 2023/24 the Association delivered 682 units of affordable housing, as shown in Figure 3.

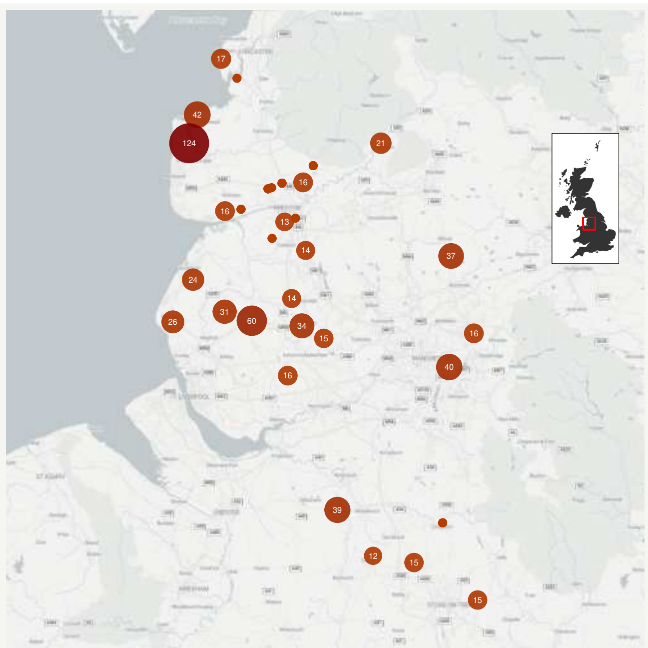


Figure 3: New affordable housing delivered in 2023/24.

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 Association's development activity during the year is shown in Table 4. 1,712 jobs are estimated to have been supported through the Association's investment in new development in the year.

Homes provided	Jobs supported	Impact
682	1,712	£93.2m

Table 4: Local economic impact of housing development 2023/24.

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

Through careful architectural design, the Association's housing developments also contribute to improvements to the general built environment and towards efforts to reduce carbon emissions. Figure 4 on the next page presents a selection of the new housing delivered by the Group's members in 2023/24, showcasing high design standards.

The Association's *Development Strategy* will yield 1,313 new affordable homes between 2024 and 2026.

This is expected to inject an additional £2,690m into local economies, supporting in excess of 146 jobs per annum.

At 31 March 2024, 1,187 properties were on-site.

Note: Please see the financial statements of our parent — Jigsaw Homes Group — for a full report on the value for money performance of the Group, including details of our performance with respect to the 2023 Value for Money metrics published by the Regulator of Social Housing.

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 Association's corporate risk position at the end of the financial year on page 20.

Figure 4: Good design in new housing 2023/24.

Year	Turnover £'000	Operating expenditure £'000	Operating surplus %	Retained surplus £'000	Retained surplus %
2020	79,360	43,611	45	21,998	28
2021	88,965	44,233	44	19,614	22
2022	93,160	52,518	39	29,410	32
2023	102,587	67,845	29	11,004	11
2024	**109,572**	**74,571**	**30**	**13,466**	**12**

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

Table 2: Five-year financial performance.

Year	2024	2023	2022	2021	2020
Housing properties at cost	1,184,258	1,074,202	984,722	909,667	839,714
Properties for sale	2,863	3,268	5,106	4,491	8,863
Investments	3,035	3,393	3,246	3,039	3,178
Cash at bank and short term deposits	13,560	79,993	15,544	29,008	36,912
Creditors amounts falling due within one year	43,457	40,159	31,698	31,930	40,096
Net current assets / (liabilities)	(2,752)	60,995	(199)	10,130	22,419
Total assets less current liabilities	1,061,672	1,026,121	884,887	830,265	782,163
Creditors amounts falling due after more than one year	807,823	786,031	653,589	622,792	600,168
Capital and reserves	249,053	235,587	224,583	195,173	175,559

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

Table 3: Five-year financial position.

3. Governance

Making a mill of it

We help transform a disused mill site in Gorton, into 40 new apartments for social rent available to local residents.

Corporate Structure and Governance

The structure of the Group's corporate and governance arrangements are shown in Figure 5 on the next page. Figure 5 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 5 on the following page sets out the demographics of the board in comparison to the diversity of the Association's residents and to the wider region.

Board Members Serving at the End of the Financial Year

Tim Ryan

Chair of the board

Attendance: 1/1 100% (Board), 4/4 100% (Group), 4/4 100% (Jigsaw Homes Midlands), 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.

Shoab Akhtar

Attendance: 4/4 100%

Shoab is currently employed by Onward Homes and has served as a councillor on Oldham Council since 2000, sitting on various committees and holding different cabinet portfolios. He was mayor of Oldham in 2008/09, and served as deputy leader from 2011 to 2014 and is currently a member of the planning committee. Shoab is also a governor at Oldham Sixth Form College and a member of the Oldham Enterprise Trust.

Claire Beaumont

Attendance: 4/4 100%

Claire is a partner in the Commercial Property Team at Gorvins Solicitors specialising in property investment and finance, but with broad experience across the sector working with a variety of clients who are active in the market. Claire is a former Chairman of the Association of Women in Property Northwest Branch and remains part of the committee and as a mentor, assisting the association in encouraging women into the property sector.

Clive Elliott

Attendance: 4/4 100%

Clive has been a corporate banker and a business management consultant, specialising latterly in large scale transformational change strategy and delivery in a range of public and private sector organisations. He is currently Pro-Chancellor and Chair of the Board at Edge Hill University in Lancashire.

Matthew Lynch

Attendance: 2/4 50%

Matthew is an experienced councillor serving the Chorley North West ward of Chorley Borough Council. He is Chair of the licensing and public safety committee.

Brian Moran

Group Chief Executive

Attendance: 1/1 100% (Board), 4/4 100 % (Group), 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.

Janet Mutch

Attendance: 4/4 100%

Janet brings a wealth of customer service and employment knowledge to the board through her

Demographic	Local Area	Tenants	Board
% who are women	51	54	50
% who are ethnic minorities	14	5	13
% who have a disability	19	13	–
% who are lesbian, gay or bisexual	3	Unknown	–
% who identify with a religion	67	Unknown	38
% who were educated at state school	c. 93	Unknown	100
Average age (years)	41	40	62

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 5: Demographic composition of the board.

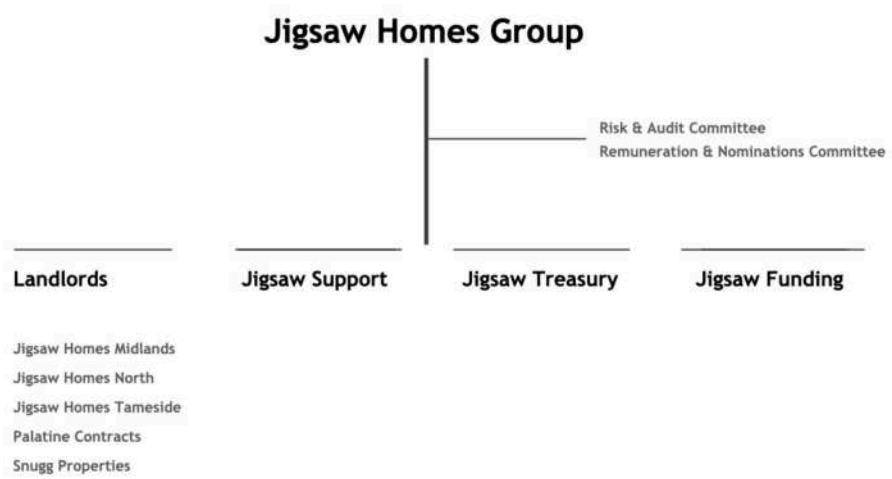


Figure 5: Corporate and governance structure — board meetings for the organisations that fall under Landlords are held contemporaneously using overlapped meetings.

role as retail manager for Cancer Research and previous role with Willow Wood Hospice. Living and working in Tameside gives Janet a strong understanding of the issues facing our customers and the wider community.

Laverne Picart

Attendance: 3/4 75% (Board), 3/4 75% (R&A Committee)

Laverne is a finance professional with over 30 years' experience gained in the financial services sector as an auditor, investment analyst, corporate banker and more recently financial adviser. Laverne is a qualified Chartered Accountant and an FCA registered Independent Financial Adviser. She is also a member of the Personal Finance Society and Chartered Insurance Institute.

Corporate Responsibility

Employees

The Association recognises that the success of the business depends on the quality of its managers and employees. It is the policy of the Association 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 Association 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 Association's policy in this area is available to download from the Jigsaw website: search for "equality and diversity".

Modern Slavery and Human Trafficking Statement

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

Streamlined Energy and Carbon Reporting (SECR)

Whilst being a requirement due to its size, the Association has taken advantage of the exemption under the Environmental Reporting Guidelines 2019 to not disclose its carbon emission data as these are fully disclosed in the financial statements of its parent company, Jigsaw Homes Group Limited.

Risk Management and Internal Controls

The board has overall responsibility for the system of internal control and risk management across the Association and for reviewing its effectiveness. The board also take steps to ensure the Association 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 6 on the next page summarises the Association's risk register at 31 March 2024. The assessment shows 114 risks which could impact on the delivery of the Association's corporate objectives categorised by the impact areas of 'People', 'Strategic', 'Financial', 'Business Interruption' and 'Reputation'.

Figure 6 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).
- 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.

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

Figure 6: Risk analysis.

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 Association is ongoing and has been in place throughout the period commencing 1 April 2023 up to the date of approval of this document.

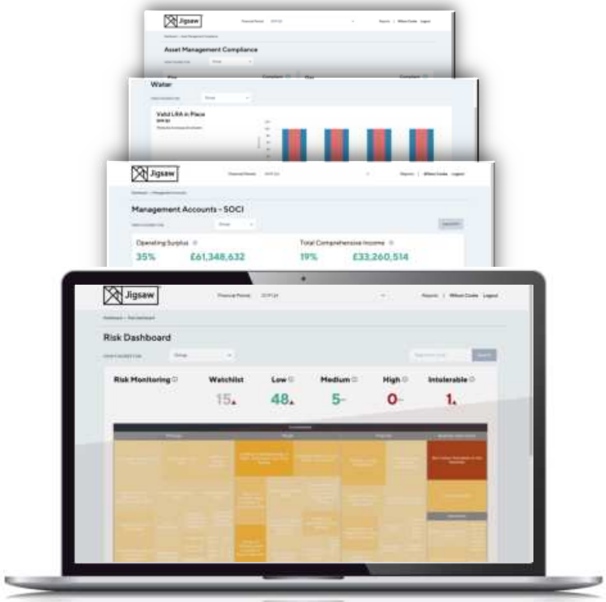


Figure 7: Examples from the Group's suite of performance dashboards.

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 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 Association'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 Association'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.

The Association 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 Association's objectives.

The existence of these financial instruments exposes the Association to a number of financial

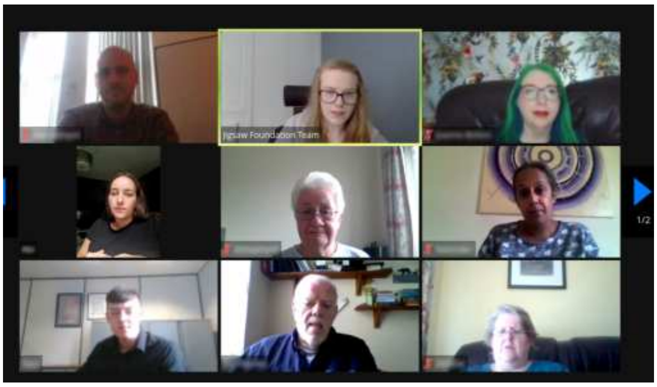


Figure 8: Our tenant scrutiny panels undertake deep-dive investigations into areas voted for by tenants.

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

The Association currently borrows from a variety of lenders at both fixed and floating rates of interest. The Association'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 95% (2023: 95%) of borrowings were at fixed rates between 2.1% and 10.9% with an average borrowing rate of 4.91%.

Liquidity Risk

The Association 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 Association 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 Association had access to £16.6m (2023: £83.4m) of both cash balances and short term investments held as cash together, together with access to c. £335m (2023: £0m) 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 Association 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 Association 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 Association has a number of unregulated subsidiaries which traded in the year (see page 34). They are managed and monitored under the same internal control framework as outlined above.

There is no detrimental financial risk to the Association 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 Association has complied with the regulator's *Governance and Financial Viability Standard*.

Code of Governance

During 2023/24 the Association'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 Association 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 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 Association and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, 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 Association 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 Association'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 Association'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 Association continues to be a going concern and have therefore produced financial statements on a going concern basis.

The Association'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 Association's 2024/25 budget prior to the start of the financial year and approved the Association'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 Association'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[3] 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 Association has access to long-term debt facilities and sufficient liquidity, which provide adequate resources to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association'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 Association.

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 Association'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 Association's auditors.

Approved by the Board on 4th September 2024 and signed on its behalf on 4th September 2024 by:

Tim Ryan

Association Chair

[3] 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.

Waddow View

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

4. Financial Statements

Independent Auditor's Report to the Members of Jigsaw Homes North

Opinion on the Financial Statements

We have audited the financial statements of Jigsaw Homes North ("the Society") for the year ended 31 March 2024 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity (reserves), and the notes to the financial statements, including a summary of significant 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 Society's affairs as at 31 March 2024 and of the Society's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance of the Co-operative and Community Benefit Societies Act 2014, 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 Society 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 Society'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 in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Society has not kept adequate accounting records; or
- the Society'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 24, 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 Society'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 Society 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 non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Society, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 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 Society's activities and the regulated nature of the Society'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 Society's members 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 Society'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 Society and the Society'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	**Notes**	**2024 £'000**	**2023 £'000**
Turnover	3	109,572	102,587
Cost of sales	3	(3,241)	(7,304)
Operating expenditure	3	(74,571)	(67,845)
Profit on disposal of fixed assets	5	1,533	1,997
Operating surplus	**8**	**33,293**	**29,435**
Interest receivable	6	1,730	1,832
Interest and financing costs	7	(20,765)	(22,031)
Gift Aid		701	496
Movement in year fair value of Investment Properties	13	–	–
Surplus before tax	**8**	**14,959**	**9,732**
Taxation	9	–	–
Surplus for the year		**14,959**	**9,732**
Actuarial gain in respect of pension schemes	30	(370)	6,411
Effect of the asset ceiling	30	(1,123)	(5,139)
Total comprehensive income for the year		**13,466**	**11,004**

The results for the year relate wholly to continuing activities and the notes on pages 34 to 62 form an integral part of these Financial Statements.

The Financial Statements and notes on pages 34 to 62 were approved and authorised for issue by the Board on 4th September 2024 and signed on its behalf on 4th September 2024 by:

T. Ryan
Chair

M. Murphy
Secretary

B. Moran
Executive Member

Statement of Financial Position

At 31 March 2024	Notes	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets	12	1,064,150	964,852
Investment properties	13	274	274
		1,064,424	**965,126**
Current assets			
Stock	14	2,863	3,268
Trade and other debtors	15	21,247	14,500
Investments	16	3,035	3,393
Cash and cash equivalents	17	13,560	79,993
		40,705	**101,154**
Less: Creditors: amounts falling due within one year	18	(43,457)	(40,159)
Net current assets		**(2,752)**	**60,995**
Total assets less current liabilities		**1,061,672**	**1,026,121**
Creditors: amounts falling due after more than one year	19	(807,823)	(786,031)
Provisions for liabilities			
Pension provision	30	(4,796)	(4,503)
Total net assets		**249,053**	**235,587**
Reserves			
Revenue reserve		249,053	235,587
Total reserves		**249,053**	**235,587**

The Financial Statements and the notes on pages 34 to 62 which form an integral part of these Financial Statements, were approved and authorised for issue by the Board on 4th September 2024 and signed on its behalf on 4th September 2024 by:

T. Ryan
Chair

M. Murphy
Secretary

B. Moran
Executive Member

Statement of Changes in Equity

	Revenue reserve £'000	Total £'000
Balance at 31 March 2022	**224,583**	**224,583**
Surplus from Statement of Comprehensive Income	9,732	9,732
Actuarial gain in respect of pension schemes (Note 30)	6,411	6,411
Pension surplus deemed not recoverable (Note 30)	(5,139)	(5,139)
Balance at 31 March 2023	**235,587**	**235,587**
Surplus from Statement of Comprehensive Income	14,959	14,959
Actuarial gain in respect of pension schemes (Note 30)	(370)	(370)
Pension surplus deemed not recoverable (Note 30)	(1,123)	(1,123)
Balance at 31 March 2024	**249,053**	**249,053**

Notes to the Financial Statements

1. Legal Status

Jigsaw Homes North 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 North 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 6: 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 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 Association'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.

The Association has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Basic Financial Instruments; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Jigsaw Homes Group Limited as at 31 March 2024 and these financial statements may be obtained from their registered office.

Merger Accounting

We undertook a number of business combinations in the year as set out in Note 1 to these financial statements.

The Board are satisfied that the criteria for merger accounting was met on the following basis:

- Neither party to the combination was portrayed as either acquirer or acquiree, either by its own board or management or by that of another party to the combination.
- Parties to the combination, as represented by the members of the board, participated in establishing the management structure of the combined entity and in selecting the management personnel. These decisions were made on the basis of a consensus between the parties to the combination.

Merger accounting involves combining all of the results and cash flows of the amalgamating parties from the beginning of the financial period in which the merger occurs. The comparative amounts are restated by including the results for all the combining entities for the previous accounting period and by combining their statement of financial positions as at the previous reporting date. This methodology has been applied in these financial statements.

Going Concern

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

The Association'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 Association's 2024/25 budget prior to 31 March 2024 and approved the Association'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 Association'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[4] into a single unprecedentedly challenging scenario.

[4] 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.

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 Association has access to long-term debt facilities and sufficient liquidity, which provide adequate resources to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association'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 Association.

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:

Merger accounting

The board exercised judgement in determining that the criteria for merger accounting had been met. Had the board concluded that those criteria had not been met, the purchase method of accounting would have applied, resulting in the need to identify an acquirer in the combination and for the assets and liabilities of the acquiree to have been recognised at fair value with any gain or loss being recognised through the statement of comprehensive income.

In making this key judgement, the board considered the accounting treatment which more closely reflected the nature of the combination.

Development expenditure

The Association capitalises development expenditure in accordance with the accounting policy described on page 40. 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 Association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals.

Impairment

The Association 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 Association 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 Association is then required to determine the level at which the recoverable amount is to be assessed. The Association 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 Association considers its current right to obtain a refund or a reduction in future contributions. The Association 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 Association, 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 Association 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.

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 Association 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 Association 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 Association 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 Association and not recoverable.

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 Association 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 7: 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 8: 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 Association 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 Association.

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 Association'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 Association.

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.

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 Association 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 Association 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 Association'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 Association 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 Association 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)	92,722	–	(64,039)	–	28,683
Other social housing activities:					
Housing management contracts	12,354	–	(10,532)	–	1,822
First tranche low cost home ownership sales	4,206	(3,241)	–	–	965
Other activities	290	–	–	–	290
Non-social housing activities:					
Disposal of fixed assets (Note 5)	–	–	–	1,533	1,533
Total	**109,572**	**(3,241)**	**(74,571)**	**1,533**	**33,293**

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)	82,166	–	(58,703)	–	23,463
Other social housing activities:					
Housing management contracts	11,262	–	(9,142)	–	2,120
First tranche low cost home ownership sales	8,922	(7,304)	–	–	1,618
Other activities	237	–	–	–	237
Non-social housing activities:					
Disposal of fixed assets (Note 5)	–	–	–	1,997	1,997
Total	**102,587**	**(7,304)**	**(67,845)**	**1,997**	**29,435**

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	65,889	9,915	4,085	79,889	72,267
Service charge income	1,462	6,560	762	8,784	6,124
Charges for support services	–	835	–	835	719
Amortised government grants	2,443	514	257	3,214	3,056
Turnover from social housing lettings	**69,794**	**17,824**	**5,104**	**92,722**	**82,166**
Operating expenditure					
Management	8,050	2,169	768	10,987	11,678
Service charge costs	2,123	7,802	764	10,689	7,559
Routine maintenance	15,167	2,470	14	17,651	13,939
Planned maintenance	5,081	1,166	–	6,247	9,098
Major repairs expenditure	3,988	673	–	4,661	3,864
Bad debts	388	65	–	453	662
Property lease charges	160	–	–	160	179
Depreciation of housing properties	11,066	1,186	922	13,174	11,457
Depreciation of other fixed assets	–	–	–	–	–
Other costs	17	–	–	17	267
Operating expenditure on social housing lettings	**46,040**	**15,531**	**2,468**	**64,039**	**58,703**
Operating surplus on social housing lettings	**23,754**	**2,293**	**2,636**	**28,683**	**23,463**
Void losses	939	330	24	1,293	1,109

4. Accommodation Owned, Managed and in Development

	2024 Owned	No. of units Managed	2023 Owned	No. of units Managed
Social Housing				
General needs housing				
Social rent	6,832	1,261	6,797	1,266
Affordable rent	5,437	55	4,925	55
Intermediate rent	171	–	145	–
Sheltered housing for older people	1,645	71	1,645	71
Supported housing	453	–	439	–
Low-cost home ownership	1,277	99	1,159	97
Leasehold where the Group owns the freehold	448	57	486	52
Total units social housing	**16,263**	**1,543**	**15,596**	**1,541**

The Association owns 468 (2023: 418) properties which are managed by others.

In Development	**2024 No. of units**	**2023 No. of units**
Social Housing		
General needs housing		
Social rent	158	–
Affordable rent	572	913
Supported housing	10	72
Low-cost home ownership	447	493
Total units social housing	**1,187**	**1,478**

	General Needs Social Rent	**General Needs Affordable** Rent	**Intermediate** Rent	**Supported** Housing	**Low Cost Home** Ownership	**Sheltered Housing for Older** People	**Leasehold – group owns** freehold	Total
Opening units	6,797	4,925	145	439	1,159	1,645	486	15,596
New units developed	54	528	57	–	59	–	–	698
Units sold	(21)	(9)	(1)	–	(14)	–	–	(45)
Units demolished	–	–	–	–	–	–	–	–
Lease expired/surrendered	**(2)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2)**
Other adjustments	**4**	**(7)**	**(30)**	**14**	**73**	**–**	**(38)**	**16**

5. Profit on Disposal of Fixed Assets

	2024 £'000	**2023 £'000**
Proceeds of sales	3,907	6,279
Carrying value	(2,308)	(4,202)
Incidental costs	(66)	(80)
Total profit	**1,533**	**1,997**

6. Interest Receivable

	2024 £'000	**2023 £'000**
Bank interest receivable	1,730	1,832
Total	**1,730**	**1,832**

7. Interest and Financing Costs

	2024 £'000	**2023 £'000**
Loans and bank overdrafts	26,070	25,968
Amortisation of loan fees	(77)	(117)
Notional interest on RCGF (Note 22)	44	51
Interest on pension deficit (Note 30)	187	167
Interest capitalised on housing properties under construction	(5,459)	(4,038)
Total	**20,765**	**22,031**

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

8. Operating Surplus

	2024 £'000	2023 £'000 Restated
The operating surplus is stated after charging:		
Audit fee	29	23
Fees payable to the company's auditor & its associates for other services to the Group	9	8
Operating lease rentals:		
Land and buildings	160	179
Depreciation:		
Depreciation of housing properties	13,174	11,457
Depreciation of other fixed assets	1,016	1,052

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

9. Taxation

Group	2024 £'000	2023 £'000
Deferred tax		
Origination and reversal of timing differences	–	–
Effect of tax rate change on opening balance	–	–
Total deferred tax charge	**–**	**–**
Total tax recognised in the Statement of Comprehensive Income	**–**	**–**

Reconciliation of effective tax rate	2024 £'000	2023 £'000
Surplus for the year	–	–
Total tax expense	–	–
Surplus excluding taxation	**–**	**–**
Tax using the UK corporation tax rate of 25% (2023: 19%)	–	–
Effect of tax free income due to charitable activities	–	–
Amounts credited directly to other comprehensive income	–	–
Fixed asset differences	–	–
Other permanent differences	–	–
Income not taxable for tax purposes	–	–
Tax rate differences on deferred tax	–	–
Chargeable gains	–	–
Deferred tax not recognised	–	–
Total tax charge	**–**	**–**

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

10. Directors' Remuneration

The group chief executive, executive directors and non-executive directors are remunerated by Jigsaw Homes Group Limited. Their costs are recharged to all Group subsidiaries on an on-going basis (2023: £nil).

11. Employee Information

	2024	2023 Restated
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Management and administration	6	10
Housing, support and care	104	107
Total	**110**	**117**

Staff costs	**2024 £'000**	**2023 £'000 Restated**
Wages and salaries	3,612	3,540
Social security costs	337	333
Other pension costs	691	727
Total	**4,640**	**4,600**

Aggregate number of full time equivalent staff whose remuneration (including pension contributions) exceeded £60,000 in the period:	**2024**	**2023 Restated**
£60,001 – £70,000	4	6
£70,001 – £80,000	2	2
£80,001 – £90,000	–	–

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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	903,022	76,227	91,265	3,688	1,074,202
Additions	–	88,814	–	12,926	101,740
Capitalised administration costs	–	2,180	–	355	2,535
Interest capitalised	–	4,719	–	740	5,459
Transfers to/from stock	–	–	–	–	–
Component replacements	7,953	–	–	–	7,953
Components replaced cost	(1,958)	–	–	–	(1,958)
Schemes completed	92,514	(92,514)	9,191	(9,191)	–
Disposals cost	(1,578)	–	(4,095)	–	(5,673)
At end of the year cost	**999,953**	**79,426**	**96,361**	**8,518**	**1,184,258**
Depreciation and impairment					
At start of the year	110,464	–	5,718	–	116,182
Charge for the year	11,699	–	866	–	12,565
Components replaced	(1,347)	–	–	–	(1,347)
Disposals	(285)	–	(109)	–	(394)
At end of the year	**120,531**	**–**	**6,475**	**–**	**127,006**
Net book value:					
At 31 March 2024	**879,422**	**79,426**	**89,886**	**8,518**	**1,057,252**
At 31 March 2023	792,558	76,227	85,547	3,688	958,020

All properties are held on either a freehold or long leasehold basis. There are 2,080 properties held on a long leasehold basis with an associated cost of £118m. 75.1% 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 Association 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 Association 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 53.

	2024 £'000	2023 £'000
Works to existing properties in the year:		
Improvement works capitalised	7,953	5,696
Amounts charged to expenditure	28,560	26,901
Total	**36,513**	**32,597**

Tangible fixed assets **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	7,515	397	8,658	16,570
Additions	6	68	1,008	1,082
Disposals	–	(13)	–	(13)
At end of the year	**7,521**	**452**	**9,666**	**17,639**
Depreciation and impairment				
At start of the year	3,489	256	5,993	9,738
Charge for the year	251	56	709	1,016
Disposals	–	(13)	–	(13)
At end of the year	**3,740**	**299**	**6,702**	**10,741**
Net book value:				
At 31 March 2024	**3,781**	**153**	**2,964**	**6,898**
At 31 March 2023	4,026	141	2,665	6,832

13. Investment Properties

	2024 £'000	**2023 £'000**
At start of year	274	274
Loss from adjustment in value	–	–
At end of year	**274**	**274**

14. Stock

	2024 £'000	**2023 £'000**
First tranche shared ownership properties		
Completed	684	895
Work in progress	2,179	2,373
Total	**2,863**	**3,268**

15. Trade and Other Debtors

	2024 £'000	2023 £'000
Rent arrears	4,286	3,779
Less: provision for bad debts rents	(2,219)	(2,048)
Sub-total	**2,067**	**1,731**
Trade debtors	1,291	3,151
Less: provision for bad debts trade	(828)	(778)
Sub-total	**463**	**2,373**
Prepayments and accrued income	3,728	4,361
Amounts owed by group undertakings	983	130
Intercompany loans	9,571	3,614
Social housing grant receivable	3,182	1,221
Other debtors	1,253	1,069
Total due within one year	**21,247**	**14,500**
Total	**21,247**	**14,500**

A number of tenants in arrears are in formal repayment agreements with the Association. 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.

16. Investments

	2024 £'000	2023 £'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

	2024 £'000	2023 £'000
Cash at bank	13,560	79,993
Total	**13,560**	**79,993**

18. Creditors: Amounts Falling Due Within One Year

	2024 £'000	2023 £'000
Loans and overdrafts (Note 20)	287	2,518
Trade creditors	1,425	1,522
Amounts owed to group undertakings	8,522	13,273
Intercompany loans (Note 20)	14,779	5,449
Funds held on behalf of homeowners	1,893	1,769
Rents and service charges paid in advance	1,713	1,853
Other taxation and social security payable	365	307
Accruals and deferred income	7,435	7,747
Deferred capital grant (Note 21)	3,341	3,165
Recycled capital grant fund (Note 22)	130	124
Other creditors	3,567	2,432
Total	**43,457**	**40,159**

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

	2024 £'000	2023 £'000
Social housing loans (Note 20)	69,988	70,180
Deferred capital grant (Note 21)	315,290	297,844
Recycled capital grant fund (Note 22)	918	1,206
Local authority loan	75	75
Intercompany loans (Note 20)	421,552	416,726
Total	**807,823**	**786,031**

20. Debt Analysis

	2024 £'000	2023 £'000
Intercompany		
Loans repayable by instalments:		
Within one year	5,703	5,562
In one year or more but less than two years	4,165	7,229
In two years or more but less than five years	52,380	40,057
In five years or more	222,684	217,939
Loans not repayable by instalments:		
Within one year	9,188	–
In one year or more but less than two years	–	9,170
In two years or more but less than five years	–	–
In five years or more	149,303	149,020
Fair value adjustment on financial instruments	68	132
Less: loan issue costs	(4,006)	(3,658)
Loans discount:		
Amount due to be released within one year	(112)	(113)
Amount due to be released after more than one year	(3,042)	(3,163)
Total loans	**436,331**	**422,175**

All loans are repayable with interest chargeable at varying rates from 10.9% to 2.1% during the year.

	2024	2023
	£'000	**£'000**
Social housing loans		
Loans repayable by instalments:		
Within one year	48	278
In one year or more but less than two years	293	104
In two years or more but less than five years	2,389	1,561
In five years or more	24,045	25,084
Loans not repayable by instalments:		
Within one year	–	2,000
In one year or more but less than two years	–	–
In five years or more	39,900	39,900
Less: loan issue costs	(1,056)	(1,125)
Loans premium:		
Amount due to be released within one year	239	240
Amount due to be released after more than one year	4,417	4,656
Total loans	**70,275**	**72,698**

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.

The interest rate profile of the Association at 31 March 2024 was	Total	Variable rate	Fixed rate	Weighted average rate	Weighted average term
	£'000	**£'000**	**£'000**	**%**	**Years**
Instalment loans	311,707	26,955	284,752	5.67	13.40
Non-instalment loans	198,391	–	198,391	3.70	25.01
Total loans	**510,098**	**26,955**	**483,143**	**4.90**	**17.92**

At 31 March 2024 the Association had the following borrowing facilities:	£'000
Access to undrawn group facilities	335,000
Total	**335,000**

21. Deferred Capital Grant

	2024	2023
	£'000	**£'000**
At start of the year	301,009	286,426
Grant received in the year	20,666	16,862
Reclassification of grant received in 2020	–	648
Disposals	(847)	(1,477)
Released to income in the year	(3,215)	(3,056)
Additions from Recycled Capital Grant Fund (Note 22)	1,018	1,606
At end of the year	**318,631**	**301,009**
Amount due to be released within one year	3,341	3,165
Amount due to be released after more than one year	315,290	297,844
Total	**318,631**	**301,009**

22. Recycled Capital Grant Fund

	2024 £'000	2023 £'000
At the start of the year	1,330	1,922
Grants to recycle	692	963
Interest accrued	44	51
Recycling: grants recycled	(1,018)	(1,606)
At the end of the year	**1,048**	**1,330**

23. Share Capital

	2024 £	2023 £
At the start of the year	8	8
Issued/(disposed) during the year	–	–
At the end of the year	**8**	**8**

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

	2024 £'000	2023 £'000
Capital expenditure contracted for but not provided for in the Financial Statements	107,087	155,974
Capital expenditure authorised by the Board but not yet been contracted for	16,602	19,646
Total	**123,689**	**175,620**
The Association expects these commitments to be financed with:		
Social housing grant	19,214	25,706
Proceeds from the sales of properties	10,767	13,298
Committed loan facilities and surpluses generated from operating activities	93,708	136,617
Total	**123,689**	**175,621**

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

26. Operating Leases

	2024 £'000	2023 £'000
Land and buildings:		
Within one year	48	48
In one year or more but less than five years	194	194
In five years or more	125	173
Total	**367**	**415**

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

	2024 £'000	2023 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant (Note 21)	318,631	301,009
Recognised as income in Statement of Comprehensive Income	84,239	81,796
Total	**402,870**	**382,805**

28. Related Parties

	Expenditure £'000	Interest £'000	Gift Aid £'000	(Creditors) £'000
Cavendish Property Developments	–	–	–	(34)
Jigsaw Homes Group	(35,016)	–	–	933
Jigsaw Homes Midlands	–	–	–	25
Jigsaw Homes Tameside	–	–	–	7
Jigsaw Support	–	–	–	(3)
Jigsaw Treasury Limited	–	(23,907)	–	(439,251)
Palatine Contracts	(59,879)	–	701	4,005

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.

During the year one tenant of another Group member, Janet Mutch, served as a member of the board. Their tenancy is on normal social housing terms and they were unable to use their position on the board to their advantage.

The Association provides a guarantee to Jigsaw Homes Group Limited up to a maximum of £25m to support its membership of the Social Housing Pension Scheme.

The Association alongside fellow registered provider members of the Group jointly and severally provides a guarantee that forms part of the security for the Group's borrowing arranged through Jigsaw Treasury Limited.

29. Financial Instruments

	2024 £'000	2023 £'000
Financial Assets		
Financial assets measured at historical cost		
• Trade receivables	2,530	4,104
• Other receivables	18,717	10,396
• Short term investments	3,035	3,393
• Cash and cash equivalents	13,560	79,993
Total Financial Assets	**37,842**	**97,886**
Financial Liabilities		
Financial Liabilities measured at amortised cost		
• Loans payable	70,275	72,699
Financial Liabilities measured at historical cost		
• Trade creditors	1,425	1,522
• Other creditors	343,249	329,793
Total Financial Liabilities	**414,949**	**404,013**

30. Pensions

Defined Benefit Pension Obligations

The Association participates in three pension schemes: the Social Housing Pension Scheme (SHPS), the Lancashire County Pension Fund (LCPF)and the Greater Manchester Pension Fund (GMPF). All 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 Association participates in the SHPS multi-employer pension defined benefit scheme.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Association 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 £1,560m. 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 Association paid contributions at the rate of 19.2% (2023: 19.2%). Member contributions varied between 3% and 22%.

Greater Manchester Pension Fund (GMPF)

The Association 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 Association paid contributions of 17.2% (2023: 18.5%). Member contributions varied between 5.5% and 12.5%.

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%.

	2024 £'000	2023 £'000
Defined benefit pension (liability)/asset:		
Social Housing Pension Scheme	(4,796)	(4,503)
Greater Manchester Pension Fund	–	–
Lancashire County Pension Fund	–	–
	(4,796)	**(4,503)**
Amounts recognised in operating costs:		
Social Housing Pension Scheme	231	362
Greater Manchester Pension Fund	37	80
Lancashire County Pension Fund	106	184
	374	**626**
Net amounts recognised in finance costs:		
Social Housing Pension Scheme	186	109
Greater Manchester Pension Fund	1	20
Lancashire County Pension Fund	(1)	38
	186	**167**
Actuarial gains/(losses) recognised in other comprehensive income:		
Social Housing Pension Scheme	(1,494)	(1,089)
Greater Manchester Pension Fund	8	803
Lancashire County Pension Fund	(7)	1,558
	(1,493)	**1,272**

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 £'000	GMPF £'000	LCPF £'000	Total £'000
2024 by scheme				
Present value of funded benefit obligations	25,520	2,436	14,487	42,443
Fair value of plan assets	(20,724)	(2,858)	(20,574)	(44,156)
Pension surplus deemed not recoverable	–	422	6,087	6,509
Deficit/(surplus)	**4,796**	**–**	**–**	**4,796**
2023 by scheme				
Present value of funded benefit obligations	25,594	2,450	14,383	42,427
Fair value of plan assets	(21,091)	(2,698)	(19,274)	(43,063)
Pension surplus deemed not recoverable	–	248	4,891	5,139
Deficit/(surplus)	**4,503**	**–**	**–**	**4,503**

Components of Pension Cost for the Period

	SHPS	GMPF	LCPF	Total
	£'000	**£'000**	**£'000**	**£'000**
2024 by scheme				
Service cost	208	37	103	348
Net interest cost	186	1	(1)	186
Administrative expenses	23	–	3	26
Total pension cost recognised in Statement of Comprehensive Income	**417**	**38**	**105**	**560**
2023 by scheme				
Service cost	339	80	184	603
Net interest cost	109	20	38	167
Administrative expenses	23	–	3	26
Total pension cost recognised in Statement of Comprehensive Income	**471**	**100**	**225**	**796**

Statement of Comprehensive Income

	SHPS	GMPF	LCPF	Total
	£'000	**£'000**	**£'000**	**£'000**
2024 by scheme				
Experience on plan assets (excl amounts in net interest cost) – gain	(2,045)	73	670	(1,302)
Experience gains and losses on the plan liabilities – gain/(loss)	69	(62)	(113)	– (106)
Re-measurements – demographic assumptions	281	17	205	503
Re-measurements – financial assumptions	201	142	192	535
Effect of the asset ceiling		(162)	(961)	(1,123)
Total – gain/(loss)	**(1,494)**	**8**	**(7)**	**(1,493)**
2023 by scheme				
Experience on plan assets (excl amounts in net interest cost) – gain	(13,670)	(215)	(134)	(14,019)
Experience gains and losses on the plan liabilities – gain/(loss)	1,194	91	(1,543)	(258)
Re-measurements – demographic assumptions	59	94	7,665	7,818
Re-measurements – financial assumptions	11,328	1,081	461	12,870
Effect of the asset ceiling	–	(248)	(4,891)	(5,139)
Total – gain/(loss)	**(1,089)**	**803**	**1,558**	**1,272**

Change in Benefit Obligations

	SHPS	GMPF	LCPF	Total
	£'000	**£'000**	**£'000**	**£'000**
2024 by scheme				
Benefit obligation at 1 April	**25,594**	**2,450**	**14,383**	**42,427**
Current service cost	208	37	103	348
Expenses	23	–	–	23
Interest on pension liabilities	1,228	116	682	2,026
Member contributions	–	11	38	49
Experience on plan liabilities loss	(69)	62	113	106
Re-measurements (liabilities)				
Gain on demographic assumptions	(281)	(17)	(192)	(490)
Gain on financial assumptions	(201)	(142)	(205)	(548)
Benefits/transfers paid	(982)	(81)	(435)	(1,498)
As at 31 March	**25,520**	**2,436**	**14,487**	**42,443**
2023 by scheme				
Benefit obligation at 1 April	**38,151**	**3,602**	**20,595**	**62,348**
Current service cost	339	80	184	603
Expenses	23	–	–	23
Interest on pension liabilities	1,049	97	571	1,717
Member contributions	–	12	37	49
Experience on plan liabilities gain	(1,194)	(91)	1,543	258
Re-measurements (liabilities)				
loss on demographic assumptions	(59)	(94)	(461)	(614)
loss on financial assumptions	(11,328)	(1,081)	(7,665)	(20,074)
Benefits/transfers paid	(1,387)	(75)	(421)	(1,883)
As at 31 March	**25,594**	**2,450**	**14,383**	**42,427**

Change in Plan Assets

	SHPS	GMPF	LCPF	Total
	£'000	£'000	£'000	£'000
2024 by scheme				
Fair value of plan assets at 1 April	**21,091**	**2,698**	**19,274**	**43,063**
Interest on plan assets	1,042	127	918	2,087
Return on assets less interest	(2,045)	73	670	(1,302)
Administration expenses	–	–	(3)	(3)
Employer contributions	1,618	30	112	1,760
Member contributions	–	11	38	49
Benefits/transfers paid	(982)	(81)	(435)	(1,498)
Fair value of plan assets at 31 March	**20,724**	**2,858**	**20,574**	**44,156**
2023 by scheme				
Fair value of plan assets at 1 April	**33,606**	**2,864**	**19,163**	**55,633**
Interest on plan assets	940	77	533	1,550
Return on assets less interest	(13,670)	(215)	(134)	(14,019)
Administration expenses	–	–	(3)	(3)
Employer contributions	1,602	35	99	1,736
Member contributions	–	12	37	49
Benefits/transfers paid	(1,387)	(75)	(421)	(1,883)
Fair value of plan assets at 31 March	**21,091**	**2,698**	**19,274**	**43,063**

Asset Allocation

	2024	2023
	£'000	£'000
Equities	19 to 2065	19 to 1948
Government bonds	0 to 0	0 to 0
Other bonds	39 to 429	39 to 430
Property	229 to 832	258 to 908
Cash/liquidity	154 to 409	152 to 229
Other	45 to 18773	95 to 18773
Absolute return	809 to 809	228 to 228
Alternative risk premia	658 to 658	39 to 39
Credit relative value	679 to 679	796 to 796
Distressed opportunities	731 to 731	638 to 638
Emerging markets debt	268 to 268	113 to 113
Infrastructure	2093 to 2093	2409 to 2409
Insurance linked securities	107 to 107	532 to 532
Liability driven investment	8434 to 8434	9715 to 9715
Long lease property	134 to 134	636 to 636
Private debt	815 to 815	939 to 939
Risk sharing	1213 to 1213	1553 to 1553
Secured income	619 to 619	968 to 968
Opportunistic illiquid Credit	810 to 810	902 to 902
High yield	3 to 3	74 to 74
Opportunistic credit	0 to 0	0 to 0

Financial Assumptions

	2024	2023
	%	%
Rate of CPI inflation	2.7 to 2.78	2.82 to 3.4
Pension increase rate	2.75 to 2.8	2.95 to 3.5
Salary Increase rate	3.55 to 4.2	3.75 to 4.9
Discount rate	4.8 to 4.91	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 Association 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. Ultimate Controlling Party

The ultimate controlling party of the Association is Jigsaw Homes Group Limited, which is an entity registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing under the Housing Act. The consolidated financial statements of Jigsaw Homes Group Limited can be obtained via the Group's website at www.jigsawhomes.org.uk or from Cavendish 249, Cavendish Street, Ashton-under-Lyne, Tameside, OL6 7AT.

Creating homes. Building lives.

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