Places for People

TUESDAY
ABIAZMOP
A04 06/12/2022 #60
COMPANIES HOUSE

Annual Report 2022

PLACES WORK WHEN THEY WORK FOR EVERYONE

Annual Report 2022

CONTENTS

04 Performance highlights
06 A message from our Chair — Richard Gregory
08 Chief Executive's statement — Greg Reed

STRATEGIC REPORT

12 Who we are and what we do
14 Where we operate
15 Working in partnership
16 Delivering our strategy
17 Our purpose, mission and values
18 Putting People First
19 Our SPIRIT values

20 Increasing the social impact we have on communities
26 Improving the quality of the assets we own
30 Creating more affordable housing
34 Improving the quality of the service we provide
38 Investing in our people and culture
42 Section 172 Statement
48 Our finance review
50 Reporting on our value for money
54 Principal risks and uncertainties
60 Risk management and assurance

GOVERNANCE REPORT

64 Board of directors
72 Corporate governance
92 Director's report
94 Streamlined Energy and Carbon Reporting (SECR)
101 Going concern and viability statements
103 Statement of board's responsibilities

FINANCIAL STATEMENTS

106 Independent auditor's report
114 Consolidated statement of comprehensive income
115 Company statement of comprehensive income
116 Consolidated statement of financial position
117 Company statement of financial position
118 Consolidated statement of changes in reserves
119 Consolidated statement of cash flows
120 Notes to the financial statements
164 Board of directors, executives and advisors

Performance

HIGHLIGHTS

Turnover

2021 £816.5m

2022 £849.9m

Operating profit

2021 £206.7m

2022 £209.5m

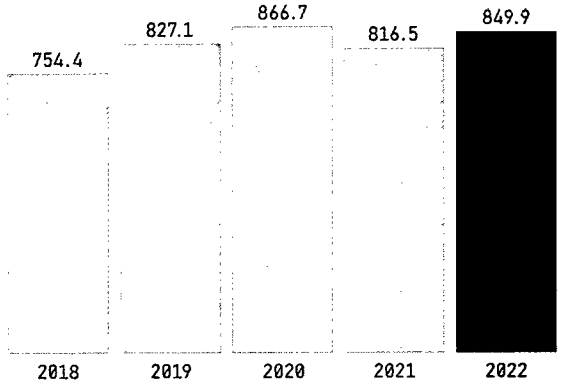
	%
Affordable housing	51.1
Development	15.1
Leisure management	14.2
Property management	7.6
Construction	5.0
Non-social lettings	4.5
Other	2.5

Reserves

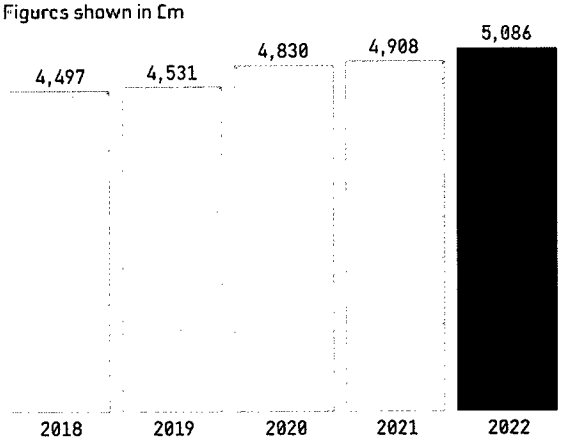
2021 £700.4m

2022 £790.3m

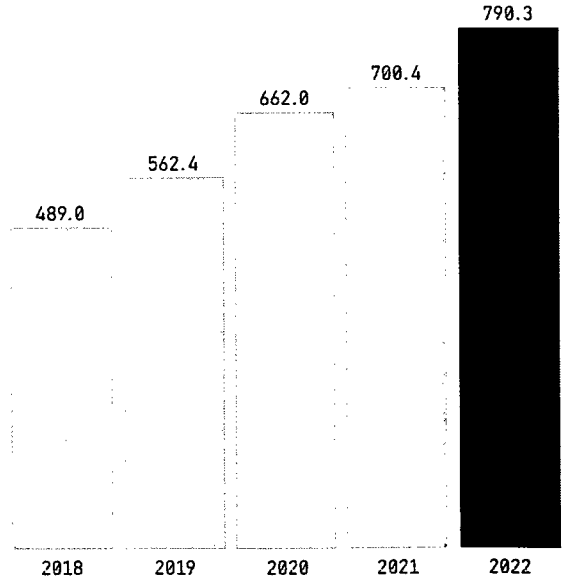
Turnover
Figures shown in £m



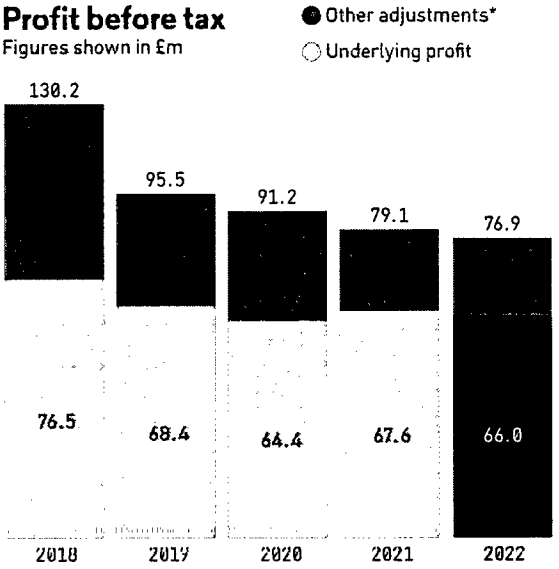
Fixed assets
Figures shown in £m



Reserves
Figures shown in £m

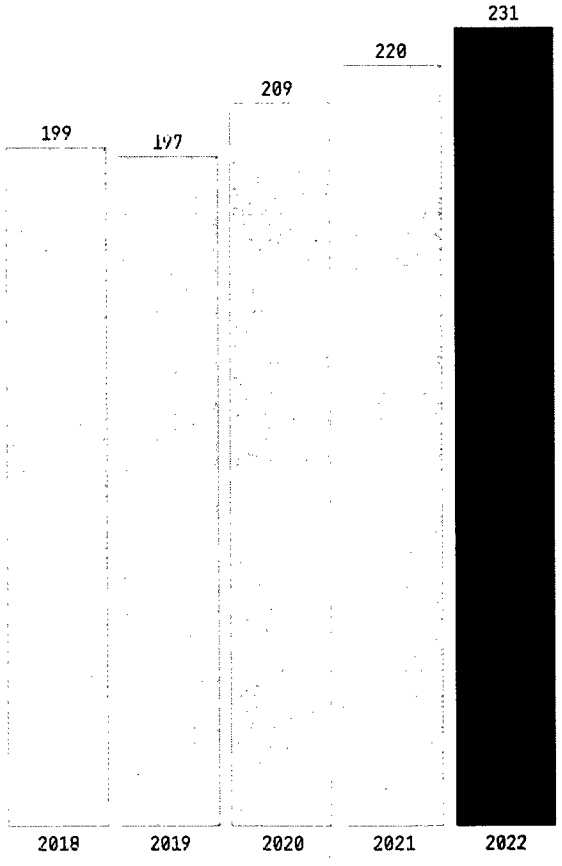


Profit before tax
Figures shown in £m



*Other adjustments represent profit on sale of fixed assets, loss or gain on revaluation of investment properties and adjustments for negative goodwill.

Homes owned or managed
Figures shown in 1,000s properties



A message from our Chair

RICHARD GREGORY

This annual report marks the end of a significant and eventful year for our business, and the beginning of an exciting new era of leadership.

We have continued to navigate through the pandemic while delivering our strategic objectives and welcoming our new CEO, Greg Reed in December 2021. Greg's arrival follows David Cowan's retirement after 24 years at Places for People. Throughout that time, David's vision and leadership were instrumental in making the organisation what it is today, and he has left an incredible legacy.

Taking over David's mantle was never going to be easy, so I am delighted that Greg has seamlessly stepped into the role. Since being appointed in December 2021, Greg has already made a substantial impact and the organisation could not be in better hands. His values, skills and experience are a perfect fit for Places for People at this stage of our development and these core principles, tied to his vision for our organisation, position us very well for the future.

Continuous improvement across all our activities is a key focus at Places for People, including our board. This year saw us complete our first external board evaluation. The results were overwhelmingly positive and we have gained some useful feedback that will enable us to further enhance the way our board operates.

It has also been an active and busy period for recruitment of both non-executive and executive positions. Over the past year, we welcomed three non-executive directors to the business. Mike Dunn, Helen Fridell and Richard Cartwright bring a wealth of skills and perspectives to the Places for People board and we look forward to benefiting from their insights.

In addition, we have brought in significant new executive capability, experience and expertise with the appointment of Karen Halford as our Chief People Officer, Paul Nourse as our Chief Risk Officer and Oliver Lee as the Chief Executive Officer at Places Leisure. Soon to join Karen and Paul on our executive team will be a new Chief Information Officer and a new Chief Executive Officer of PfP Capital.

Another highlight is retaining our G1/V1 status. This is the highest possible rating to be awarded by the Regulator of Social Housing and further demonstrates our commitment to strong governance and financial viability.

As Greg says in his statement, we exist because of our customers, and our relationship is dynamic and mutually supportive, particularly in terms of the vital role they play in helping us to improve. One way this is being delivered is through our expanding National Customer Group (NCG). Over the next year, we will continue to provide the NCG with the resources required to hold our board to account and in doing so, have an even greater influence on our services. I will be working closely with the NCG's new chair, Janet Boston, to make sure this accountability is translated into clear outcomes.

In terms of Places for People's wider performance, I am pleased to report that despite economic challenges and the impact of the pandemic, we are in a strong financial position and have delivered our strategic aims.

Looking ahead, our priority is to build on our strong foundation and continue to play a key role in addressing the UK's housing challenges. We will focus increasingly on our core Affordable Housing business and support our other companies to both optimise their performance and, through driving cohesion and collaboration across the organisation, their contribution to our placemaking purpose. This includes plans to significantly grow our fund management business, PfP Capital, in terms of its resources and its leadership capability, offering opportunities for other investors to benefit from our skills and expertise.

The next few years will undoubtedly be challenging for the country, and all businesses, as we cope with the effects of inflation, especially significant energy price increases, and global supply chain disruption. We will be working closely with our customers and colleagues to support them through the cost-of-living crisis. Ultimately, we want to ensure that people and their communities can overcome the challenges that lie ahead and continue to thrive.

I would like to end by thanking all our colleagues for their skills and dedication over the past year. I look forward to continuing to work with a talented team committed to delivering our purpose and creating positive social impact.

Richard J Gregory OBE
Chair of Places for People

> AS GREG SAYS IN HIS STATEMENT, WE EXIST BECAUSE OF OUR CUSTOMERS, AND OUR RELATIONSHIP IS DYNAMIC AND MUTUALLY SUPPORTIVE, PARTICULARLY IN TERMS OF THE VITAL ROLE THEY PLAY IN HELPING US TO IMPROVE.

> WE DON'T ALWAYS HAVE TO BE RIGHT, BUT WE DO ALWAYS NEED TO DO THE RIGHT THING, AND IF THIS MEANS SAYING 'YES' WHEN 'COMPUTER SAYS NO' THEN THAT'S FINE.

Chief Executive's statement

GREG REED

I'm indebted to Richard and the board for giving me the opportunity to lead Places for People. Of course, my sincere thanks go to David for everything he gave to the organisation over his many years of service, and for his support during our transition.

Annual reports are about what's happened and has been delivered, and in the coming pages, this is laid out in some detail. However, because I'm new and I can't claim credit for anything from last year, based on my learnings over the last couple of months, I'd like to share some thoughts on the future.

As Richard said, continuous improvement is core to who we are and what we do. In the weeks, months, and years ahead I believe we can make several step-changes in our business — and drive across our sector — to make the great things we do manifestly better and deliver even more powerful and lasting outcomes.

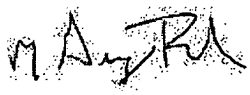
We exist because of our customers. Step-change one: We must make what we do simpler and in doing so, reconnect with our customers. We don't always have to be right, but we do always need to do the right thing, and if this means saying 'yes' when 'computer says no' then that's fine. One of the ways we'll do this is by simplifying our processes and making our digital transformation happen faster to make sure we have a 'single view' of our customers and can take action quicker.

Collaboration across our business will be good for our customers and good for our business. Step-change two: We'll take all the amazing experience we have in our individual operating units and unleash that across the business to turbo-charge our drive forward. And of course, we'll bring our customers and the communities they live in with us as we do this.

Partnership across our sector is critical for the future. Step-change three: On net zero and on building new housing, we're making it hard for ourselves by competing, and not collaborating.

Social housing is a force for good for the UK. Step-change four: Change the narrative about our sector. We build new homes, we work hard to maintain good homes and communities for our customers, we give support over and above our role as a housing provider, and sometimes we have to act as a de-facto social services organisation for those customers when they are in difficulty. Therefore, we need to ensure that there is fairness and balance in the narrative about the important role we play in society.

One final thought. Every colleague I have met believes in our mission that through the communities we create and support, we can change our customers lives for the better. I'm excited therefore about the incredible journey we are on. To misquote Dr Seuss, 'oh the places we'll go...'



Greg Reed
Chief Executive

We build communities.

Community matters in Brooklands, Milton Keynes.

Over
230,000
homes owned
or managed

Invested
£133.1m
in our existing homes

Supporting
500,000
UK customers

STRATEGIC report

Who we are and

WHAT WE DO

Places for People delivers affordable and thriving communities. Our business consists of complementary companies that are market leaders in placemaking, property investment, development, leisure and management. Combined, they have the expertise to create and manage entire communities, providing homes, services support and infrastructure that enable our customers and their communities to thrive.

We deliver social outcomes and a positive impact on communities by taking a commercial approach. All our profits go back into providing homes that are safe and secure, helping people to achieve their aspirations and making places work for everyone. For us, 'ESG' is not a policy or a programme, it is everything we do.

The markets we operate in are:

- **Affordable and supported housing**
- **Development**
- **Property management**
- **Leisure management**
- **Fund management**

Taking the time to listen at Melody Gardens, Salford.

It's all in the detail at Millbank Wellbeing Centre, Preston.

EV charger run through at Chandos Grove, Salford.

We own or manage more than 230,000 properties in communities across the UK that are the homes to around 500,000 customers. In addition, we provide a vast range of services for those customers, including money and energy advice to help sustain tenancies.

We build homes for people at every stage of their lives, ranging from students, first-time buyers and young renters right through to those seeking to retire. Our focus is on creating inclusive places where people can afford to live and with facilities that help build thriving communities.

We operate 100 leisure facilities that support the health and wellbeing of our customers with an average of 1.9m visits a month. Through our expertise in this area, we bring health and wellbeing programmes to customers in all of our communities tailored to their local needs.

Using the power of partnership, we forge strategic relationships with like-minded organisations, including local authorities, public sector bodies, community groups, other housing providers, developers and investors, By working collaboratively, we create communities that provide people with opportunities and choice in a way that few organisations can match.

Where we

OPERATE

Our customers and communities are right across the UK. Those communities are richly diverse and that is why our work is always tailored to individual needs. As those communities evolve, so does the work we do and the support we provide.

Working in

PARTNERSHIP

We build strategic relationships with partners in every area of our business to support our customers in many ways. Our partners include local authorities, public sector bodies, community groups, other housing providers, developers and investors, along with our customers themselves.

By working collaboratively with like-minded partners, we develop placemaking solutions that are tailored to the specific needs of an area and offer opportunity and choice for the people that live and work there.

Our strategic partnerships and joint ventures also enable us to work on regeneration projects across the UK, helping to shape promising futures for constantly evolving communities.

Delivering our

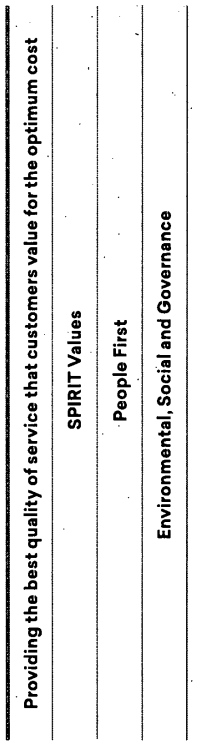
STRATEGY

We evolve our strategy based on the different needs of our stakeholders as well as the opportunities and risks which arise from changes in our external environment.

We assess how we can use our assets and investment capacity to meet these needs while delivering our purpose. This has seen us focus on four priorities over the past year.

Our strategy is underpinned by our People First culture, which ensures we deliver the best possible experience for our customers and colleagues.

Capability and culture



Our purpose,

MISSION AND VALUES

Our purpose is to create and manage living places that are sustainable — economically, socially and environmentally:

- To ensure places are economically sustainable, we create affordable homes and neighbourhoods which attract people for the long term.
- We maximise the social impact of our activities, and partner with others, to make a positive difference to local communities and our customers.
- We build and manage homes that meet changing environmental standards, ensuring our customers benefit from energy and cost efficiencies.

OUR MISSION IS TO CREATE PLACES THAT WORK FOR EVERYONE.

We are committed to making a positive difference to our customers' lives and the homes and communities in which they live.

Green space makes a difference in Brooklands, Milton Keynes...

...and at Daisy Meadow, Clayton Brook.

Putting

PEOPLE FIRST

People First means we put customers, colleagues and clients at the heart of everything we do. This approach aims to continuously improve people's experience of our business and is supported by our People Promise:

'Places for People companies put People First. We treat everyone honestly, courteously and fairly.'

This promise incorporates 10 principles providing our colleagues with practical steps to follow to achieve our aims, called 'How we deliver our promise'.

1. We listen to people and treat everyone with respect and politeness.
2. We measure customer satisfaction and take action if we aren't doing as well as expected.
3. We use plain English in our letters, website and emails.
4. We give a main point of contact for questions or problems.
5. We provide services on the web and social media, and customers can get in touch by phone or writing if they prefer.
6. We will always try to give customers a choice of service, home and location.
7. We will have clear service standards and guidelines so we and our customers know what to expect.
8. We tell our customers what the charges they pay are for.
9. We have a clear complaints process and publish information about complaints (without using customers' names).
10. We treat our colleagues as we do our customers.

Our
SPIRIT VALUES

Everything we do is underpinned by our SPIRIT values. These have been developed with our colleagues and are embedded in how Places for People is managed and operated.

S — **Support**
Always there to help customers and colleagues

P — **Positive**
A 'can do' attitude; encouraging others to achieve

I — **Integrity**
Always delivering on promises; being open and honest

R — **Respect**
Treating people fairly and with understanding

I — **Innovative**
Open to new ideas; not afraid of failure

T — **Together**
Believing more can be achieved by working well with others

Increasing the SOCIAL IMPACT we have on communities

We aim to create social impact and make a difference through all our work. Our social impact strategy aims to help customers and communities overcome barriers to reach their potential. We achieve this through our core work and additional resources including grants, our supply chain, third party funding, commercial assets, our people and The Places Foundation, which is supported by the Group.

Our social impact work targets key outcomes including financial and digital inclusion, employment, training, health and wellbeing and supporting sustainable communities.

During the last year, we have focused on delivering a combination of both national and local projects which are shaped by customer insight, colleague feedback and data. This evidence-led approach has resulted in us targeting the social needs that matter most in our communities.

Investing in communities, supporting our customers in need

In Affordable Housing we launched the national Community Investment Fund which invests in projects in areas where we own or manage homes. A total of £947,000 has been invested in 93 local and national projects, supporting hundreds of customers nationwide.

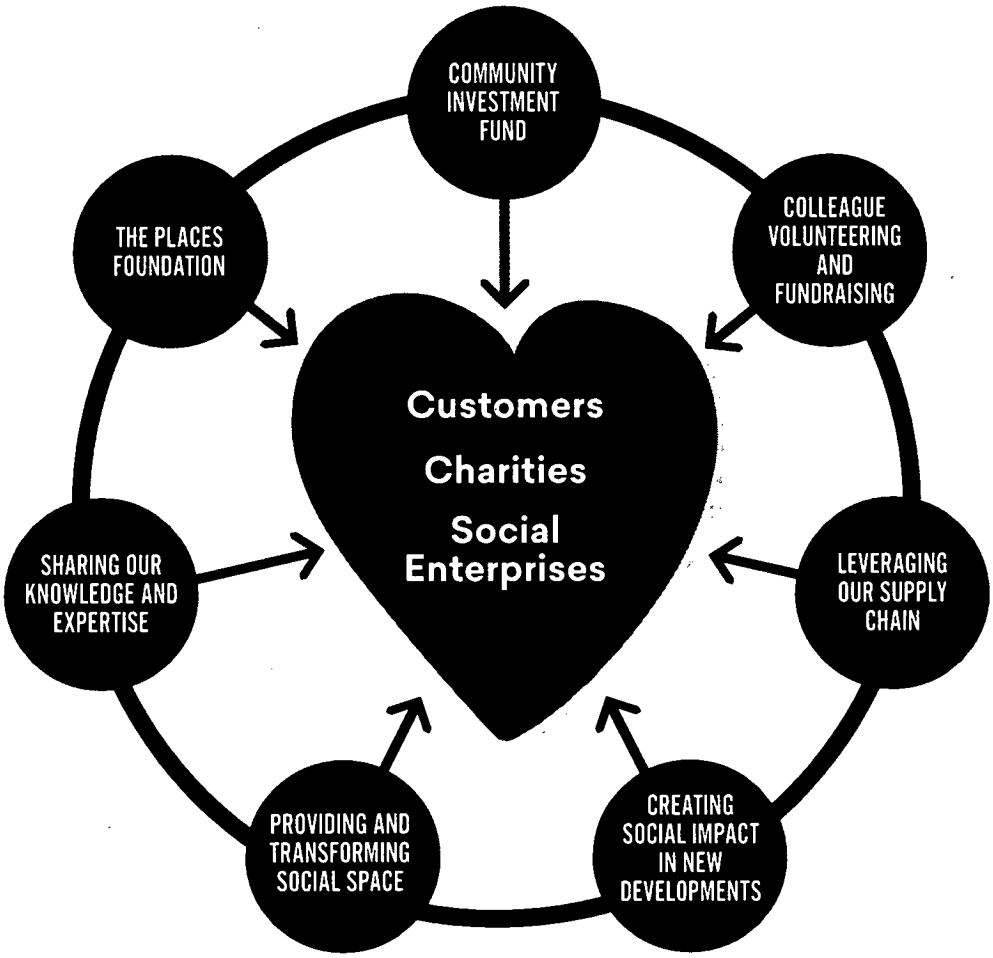
Examples include Shape Linc Line, a national telephone befriending service which is reducing social isolation for our customers, and the Early Tenancy Support project, which is helping, on average, 10 new customers a week with support to access essential items including furniture and white goods.

The Community Investment Fund is also supporting a national project with Street Games to deliver doorstep sports in neighbourhoods across England. The project team consulted with more than 200 colleagues and customers to develop activities that address local needs.

Our social impact accelerator in action at Millbank Wellbeing Centre, Preston...

OUR SOCIAL IMPACT ACCELERATOR

Putting customers, charities and social enterprises at the heart of everything we do.



OUR SOCIAL IMPACT—AT A GLANCE

Provided **19,602** opportunities for young people. Supported **15,727** people with either education, employment or training. Helped **7,787** people who were homeless or at risk of being homeless, and supported **2,282** people with money advice.

...at Craigmillar Hub, Edinburgh...

Preventing hardship

To provide additional financial support in another challenging year, we launched an Emergency Hardship Fund in 2021. Managed by our Money Advice Team and underpinned by the Community Investment Fund, this initiative will continue in 2022/23 to support customers through the cost of living crisis.

Examples of support delivered include providing energy vouchers to customers who use prepayment meters and shopping vouchers for Asda, Tesco, Morrisons and Aldi. We also purchase white goods and issue cash vouchers in exceptional circumstances.

By March 2022, a total of 149 customers had benefited from this funding.

Money from the Hardship Fund has also been used to sustain tenancies, including making payments to rent accounts for customers who are subject to the bedroom tax or facing significant financial challenges.

The Homelessness Prevention Fund, which is also underpinned by the Community Investment Fund, has continued to offer essential support to customers facing financial hardship by helping to reduce void costs and therefore sustain tenancies. A total of 70 customers received support totalling £80,000 resulting in potential void cost savings of up to £490,000.

Keeping customers connected

Our national Digital Empowerment Project has provided direct support and training to more than 330 customers in 2021/22. In addition, a further 362 customers at our supported living communities now have access to community WIFI.

We have also worked with our telecoms supplier to secure 300 free SIM cards, enabling our customers to access essential services and keep connected in difficult times.

> **THE £60 SHOPPING VOUCHER WE RECEIVED WHEN WE NEEDED IT THE MOST WAS SO HELPFUL. I WAS FEELING STUCK AND ALONE, PANICKING WHAT I WAS GOING TO DO TO FEED MY FAMILY. THIS VOUCHER LITERALLY SAVED US. IT WAS SUCH A BIG HELP AND GAVE ME RELIEF AND REDUCED THE FEELING I WAS ALONE WITH NO HELP OR SUPPORT.**

Creating social value in new developments

We have established a new Social Value Forum to identify activities and resources that can deliver social value across our new developments, supporting affordable housing customers and wider communities.

We have also launched the East Wick and Sweetwater Growth Fund offering loans of between £2,000 and £25,000 to SMEs and social enterprises. Four loans have been granted in 2021/22 to companies including Zhero, a sustainable delivery business operating at the Olympic Park, and Survivors UK, a charity that tackles domestic abuse.

...at Ivy Street Community Centre, Blackburn...

Transforming space for social good

We have been identifying opportunities to use our assets to deliver social value for local communities. Following an extensive consultation with our customers in Craigmillar, Edinburgh, this approach saw us repurpose commercial space at our Hay Avenue premises to launch the Craigmillar Community Hub — a unique facility which can be used by the public and community groups in Craigmillar and beyond.

Following a 15-month closure due to the pandemic, the Hub re-opened in May 2021 and is now home to a wide variety of groups, services and activities which are a lifeline for those living in the area.

At the Hub's heart is the Hays Community Pantry giving local residents access to healthy, affordable food as well as providing volunteering opportunities and reducing food waste. The pantry's ethos is to provide food with choice and dignity, ensuring the service is accessible to all and regardless of their personal circumstances. By the end of March 2022, there were more than 250 registered Pantry users.

Other charities and groups to benefit from free space at the Hub, include Grassroots Clothing, a charity providing men in need with free-to-keep interview clothing; a Syrian Men's Group, which is using the space for socialising and learning; 'Trimmers' a group offering healthy living advice; and Stitch in Time, a tapestry group.

...at Caritas Community Care Centre, Preston...

Providing social spaces

In May 2021, we launched a pilot scheme with the Assets and Investments Team to help charities and social enterprises establish themselves in local communities. Organisations are offered premium commercial space on flexible and achievable rates, as well as development advice, training, and mentoring from Places for People colleagues.

This has seen us progress three projects over the past year, including using a former site office in Leicester as a food pantry, repurposing a Hull community centre to deliver services tackling food and fuel poverty for local customers, and offering commercial space in Edinburgh as a community tool library.

As well as providing affordable tools and equipment, the tool library hosts community engagement events with other charities to support employment, training and wellbeing.

Places for People also donated decommissioned power tools, battery chargers and batteries to the facility, which has significantly upgraded its inventory.

Building healthier communities

The Places Foundation, an independent charity supported by Places for People, supported 18 projects in the last financial year. For example, a grant was awarded to Places Leisure to offer free swimming lessons for children from low-income families.

In November 2021, we were awarded £1.0m as part of a consortium of organisations to deliver the 'Big Sister' project which helps to improve confidence, wellbeing and activity levels amongst teenage girls. The project will be delivered by Places Leisure, The Places Foundation, Women in Sport and Hey Girls in areas where we operate leisure centres and manage homes and communities.

...and at Chorley Youth Zone.

Helping people to live an independent life through our supported living housing in Trafford Street, Preston.

Fundraising by our colleagues

Over the past year, our colleagues have engaged in a wide range of fundraising initiatives, supporting charities close to their hearts. Activities have included walking 10,000 steps a day for a month in aid of Cancer Research, through to sleeping out to support a charity for homeless and vulnerable people.

Supporting charities and social enterprises

The Places Foundation has an ongoing partnership with Big Issue Invest which provides loans and support to charities and social enterprises across the UK. Over 26 organisations have accessed finance from this partnership including Hey Girls who we are working with to deliver the Big Sister project. In the last year, The Places Foundation has also made an investment in Charity Bank to enable them to grow lending to charities and social enterprises and we continue to partner with the Fair by Design Fund which aims to tackle the poverty premium in the UK.

Making sure we are creating the best impact – by asking our customers

Our customers play a vital role in shaping our social value activities. Supported by our National Customer Group, in March and April 2021, we carried out online and face-to-face surveys with our customers to capture demographic information and benchmark against the Government's National Wellbeing Dashboard. This research, which involved 10,000 customers, has helped us to identify priorities for our Community Investment Fund.

We have also launched a dedicated group for our customers to discuss and influence our social value activities.

Over the next year, we will continue to build our resources to help customers and communities through the cost of living crisis and support wider economic and wellbeing outcomes to help people overcome barriers to reach their potential.

Improving the quality of

THE ASSETS WE OWN

The quality of our existing homes is hugely important to our customers, so we have continued to invest heavily in improvements. Our focus has been on upgrading fire safety measures, enhancing comfort for our customers, and delivering repairs as efficiently as possible. We have also secured funding to significantly improve energy performance across our older properties.

Enhancing comfort and safety

In 2021/22, we increased investment into our existing homes, spending a total of £133.1m, an increase of £16.0m compared with 2020/21. We are planning to further increase the investment into our existing homes in the coming year to support our continued focus on the quality of our customers' homes.

Our investment included £65.1m on capital improvements, providing our customers with enhanced fire safety measures and new kitchens, bathrooms, windows, and doors.

A total of £44.5m was spent on reactive and responsive maintenance. By the end of the year, 202,915 repairs had been carried out, of which 76,159 were emergency, and 69% were completed within our target time.

Property maintenance is a priority at Briar Bank Road, Preston.

To help address the backlog of repairs driven by the pandemic and improve the customer experience, we implemented a new triaging process enabling customers' calls to be dealt with more efficiently.

If a repair is identified as condensation for example, information is sent to the customer to remedy the issue and followed up by our team to ensure it has been resolved. Any concerns regarding more serious issues such as damp are prioritised and thoroughly assessed within 15 days by our specialist trained operatives. Additional works are then carried out to resolve the problem.

After the lockdowns, we also set up a taskforce to assess our existing homes to make sure they were clean, safe and tidy, driving further improvements.

By December 2022 all of the Group's affordable rented homes will have a valid stock condition survey. As part of our commitment to understanding the condition of our homes, we are also focusing on increasing our EPC coverage to 100%, gathering more information through regular visits to our neighbourhoods, making greater use of IoT devices, complaints and customer insight analysis and specialist surveys, including cladding and fire-safety surveys. We will use all of this information to develop investment plans that deliver maximum impact for customers.

In addition to process simplification and improvement, our ongoing and accelerated digital transformation will ensure we have a 'single view' of our customers which will drive greater efficiency and quicker response, ensuring a constantly improving customer service.

The striking Urban Eden, Edinburgh.

Raising fire safety standards

Ensuring the highest standards of fire safety for our customers remains our priority. This has seen us increase our investment in fire safety measures and improvements to £72.8m over five years.

We have identified 46 buildings in our portfolio which are six storeys or higher. To determine any remedial works, intrusive external wall surveys have been completed for 29 of these buildings and 19 require remedial works such as timber balcony replacements. There are 17 buildings six storeys or higher that do not require an intrusive survey as they have been traditionally constructed or have no cladding.

We have continued our installation programme of enhanced fire safety measures such as sprinklers.

By the end of March 2022, a total of 22 new sprinkler systems had been installed to buildings six storeys and above.

Following the introduction of the PAS 9880: 2022 code of practice, published by the British Standards Institute in January 2022, all of our buildings that fall into the scope of the guidance will programmed in for a PAS 9980 assessment. We have already carried out a desktop survey of all of our low to mid-rise blocks and taking PAS 9980 into account we will carry out intrusive surveys where required.

If an intrusive report highlights the building as a high safety risk due to the construction of the wall, we will implement interim safety measures to protect our customers. These will be in place until the remediation works are completed and could include a waking watch, additional alarm and heat detection, and changes to the building's fire strategy.

Fitting energy efficient light bulbs...

Responding to the Building Safety Act

We followed the discussions on the draft legislation that led to the Building Safety Act. In response, we have drafted a Building & Fire Safety Standard. This sets out our approach to fire safety in our buildings and to key issues such as developing building safety cases and the 'golden thread' principle, which considers safety at every stage of a building's lifecycle.

Maintaining compliance

By the end of March 2022, gas compliance was at 99.9% and electrical compliance was at 96.5% with just a small number of properties recorded as 'no access' due to reasons relating specifically to the pandemic such as customers self-isolating.

Improving energy performance

We are upgrading all homes currently below the Energy Performance Certificate (EPC) C rating, helping to reduce heating demand, deliver warmer homes, and lower carbon emissions.

We have also secured £3.0m in funding from the Government's Social Housing Decarbonisation Fund (SHDF), enabling us to improve the energy performance of older homes and reduce costs for our customers.

The first customers to benefit are residents of the Meadows in Hounslow and Adamson Court in Bedford. For the Meadows, we have secured £1.76m of funding for 127 homes, which will result in new external wall insulation, windows, doors and draft proofing. This is expected to reduce energy bills by approximately £800 for each household.

At Adamson Court, £1.2m of funding has been secured for 94 homes which will see external wall insulation installed along with solar panels, mechanical ventilation with heat recovery, heat pumps and devices for energy monitoring.

...heat pump testing at the Spen Project, Dalkeith...

Decarbonising heating

We are a partner in SHIFFT, a European part-funded project which aims to encourage the adoption of low-carbon heating in existing residential and community buildings.

A UK pilot at Leeway Refuge in Norwich has continued to progress over the past year and is close to completion. A total of £606,154 has been invested into new technologies, including air source heat pumps, solar panels, Sunamp heat batteries and an extensive heat monitoring systems to improve thermal comfort for customers and significantly reduce carbon emissions.

Although the pilot is focused on one development, the benefits of the project are being promoted across the wider Norwich community and can be expanded across the wider group.

...and maintaining solar panels at Brooklands, Milton Keynes.

Creating more

AFFORDABLE HOUSING

We are committed to creating inclusive places where people can afford to live regardless of their age or background. Over the past year, this has seen us work with partners to create affordable homes for thousands of people, provide specialist housing for the over 55s and help customers to live independently.

Working together to achieve more

In 2018/19, Homes England named Places for People as a strategic partner in a programme which is delivering homes for affordable rent, social rent and shared ownership. We received £74.0m of funding to help deliver 2,603 homes. By the end of March 2022, we had constructed 1,042 affordable homes as part of this partnership and started to build a further 637.

In September 2021, Homes England awarded Places for People a further £250m in grant funding — one of the largest allocations in the programme — enabling us to deliver a further 4,400 affordable homes across the country over the next seven years. In total, we delivered 745 affordable homes by the end of 2021/22 using grant from Homes England and other funding streams.

Placemaking in partnership

Our strategic partnership with Countryside Properties plc continues to strengthen.

In April 2021, we signed our first development agreement. The £230m scheme in Lower Herne Village in Kent, will deliver 800 new homes, including 240 affordable properties for rental and shared ownership, together with community facilities, new parkland and allotments on the site of the former Strode Farm.

Further development opportunities are in the pipeline in 2022/23 to accelerate the delivery of 10,000 mixed-tenure homes over the next 10 years.

A bright kitchen at The Engine Yard, Edinburgh.

Community matters at Melody Gardens, Salford...

Strengthening our pipeline

PfP Capital's Mid-Market Rent (MMR) Fund was established to deliver mid-market rental homes, including apartments and family houses, within commuting distance of Scotland's main cities.

A total of 288 affordable homes have been built across three development sites in the past year.

A further 783 are under construction across six sites, committing the additional funds invested by the Scottish National Investment Bank during 2021.

There are plans to expand the MMR Fund with an initial target of £240m, which will enable up to 1,500 affordable homes to be delivered.

Helping people to live independently

We have continued to deliver affordable Extra Care homes for the over 55s. In November 2021, our Extra Care development in Romsey welcomed its first residents. Nightingale Lodge provides 54 homes for affordable rent or shared ownership along with access to 24-hour on-site care and support. Residents and guests also benefit from a variety of facilities, including a wellness suite, hair and beauty salon, restaurant and landscaped gardens.

In September 2021, we started on site in Gosport to deliver an Extra Care development offering 60 apartments for affordable rent.

Both schemes have been developed in partnership with Hampshire County Council and Lovells Later Living at a total cost of £29 million.

...and for our over 55s at Nightingale Lodge, Romsey.

Supporting vulnerable people

Our support for vulnerable people helps them to live more independently and play a positive role in their community. In 2021/22, this saw us invest £7.4m in acquiring and converting 53 homes, providing customers with tailored on-site care and support.

Following funding from the Government's Rough Sleepers Accommodation Programme, we invested £0.3 million in six modular units for rough sleepers in Cambridgeshire and have submitted a planning application to deliver a further eight units at our Stonebridge Park homelessness service in Bristol.

Tailoring homes to local needs

In July 2021, we welcomed 73 families to affordable rented homes in Alaska Street, Blackburn. Built using modular construction, the two, three and four bedroom homes and two bungalows were delivered in partnership with the local authority.

Among them are four family homes with bespoke facilities, each created for people caring for severely physically disabled children. The project team adapted the layouts in conjunction with occupational therapists so that the families can live in fit-for-purpose homes.

Meeting local needs at Alaska Street, Blackburn...

In Newcastle, we delivered 22 homes for affordable rent at St Anthony's in the Walker Riverside area. Working with the city council and other partners, we used modern methods of construction to quickly respond to an acute local need for affordable housing, including two-bedroom starter homes.

Creating accessible communities

We have continued to support the creation of a new town at Chapelton in Aberdeenshire. Working in partnership, we are contributing to the delivery of 8,000 new homes using a range of tenures to maximise affordability and access.

The third phase of 82 homes is now underway and scheduled to be completed in 2023. In March 2022, 51 plots were launched for sale as part of phase four, which is also due to be finished by 2023.

...and helping customers with their first home in Chapelton, Aberdeenshire.

In partnership with the Scottish Government, we have made homes available via the New Supply Shared Equity scheme, which allows people to purchase 100% of their home, while paying only 60–80% of the property value. Places for People and the Scottish Government provide the remaining equity share as an interest-free loan.

One and two- bedroom homes are available via the Mid-Market Rent scheme, helping people on low-to-modest incomes to access high quality homes at a rent below market levels.

Developing thriving neighbourhoods

At the Queen Elizabeth Olympic Park, we completed the first phase of the East Wick and Sweetwater neighbourhood in partnership with Balfour Beatty Investments.

A total of 302 homes have been delivered of which 40% are affordable. A nursery, shop, and event space with café have also been provided.

Planning approval for the next five phases of development was granted in December 2021 and January 2022. These will provide 1,557 new homes, of which 502 will be affordable. A total of 802 sq m of new employment and retail space will also be created alongside more than 1,200 cycle spaces and outdoor play areas.

Improving the quality of

THE SERVICE WE PROVIDE

Our approach to customer experience is rooted in our SPIRIT values and we strive to continuously improve our service across all business areas. Our achievements over the past year have seen us improve customer engagement and satisfaction, transform our digital offer and drive operational efficiencies to enhance service delivery and the quality of our future homes.

Empowering our customers

Our National Customer Group (NCG) has continued to challenge and scrutinise our operational delivery and in doing so, help to influence and strengthen critical issues and policies affecting the customer experience. The NCG's primary remit is to hold our board to account — a challenge our board welcomes — and members are involved in recommending service improvements, highlighting best practice and working with our colleagues to check services meet, and exceed, their priorities.

Over the past year, a Chair of the NCG has been elected and we have established processes and routines that will ensure proactive NCG and board collaboration, all leading to better customer outcomes.

During the year the NCG has looked specifically at repairs and maintenance, complaint resolution and customer satisfaction.

Building our communities in partnership with our customers through our National Customer Group.

"THE NCG CAME TOGETHER AS A GROUP OF DIVERSE INDIVIDUALS, WORKING TOGETHER IN HARMONY, WITH THE AIM OF IMPROVING THE LIVES OF ALL CUSTOMERS WHOEVER AND WHEREVER THEY MAY BE. WE HAVE LEARNT SO MUCH, PARTICULARLY OVER THE LAST YEAR, AND HAVE ARRIVED AT A PLACE WHERE WE KNOW OUR INPUT IS VALUED AND ACCEPTED. WE CONTINUE TO ENJOY OUR LEARNING AND OUR WORK, LOOKING FORWARD WITH ANTICIPATION TO THE ROAD AHEAD."

Janet Boston, Chair of the NCG

Delivering our customer commitments through the service we provide at Melody Gardens, Salford.

Improving customer satisfaction, our measurement and KPIs

Our People First approach is key to improving the customer experience. This has seen customer satisfaction scores continue to rise, reaching 91.81% by the end of March 2022.

Our Net Promoter Scores (NPS) have also increased. The NPS for our Affordable Housing business has risen to 45 putting us in the 'great' category using the NPS standard measurement scale.

Our NPS score for our leisure business has increased to 35.6 putting us in the 'great' category.

Additionally, the board and Executive team recognise the need for improved action and outcome related measurement to ensure the board can understand, at a customer and operational level, where progress is underway and opportunities for improvement in areas including housing repairs and investment. This detail will form part of the board pack and the NCG dashboard.

Sustaining tenancies

We help our customers sustain their tenancies by supporting those who fall into rent arrears or are facing difficult periods in their lives.

In 2021/22, we supported 2,282 customers through our money advice and financial inclusion services, enabling them to maximise their incomes and manage their household bills.

We also helped 29 customers to maintain their tenancies through our tenancy sustainment service as well as our new Hardship Fund, which supports customers facing financial challenges and risking eviction.

At the end of the financial year, there were 755 unoccupied homes in our portfolio and the percentage of rent lost through empty homes was 1.52%.

Making health and wellbeing core to our service at Places Leisure's Sparkhill Leisure Centre, Birmingham.

Creating homes in which our customers are proud to live ...at Melody Gardens, Salford...

Streamlining services

Unifying our six affordable housing providers has enabled us to centralise processes and systems. This is boosting efficiency and enhancing a range of services, including neighbourhood management, income recovery, tenancy sustainment and our customer service centre, which is available to all customers 24 hours a day, 365 days a year.

We have also implemented cloud-based telephone software to improve the experience for customers contacting our customer service colleagues. This provides a call back service to avoid queuing on the phone and helps us to analyse enquiries, which is helping us to shape future services and priorities.

Continuing our customer-centric journey

To ensure sustained improvement of our customers' experience and our colleagues' ability to action and resolve customer matters, we have continued to invest in new technology across our business.

This includes IT systems and software enabling us to more effectively monitor data to improve our services as well as cash flow, sales, and the customer journey.

We are also on track with our digital transformation, making a significant investment in new digital technology to enable our customers to access more services online. This is helping us to free up resources and in turn, provide more support to those customers that require face-to-face contact.

One example of new digital technology includes a system which automates the process of booking, confirming and rescheduling maintenance appointments. This ensures that gas and electrical compliance levels can be maintained at a high level and reduces the risk of no-access visits.

Digital investment will continue in the year ahead to further transform the way our customers access our services and how we deliver the outcomes they need, all informed by a digital, single customer view available to all colleagues, ensuring customers are at the centre of every intervention and resolution.

Reducing energy and maintenance costs

As part of a pilot, we installed the Switchee smart thermostat into 150 homes. These devices enable customers to analyse heating patterns in real time to optimise energy use. The technology includes a digital platform which also identifies condensation, damp or mould risk, pre-empts boiler maintenance, and flags fuel poverty.

The functionality of the Switchee thermostats is now being tested so that we can understand how best to use the features to scale up the project, improve our maintenance services and help our customers reduce their energy bills.

Extending management expertise

Our property management partnership with Sage Housing continues to expand. Thanks to our extensive skills and experience, we now manage circa 4,500 homes for the affordable housing provider. Sage has plans to expand its pipeline to more than 20,000 homes in the coming years and we aim to grow our partnership together.

Through the partnership, we are generating additional income for our business, which is being reinvested into improving services for our customers. Additionally, our learnings from the Sage partnership will ensure we have a sustainable and scalable model that will enable us to deliver similar services to other affordable housing providers, achieving our strategic goal of national property management coverage.

Raising the bar

We are developing a standard house type range to improve quality for our customers and provide greater cost certainty for our business. The design has been informed by a survey involving 10,000 people which explored what our potential and existing customers want from their next home across all tenures.

The new house types will offer customers more space, storage, and flexibility to meet their individual needs such as an area for a home office.

We have also created standard specifications for five house types, including shared ownership and rented homes. This will ensure that fixtures and fittings such as kitchens, brassware and sanitaryware are of a consistently high quality.

As part of this process, 35 trading agreements have been secured with approved suppliers through the Procurement Hub.

...in Maple Fields, Borden...

...and at The Green at Longstone, Edinburgh.

Investing in our

PEOPLE AND CULTURE

Creating a healthy and happy working environment where people can thrive and reach their full potential has never been more important. Over the past year, we have continued to put initiatives in place that support our people's wellbeing, enhance skills and opportunities for colleagues at all levels, and strengthen our commitment to diversity and inclusion.

Helping colleagues to thrive

In February 2022, Great Place to Work named Places for People as one of the UK's Best Workplaces for Wellbeing. We were ranked 24 in the Super Large category. Work-life balance, sense of fulfilment, job satisfaction, psychological safety and financial security were all factors that contributed towards us making the list.

We took part in the Great Place to Work survey in 2019 and repeated this in July 2021, achieving a top 30 ranking in the Super Large category.

Our trust index score increased to 67%, with the work environment and processes, talent management, and job security scoring the most favourably.

Our overall engagement score was 67% based on responses to questions around pride, loyalty, importance of work, advocacy of the organisation and willingness to go the extra mile.

In October 2021, we were assessed by Investors in People and retained our Gold accreditation, receiving particularly positive feedback.

Getting it right for our people means we get it right for our customers through the focus of our colleagues...

...and, through investing in our emerging talent team (above and below)...

Training the next generation

In September 2021, a third cohort of participants joined our Emerging Talent programme.

Underpinned by the Skills Builder Partnership and our SPIRIT values, this initiative is building young people's knowledge and skills.

Graduates taking part in the two-year programme are offered job training, a comprehensive learning and development plan, and the opportunity to make a difference.

We completed an engagement project with our previous cohorts to gain feedback which will further improve the programme and ensure it stays relevant for current and future participants.

...through our skilled trades people, here at Caritas Care Centre, Preston...

Boosting skills

A growing number of colleagues have taken advantage of Places Academy, our online learning and development tool. More than 200 learning resources are available helping colleagues to enhance their skills on topics including digital technology, leadership, and compliance.

People First training on subjects such as understanding customers' views, embracing change, and effective communication have also continued. These workshops are accredited by the Institute of Customer Service (ICS) and 1,300 colleagues have now achieved an ICS certificate for completing the training.

Our new manager training programme Lead with SPIRIT, which is accredited by the Chartered Management Institute, was successfully completed by 134 colleagues in the past year, helping them to become stronger, more inclusive leaders.

Strengthening our Executive leadership

Significantly enhancing the skills and experience of our Executive team has been a priority during the year. Following Greg Reed's appointment as Group CEO, Karen Halford joined as Chief People Officer, Paul Nourse joined as Chief Risk Officer and Oliver Lee joined as the Chief Executive Officer at Places Leisure.

The Executive team will be further strengthened with the appointment of a Chief Information Officer and a new CEO of PfP Capital.

Strengthening diversity and inclusion

In May 2021, we launched our diversity and inclusion agenda setting out key commitments and targets. Our focus is on improving data and creating more opportunities in our organisation - for women, people from ethnic minority groups and those with a disability.

As part of our commitment to diversity and inclusion, we launched a new initiative in September 2021 to help young women establish careers in construction. The Women into Trades Programme offers unemployed women career opportunities within our Affordable Housing business.

We are working with not-for-profit training company Ixion, the Positive Transformation Group, and Women into Construction to provide opportunities to women aged 18+ in six locations across the UK.

In March 2022, we recruited six female apprentices as part of this programme who will study towards a Level 2 multi-trade qualification working with our repairs and maintenance teams

Providing flexibility

During the pandemic, we explored new ways of working to help improve colleagues' wellbeing and maximise innovation, creativity and productivity.

In March 2022, we completed a trial of agile and hybrid working. This enabled colleagues to flex their working day to accommodate both personal and work commitments. This could include, for example, time out to take part in an exercise class, care for someone, or attend school assemblies.

Feedback has been very positive with Pulse surveys showing that colleagues' wellbeing, work-life balance and productivity have all improved. Following this success, agile and hybrid working is set to continue in the year ahead

Enhancing health and wellbeing

We have developed a multi-faceted health and wellbeing strategy that reflects our People First approach and focuses on mental, physical and financial wellbeing. The overarching aim is to create a more inclusive and healthier organisation which can help us to deliver stronger business results.

...and through the next generation of our trades people like our gas apprentice Kam, at the Spen Project, Dalkeith.

Section 172

STATEMENT

In their discussions and decisions during the year ending 31 March 2022, the directors of Places for People Group have acted in good faith to promote the success of the company for the benefit of its members as a whole, and in doing so have had regard to the Group's stakeholders and the duties set out in section 172(1)(a)–(f) of the Companies Act 2006.

As a company limited by guarantee, the Group does not have shareholders in the traditional sense but does recognise the importance of the company engaging with its stakeholders at all levels and seeking to understand their views to ensure board decisions are made with due regard to their impact.

The following stakeholder groups have been identified as influential to the Group's business model, the delivery of the strategy and ultimately the Group's success — their interest in and their link to the Group strategy is illustrated below.

Our stakeholders	Other relevant disclosures elsewhere in the report
Customers	Our People First strategy — page 18 Improving energy performance — page 28 Empowering our customers (National Customer Group) — page 34
Corporate/ business clients	Raising the bar — page 37
Colleagues	Our SPIRIT values — page 19 Investing in our people and culture — page 38 Principal risks and uncertainties, People — page 57
Communities	Increasing the social impact we have on communities — page 20 Improving the quality of the assets we own — page 26
JV partners/ suppliers	Creating more affordable housing — page 30 Developing thriving neighbourhoods — page 33 Achieving value and enhancing social impact — page 20
Investors, lenders and rating agencies	Finance review — page 48
Regulators	Raising fire safety standards — page 27 Principal risks and uncertainties, legal and regulatory — page 56
Government — national and local	Supporting vulnerable people — page 32 Tailoring homes to local needs — page 32 Creating accessible communities, partnership with Scottish Government — pages 32 and 33

The board expects the Group to operate fairly and properly, building strong relationships and maintaining a good reputation – this can't mean pleasing everyone equally all the time as decisions between often competing priorities have to be made.

It does however mean that the board relies on established strong processes, that these are carefully followed, and that the Group listens to and is open with its stakeholders about what it does and why.

We engage with all stakeholders to ensure their interests are represented as part of the Group's decision-making processes and that controls are in place to balance these interests.

Working in partnership to bring developments to life from visualisations...

2021/22 remained a difficult year for the UK economy and specifically the business landscape. As the country started to recover from the impact of the Covid-19 pandemic, a number of other challenges came to the fore. These included the rising cost of living, a UK-wide talent shortage, and supply-chain and logistical problems which have restricted the supply of goods.

Our business is a long-term business with immediate needs. We have to strike a balance in where and how to invest to address those needs while ensuring the ability of the business to contribute in the future.

There are existing and evolving external standards that affect our business. They impact on where, how and what new homes we build and on applying environmental ambitions to existing homes.

Outlined on the following pages are examples of decisions taken in pursuit of our strategy and delivery of our priorities, with descriptions of how the board considered stakeholders and their feedback, alongside their duties under section 172 of the Companies Act 2006.

KEY DECISIONS MADE 2021-22

Helping customers in need and setting rents

Many of our customers are facing severe financial hardship. We know this from our work directly with customers and from survey work we have carried out. The Group board has focused closely on the cost of living crisis and on ways to help those who need it most.

We did this in a range of ways, believing that solutions needed to be flexible to meet the needs of those in greatest difficulty. More information about the initiatives the board has supported during the year can be found on the following pages: Hardship Fund (page 22); sustaining tenancies (page 35); supporting communities (page 24); working with charities and other community supporters (page 25); addressing homelessness (page 22).

The board reviews rents annually. It seeks to balance the need to generate revenue from rent for investment in existing and new homes and the challenge of the rising cost of living for our customers. The board examined closely on multiple occasions the possibility of rent increases in light of the continued escalation to the cost of living. The board concluded that an increase to rents was appropriate provided it was accompanied by a continuation of the programme of assistance for customers who faced particular difficulties.

...through to the delivery of projects like Maple Fields, Borden, with ilke Homes.

At its board meeting in November 2021, the Group board and its members in their capacity as board members of the English registered providers, approved management's recommendation for a 4.1% increase to regulated rents for 2022/23 in order to tackle inflationary pressures and increase the repair and improvement of existing housing stock while maintaining a development programme of new housing stock.

Investing in existing homes

Our board considers a quarterly overview of the condition of our homes, the cost and delivery of repairs, capital investment works and the issues that are impacting on our customers. We meet with the NCG and it holds the board to account on customer experience and management delivery in these areas. A description of how we work with the NCG can be found on page 34.

In considering information on existing homes, the board has been concerned to direct investment to achieve the right outcomes for our customers and other stakeholders rather than simply to achieve a state of compliance with prevailing standards. The board oversaw increased investment in existing homes during 2021/22 and decided to further increase investment in the 2022/23 year. Details of investment levels can be found on page 48.

Investing in producing new homes

As a social housing provider, in addition to managing existing quality homes for current customers, we should also invest to enhance the supply of new quality homes for new customers. We work with existing communities, our regulators, government agencies and our joint venture partners to maximise the investment we can make in creating new homes. Details of the investment decision that have been pursued during the year are on page 30.

We have established a fund management business, PfP Capital Limited, to drive capital investment into the wider housing sector. This will enable new homes to be created faster than if investment had to come from the Group's resources alone. Information on the activity of the business is on page 45.

During the year, the Group board decided to enhance the PfP Capital management team through external recruitment to help demonstrate to potential investors how the Group's range of activities and expertise offers a significant opportunity for them and us to have a big impact on meeting the challenge of the UK housing market. The Group board concluded that an investment to accelerate the impact of PfP Capital would, over time, complement the investment being made in existing homes and in the development of new homes using the Group's own capital.

Handing over the keys to new customers at Brooklands, Milton Keynes...

Meeting new standards

To deliver our strategy to provide more affordable housing we will still need to use resources to develop, build and manage homes — all of which have consequences for our environment. Also, we know that the implications of climate change will require significant investment over the coming years. The board continues to consider the Group's environmental responsibilities and have due regard to changing legislative/regulatory landscape around decarbonisation, energy performance levels and to strive for 'clean growth'.

During the year we successfully issued a 14 year, £300m sustainability bond. We anticipate that lenders will exert a strong influence on the setting of environmental standards for business and we will continue to work with their expectations.

We continue to work on environmental sustainability in our existing homes. The board has decided to invest in our existing social housing so that it meets or, where we think it better for customers or for the value of our investment, exceeds statutory requirements. Details of projects that reflect our approach to environmental standards can be found on page 28.

We are conscious of the scale of investment required across the UK's social housing stock and in business generally to meet emerging environmental standards. The board wishes to work collaboratively to meet that challenge. We will continue to work through the Social Housing Decarbonisation Fund to accelerate enhancement to our homes and we will share our expertise and learn from others to promote better, quicker solutions.

Investment for the purposes of compliance with environmental targets will not always be at the top of the agenda for individual customers — they will have their own priorities.

We are working to inform our customers and colleagues of the importance of steps — small as well as large — that will contribute to a reduced impact on our environment and the benefits for individual households as well as wider communities.

...and being there for our customers when they need us at Briar Bank Road, Preston.

Enhancing our skills and capabilities

The annual colleague survey reflected the many positives experienced by those working across the Group, and also signalled the need for a more comprehensive package to reward the hard work of colleagues during the pandemic and to ensure we stay attractive compared to our competitors in an already challenging recruitment market. We implemented a suite of reward and recognition improvements for colleagues as a result.

We recruited to strengthen our executive and non-executive teams and to deal with succession planning. We were pleased to draw new colleagues from a range of sectors. Details of recruitment can be found on page 40.

Suppliers

We secured enhanced social value commitments from our supply chain. Our community investment team and Procurement colleagues partnered with our suppliers to deliver additional value for our customers and broader communities whilst also supporting the suppliers to achieve their own social value commitments.

The board considered and adopted a slavery and human trafficking statement for the financial year ending 31 March 2022. The Group continued to ask that all suppliers adopt and comply with the supply chain code of conduct.

The code illustrates the Group's commitment to act ethically and with integrity through its business relationships. The Group also continued to strengthen relationships with supply chain members through enhanced enterprise resource systems.

Our

FINANCE REVIEW

As the UK continues to recover from a global pandemic, the Group has delivered a robust set of results and maintained our ongoing strong financial position. During the year we have continued to focus on creating more affordable housing, improving the quality of the homes we own, improving the quality of our service for our customers, increasing our social impact and investing in our colleagues.

The Group's strong financial position was ratified by the reaffirmation of our credit ratings — A- (stable) with S&P Global and A3 (stable) with Moody's and A (stable) with Fitch — along with our continued G1/V1 rating awarded by the Regulator of Social Housing, this reflects the strong investment proposition we offer to our funders who continue to support the delivery of our social purpose.

During the year we successfully issued a 14 year, £300m sustainability bond, and strong feedback was received from investors which allowed us to issue this with a 2.5% coupon. Our balance sheet remains strong, gearing remains stable at 55%, and we retain £1.1bn of cash and available facilities to continue to invest in our social purpose.

Operating review

Following our previous announcement as a Homes England strategic partner, in September 2021 Homes England awarded the Group an additional £250m in grant funding. In the year to 31 March 2022, we delivered 1,775 new homes of which 1,022 were affordable homes including 298 shared ownership initial tranche sales.

We continued to prioritise investment in the safety and wellbeing of our existing residents and communities.

During the year we spent £133.1m on capital improvements and repairs; including £16.5m on fire safety, an overall increase of £16.0m on 2020/21 (£117.1m).

Following the lockdowns, we also set up a taskforce to assess our existing homes to make sure they were clean and safe and tidy, driving further improvements.

Our financial inclusion team continue to work hard in supporting residents who are experiencing financial difficulty, ensuring they are aware of the support available to them. This support for residents enabled us to maintain rent arrears at 3.17% a slight increase of 0.1% compared with the prior year.

The Group's leisure facilities were able to commence re-opening in April 2021 with full trading able to commence from May 2021. With the support of local and national governments we have managed to maintain this vital service to our customers whilst achieving a small profit.

Profit and loss for the year

Overall Group turnover has increased by £33.4m to £849.9m (2021: £816.5m). The Group has seen a return to pre-pandemic levels of turnover within the leisure business and an increase in affordable housing lettings. This is partially offset by a reduction in non-social housing development. This change in activity mix has led to the Group's operating margin for the period reducing by 0.7% to 24.6% (2021: 25.3%).

Operating profit has increased by £2.8m in the year to £209.5m while profit before tax has seen a reduction of £2.2m to £76.9m following an increase in net interest costs due to the new finance raised during the year.

Financial position

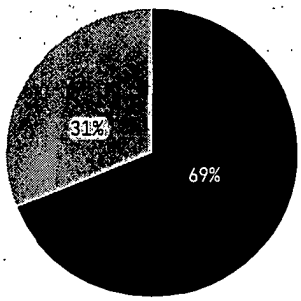
The Group's fixed assets grew by £178.5m as we continue to invest in our affordable homes. Group stock and work in progress has also increased to £416.1m (2021: £408.3m). At the year end the Group had 187 completed homes of which only 66 remained unreserved. Overall net assets have increased by £89.8m to £787.8m with the pension liability recognised last year moving to a surplus position in the current year resulting in £17.3m of actuarial gain due to an improvement in discount rates.

Treasury management

The table below shows the key treasury performance indicators for the year together with the comparative information for the previous four years.

The Group had committed borrowings of £4.2bn of which £3.2bn were drawn, an increase in committed borrowings of £0.02bn from 2021. The Group's strategy is to borrow on an unsecured basis with a medium-term objective of rebalancing the portfolio of at least 60% unsecured. The proportion of unsecured debt has increased by 3% to 69%, achieving the unsecured objective.

Debt portfolio



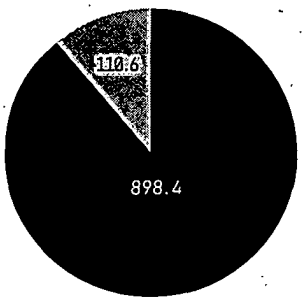
Unsecured — 69%
Secured — 31%

Debt portfolio	2022	2021
Unsecured	**69.0**	66.0
Secured	**31.0**	34.0

Group gearing was maintained at 55%, remaining below the Group's target of 60%.

The Group's policy is to maintain cash and undrawn committed loan facilities that are immediately accessible to finance 18 months' cash flow. At the year end, the Group had total liquidity of £1.0bn, comprising £898.4m of undrawn facilities and £110.6m of cash and short-term investments. This represents 24 months' cash flow and so is more than sufficient to meet the Group's policy. The high level of cash held at year-end related to the proceeds of January's bond issuance.

Liquidity



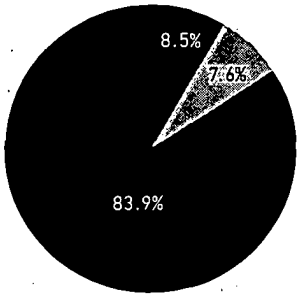
Undrawn facilities
Cash and short term investments

Liquidity	2022	2021
Total liquidity	**1,009.0**	954.5
Comprising:		
Undrawn facilities	**898.4**	873.2
Cash and short term investments	**110.6**	81.3

The borrowing strategy is to contain interest rate risk to below 30% of outstanding debt, with the board exercising strict control over derivative transactions and their associated risks.

This interest rate target has been met with 83.9% of debt at fixed rates of interest at the end of the year with 7.6% of debt at floating rates and 8.5% index linked.

Fixed/float mix



Index linked
Floating
Fixed

Fixed/float mix	2022	2021
Index linked	**8.5%**	10%
Floating	**7.6%**	13%
Fixed	**83.9%**	77%

The Group's successful sustainability bond issuance undertaken earlier in the year is the Group's longest unsecured and best priced issuance to date demonstrating the Group's strength and positive investment proposition.

Places for People Treasury plc raises funds for the Group's affordable housing operations. The structure allows for a more efficient use of the Group's balance sheet and drives cheaper and more efficient borrowing costs while protecting the Group's social housing assets. The Group's investment activity is governed by strict counterparty credit criteria and investment limits which are monitored and reported on a regular basis. The Group continues to be compliant with covenants for funding arrangements. Further information on the Group's financial instruments, including a maturity profile, can be found in note 24 to the financial statements.

Treasury performance indicators	2022	2021	2020	2019	2018
Total loans (£bn)	**3.2**	3.1	3.2	2.9	2.9
Interest cover after depreciation	**1.6**	1.6	1.8	1.9	2.0
Gearing	**55.0%**	55.0%	56.8%	56.7%	57.1%
Forward cash commitment (months)	**24.0**	27.0	30.0	28.0	18.0

Reporting on our

VALUE FOR MONEY

Value for money is embedded throughout the organisation and remains intrinsic to what we do. We know that being efficient and effective is crucial to our success in delivering services that are needed and valued by our customers. Our board is committed to ensuring that we make the best use of resources and maximise the efficiency and quality of our services.

Innovation has always been important in our approach. Assessing the best delivery models, and evaluating alternatives, is a key element of our business planning process which ensures that achieving value for money remains central to how we operate. Through the disruption caused by the Covid-19 pandemic, the Group has focused on ensuring resources are employed effectively to continue to provide essential services to our customers. As the long-term effects continue to materialise and inflationary pressures are felt in the wider market, providing value for money is as important as ever.

Understanding how we are achieving value for money in achieving our strategic objectives is embedded in how we monitor performance throughout the year. Our annual business planning process requires all areas of the organisation to identify and target efficiencies and there is a rigorous review and challenge of plans. We continuously review the Group's asset base, appraising return on assets in a tailored way that is appropriate for each Group business to ensure that we are making the most effective investments in the right properties at the right time. As part of this approach, we monitor and seek to improve our return on core housing operations. We also focus on how our other assets can consistently deliver value for money through strong financial and social returns. Value for money is addressed within reporting at every board meeting so that scrutiny of our performance against metrics is consistent and rigorous.

We conduct an annual assessment of the Group's neighbourhoods which calculates the surplus per property for each neighbourhood and reviews a range of customer centric metrics. This is then assessed against the contribution that each individual property needs to make to cover management costs, interest costs and a contribution to major works as well as indicators of customer satisfaction. This enables us to clearly identify which neighbourhoods are meeting minimum financial requirements and delivering value for our customers.

The Group continues to seek to enhance its asset appraisal processes. We have added more predictive and forward-looking methods to identify underperforming assets at an earlier stage. This is enabling mitigating actions to be instigated sooner to optimise asset returns.

In last year's Annual Report, we set out five areas where we believed there was potential to improve efficiency and which would therefore be given particular focus. These were delivering improved operating margins in our affordable housing businesses, improving customer satisfaction, continuing to improve take up in the use of digital platforms, delivering procurement savings and optimising efficiencies in our operating model.

Set out on the following pages are the main outcomes achieved in the year for each area.

AFFORDABLE HOUSING OPERATING MARGIN

Last year's value for money report identified Affordable Housing as a key focus with a target to deliver an operating margin of 49.9%.

Whilst we achieved our targeted profit and budget overall, we recorded an operating margin of 49.5% across our Affordable Housing businesses, just below our target for the 2021/22 year.

Higher than anticipated levels of turnover driven by additional rental income from early development handovers and increased income from property management contracts led to an erosion in the operating margin delivered overall.

We also experienced a significant increase in demand for repairs and maintenance as we emerged from lockdown restrictions. Responding to this pent-up demand led to higher than budgeted spend in this area as we sought to meet customer expectations and resume normal services following the disruption.

Over the year we realised other efficiencies in operating costs that offset the increased investment in repairs and maintenance, enabling us to balance customer requirements within our budget.

Putting our customers first at Melody Gardens, Salford...

CUSTOMER EXPERIENCE

In last year's Annual Report, we included a specific objective to continue to increase the reported level of overall customer satisfaction to 90% and achieve a Net Promoter Score of 47 across our Affordable Housing businesses.

For the year ended 31 March 2022, we exceeded the customer satisfaction target, achieving a result of 91.33% across our Affordable Housing businesses. We achieved an average Net Promoter Score of +49 over the year, exceeding our target and putting us in the 'great' category for organisations who use these measures.

We have continued to invest in activities to increase customer engagement during the year including further development of our National Customer Group (NCG) on which there is information on page 34.

We have achieved our target to improve technology take up by an increase of at least 10% in the number of customers signed up to digital services. Between March 2021 and March 2022 a further 3,689 customers signed up to digital services — an 11.4% increase. (From 32,234 customers signed up in March 2021 to 35,923 customers signed up in March 2022).

We are investing in new technologies which will transform our ability to offer digital services to our customers in a joined-up way across our Affordable Housing businesses. During the year we moved all the registered providers in the Group onto one housing management platform and continued the development of new technology which will enable a 360° view of interactions with our customers. The system development progressed during 2021/22 is key to opening up new digital contact routes and more efficient access to our services.

PROCUREMENT

In our last report we set a target to achieve cost reductions of at least £2m through procurement savings across a range of goods and services in the financial year.

This goal was exceeded with the strategic Procurement team delivering £4.2m of cashable savings for the Group in 2021/22. This was a significant achievement in the context of the continuing impacts of the Covid-19 pandemic, general market volatility and overall price increases.

During the year, a Power Tools project for our Affordable Housing businesses delivered a cashable saving of over £1.8m. We adopted a different commercial model and sourced a single solution which incorporates the supply, management and maintenance of tools for more than 560 operatives across the UK. This provides higher quality tools combined with a safe system of work helping the business to protect the health and safety of its colleagues as they deliver vital services to customers.

A number of savings were realised in relation to technology and IT infrastructure including replacement of the old Wide Area Network (WAN) technology (£32K savings) and new Telecoms technology. A rebate model in the form of a technology fund generated over £95k of savings which was converted into the supply of computer hardware for the Group.

Further cashable savings were realised through our Group supply chain deal for building materials returning over £0.2m to the business and improving efficiency in the delivery of capital works. In addition, further value for money was delivered through this deal in the form of significant contributions to the Group social value fund, a core consideration in our work with all Group suppliers.

...and making sure they are safe.

Throughout the year we have continued with the delivery of the People First Operating Model across the Group to optimise the efficiency of our operations and implement our new digital platform to deliver efficiencies and provide an improved experience for customers and colleagues.

We have continued to make strides across the Group to deliver our key objectives. Over the year we continued the restructuring of management and operational teams across the business with particular transformation being seen in our Affordable Housing businesses and Development function.

Our six Affordable Housing landlords are now operating as one business with a single business plan and an increased focus on our customers and frontline activities.

The Development function has transitioned to a regional delivery model with strengthened internal governance structures supporting the achievement of ambitious growth targets to enable us to continue to deliver a range of new homes.

TARGETS FOR 2022/23

Our business plan clearly articulates our strategic objectives, and performance reporting to the board ensures we are delivering value for money in meeting those objectives.

All business areas identified specific efficiency and value for money targets for the year including a target to sustain or improve return on capital employed. Performance against these targets will continue to be monitored by the Group board and Group management team.

In addition to meeting the key performance indicators identified within our business plan, we have identified the following specific areas of focus for efficiency or improvement in the 2022/23 financial year:

- **Customer service** — achieve **92% customer satisfaction** and deliver a **Net Promotor Score of +49** across our Affordable Housing businesses.
- **Procurement — achieve cost reductions of at least £2m through procurement savings** across a range of goods and services.
- **Affordable Housing repairs and maintenance service** — increase the **level of repairs delivered 'right first time' to 92%** to improve efficiency and effectiveness within the service.
- **Service optimisation** — implement new housing management software to deliver improved service to our customers and **achieve £1.5m in management cost savings** through continued transformation of operating models and business practices.
- **Return on capital employed** — as a debt funded business it is important that the capital we have is deployed to generate a return and over the year ahead we will seek to **increase the return on capital employed to 6.9%** for the Group as a whole.

Indicator	2022	Benchmark peer group median	2021
Reinvestment	5.2%	5.8%	4.0%
New supply delivered (social housing units)	1.2%	1.3%	1.3%
New supply delivered (non-social housing units)	0.9%	0.0%	1.6%
Gearing %**	65.5%	43.9%	67.1%
EBITDA MRI	118.0%	183.0%	128.2%
Headline social housing cost per unit	£3,057	£3,730	£2,831
Operating margin — social housing letting	47.7%	26.3%	49.9%
Operating margin overall	23.4%	23.9%	23.9%
ROCE	4.0%	3.3%	3.9%
Customers satisfied with service provided by their social housing provider*	91.8%	86.9%	91.2%
Occupancy*	99.5%	99.3%	99.4%
Rent collected*	99.2%	99.8%	98.9%

The metrics above highlighted in blue are RSH defined value for money metrics.

* Affordable housing only

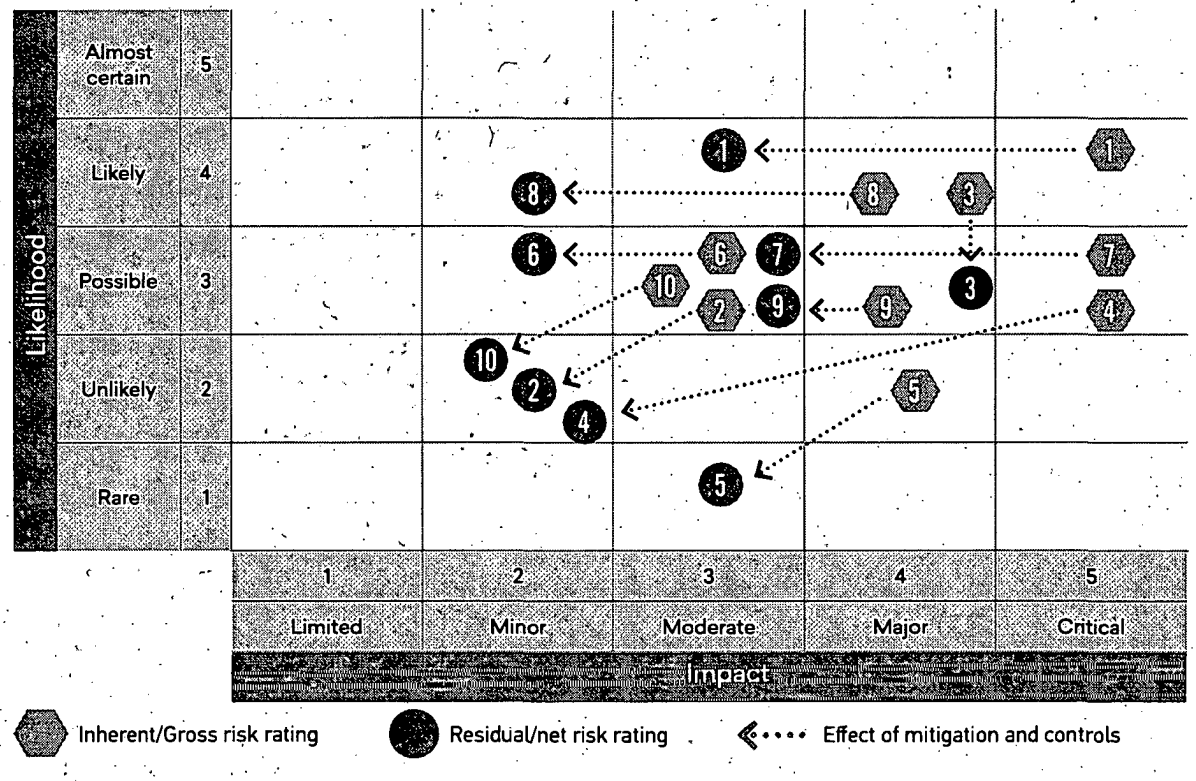
** The gearing metric shown in the table is not considered to fully represent the true gearing of the Group. While the metric includes the Group's social housing assets, it does not include the Group's investment properties or investments into joint ventures. The Group's investment properties provide a diversified income stream from property rental which is outside of the Government's rent regime and generates a surplus that is used to maintain the current affordable housing and contribute to the Group's new affordable housing development programme. When these additional assets are taken into account, the Group's gearing at the year end is 57.4%.

Principal RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Group are identified and defined in our strategic risk map. Below is a 'heat map' that shows the current assessment of these risks and the effect of the mitigations we have put in place to control and manage them.

A brief explanation of each of these risks is then given together with a summary of the mitigations in place and the change in assessment during the year.

Places for People Group – strategic risk map



Risk title

1	Health and safety
2	Customer experience
3	Technology, data and security
4	Legal and regulatory
5	Strategy and governance
6	People
7	Business performance
8	Political, environment and macro-economy
9	Sustainability and uneconomic assets
10	Business disruption

Risk	Mitigation	Change in year
1. Health and safety		
The Group could suffer an incident impacting upon the health, safety, or wellbeing of our customers, colleagues or contractors. Where harm is suffered the sanctions faced could be severe.	There is a Group-wide health and safety management system in place that supports regular reporting to the Group board, Group Audit & Risk Committee, Health Safety and Property Compliance Committee, Executive Management Team and the Strategic Risk Management Group. The Group maintains and regularly reviews health and safety frameworks, policies, standards, and individual business response plans. Monitoring incorporates a wide range of activities from fire safety, through to gas servicing alongside colleague training and regular independent reviews. There is a dedicated Group Health and Safety Team which carries out an annual Group-wide audit programme.	**2022 Rating — Red/High** **2021 Rating — Green/Low** The current risk rating reflects the operational uncertainty around fire safety due to legislation changes (Building Safety/Fire Safety Bill) and potential cost increases to meet these new demands. This includes PAS 9980 guidance that is to be applied to all 11m+ buildings. The change in our assessment of this risk is due to this emerging legislation and the cost implications rather than any material weakness in our controls. In addition to the mitigations listed, a centralised Fire Safety team is being formed, revised standards are being implemented and further enhancements made to oversee fire safety activity.
2. Customer experience		
A major failure to meet customer expectations or a customer service failure could occur leading to a decline in customer satisfaction, reputational damage and/or financial loss.	The Group has a People First strategy that puts customers at the heart of everything we do. We actively engage with our customers and use their feedback to shape decision making. This approach is supported by tools to monitor customer experience including the Net Promoter Score which measures how likely our customers are to recommend us to others. We also run a National Customer Group to challenge and scrutinise our operational delivery and in doing so, help influence and strengthen critical issues and policies affecting the customer experience.	**2022 Rating — Green/Low** **2021 Rating — Green/Low** There has been no change to our assessment of this risk during 2021/22. During the initial stages of the pandemic, the Group sustained essential services while moving to a new agile delivery model and responded to the significant operational challenges associated with the pandemic. As part of the People First strategy, colleagues continue to take part in our accredited People First workshops, certificated from the Institute of Customer Service.

Risk	Mitigation	Change in year
3. Technology, data and security		
There is a risk that the data management, governance, and technology we use is unable to meet the information needs, cyber security or privacy requirements of the business. This could lead to financial loss, poor decision making, inefficiency, compliance failures, data breach, system loss/failures, penalties and reputation damage.	Monthly dashboards and key performance reporting are in place together with IT controls (technical, network security, datacentre security and encryption, device theft mitigations), IT disaster recovery plans, in-house expertise and third-party support. Colleagues' vigilance for phishing emails, calls and other suspicious requests for information, and reporting attempts to our data security team is a key control and is supported through continual colleague awareness training and initiatives. The Group regularly reviews data management and security controls, monitoring the external environment, current working practices and industry best practices to identify and act on improvements where they can be made. There is a data protection framework across the Group that is underpinned by a breach reporting process, compliance reviews, training programme, advice and Group-wide support by in-house expertise and data protection leads in place for all businesses. The Group has a dedicated insurance function that ensures we maintain adequate cyber liability insurance.	**2022 Rating – Red/High** **2021 Rating – Amber/Medium** The risk rating reflects the increased threat of attempted cyber-attacks and security- related incidents that could have a significant impact. Continual reviews of vulnerabilities and threats are made with ongoing enhancements to our security arrangements. In addition to the mitigations above, the posts of Group Chief Information Officer and Director of Cyber Security are being appointed to further strengthen our approach.
4. Legal and regulatory		
The Group could fail to comply with its legal/ regulatory requirements, including social housing compliance standards, the delivery of value for money and compliance with anti-bribery, money laundering and modern slavery regulations, safeguarding, the Welfare Reform and Work Act 2016, and rent regulations. This could result in reputational damage, regulatory supervision or downgrade, legal censure and/or financial loss.	The Group employs a Group Director of Property Safety & Compliance, Director of Regulation and an expert legal services team to identify and comply with all relevant legal/ regulatory requirements. The Group maintains and regularly reviews a framework of policies and procedures that reflect relevant standards. There is regular reporting to the Strategic Risk Management Group. The Group continuously monitors the external environment to see any changes in practices. The Group also runs an independent, risk-based business assurance programme, and legal/regulatory requirements are reviewed regularly.	**2022 Rating — Green/Low** **2021 Rating — Green/Low** There has been no change to our assessment of this risk during 2021/22. During the 2021/22 financial year, our approach has been further strengthened with the appointment of a Group Chief Risk Officer (CRO) to lead on risk and compliance matters across the Group.

Risk	Mitigation	Change in year
5. Strategy and governance		
There is a risk that the Group could fail to deliver business plan and social impact objectives due to ineffective strategy and/or governance arrangements, or due to merger failure or a number of operational risk events crystalising across the Group impacting financial and operational capacity.	A Risk Management Framework is in place which is supported by a 'three lines of defence' assurance model, risk based internal audit and assurance mapping. Risks are reviewed quarterly by both the Strategic Risk Management Group and the Audit & Risk Committee. There are board appraisal, nominations and board and executive recruitment processes in place supported by regular reviews of remuneration packages ensuring the Group recruits and retains board and senior management of the right calibre. High quality and empowered second tier directors are in place capable of managing their businesses in the medium term. Project boards are established to govern and direct major projects and ensure they are approved and financially controlled within delegated authority rules. There is a structured capital approval and investment process in place and effective ring- fencing arrangements to protect social housing assets. The Group undertakes detailed due diligence on new joint venture arrangements or proposed mergers. The Group also undertakes challenging stress testing of business plans, impact assessment, economic forecasting and macroeconomic horizon scanning to ensure we have plans in place for a number of risks crystallising together.	**2022 Rating — Green/Low** **2021 Rating — Green/Low** There has been no change to our assessment of this risk during 2021/22. Each year, the Group board completes a governance review including a self-assessment against the UK Corporate Governance Code. This year the Group commissioned an external evaluation of the Board by Saxton Bampfylde. The report concluded that the standard of governance at Places for People is high. During the year the Group underwent an In-Depth Assessment (IDA) by the Regulator of Social Housing, and the result was published on 31 March 2022 confirming that we continue to retain the highest possible gradings for both governance and financial viability (G1/V1).
6. People		
The Group may be unable to deliver the business plan or provide satisfactory service to customers if we are unable to recruit, retain or develop colleagues in sufficient numbers or with sufficient quality and skills.	To attract and retain colleagues there are competitive salary and remuneration package offerings backed by regular market reviews. Business continuity plans are in place identifying key colleague dependencies and *are supported by colleague contingency plans.* Succession planning, training and development includes the Places Academy. There is a centralised HR function and use of specialist recruitment function.	**2022 Rating – Amber/Medium** **2021 Rating – N/A** This was added as a principal strategic risk during the year to reflect the fact that recruitment is proving increasingly challenging across the Group, especially in certain trades sectors. Reviews of rewards and incentives are happening and a plan for addressing longer-term recruitment needs for skilled trades is being put into place.

Risk	Mitigation	Change in year
7. Business performance		
The Group's ability to deliver the business plan, or develop more affordable homes, could be impacted by business performance issues such as unplanned cost increases, revenue reductions, insufficient liquidity, development or planning related issues, or supply or counterparty failures.	The Group has an effective business planning process and an established monthly performance monitoring framework in place underpinned by identified Key Performance Indicators (KPIs) and reporting to senior management and routine scrutiny and board oversight. The Affordable Housing business operating model changes are designed to drive efficiency savings in our registered provider businesses. For development projects there is an established risk assessment, business case approval, project control and handover processes in operation. The Group deploys in-house procurement expertise, use of national contracting and framework agreements, alternative contractor options, subcontractor management policy and due diligence of major contracts. There is a regular review and assessment of pension costs and a prudent treasury strategy in place that maintains at least 18 months liquidity.	**2022 Rating – Amber/Medium** **2021 Rating – Amber/Medium** Although the likelihood of our assessment of this risk has been increased to reflect planning uncertainty and some supply chain issues (increasing costs and delivery delays), the risk profile remains generally in line with our risk appetite and business plan constraints. Using our learnings from the pandemic, we built flexibility into our business plans to help mitigate the impact of these risks on the delivery of our key objectives and financial targets. The Group's approach to managing liquidity is to ensure, as far as is possible, it will always have sufficient liquidity to meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's policy is to ensure that sufficient cash and committed loan facilities are available and immediately accessible to finance a minimum of 18 months' cash flow.
8. Political, environment and macro-economy		
Changes in government policy and practice, including welfare reforms, change in housing policy, and changes in tax / economic policy among others, could impact negatively on the Group's products and services and performance targets in the business plan. Economic disruption to the UK or worldwide economy could adversely impact our ability to achieve corporate and business objectives.	The Group undertakes challenging stress testing of its business plan, impact assessment, economic forecasting, assets and liabilities register and macroeconomic horizon scanning. Key members of the executive team continue to lobby government both directly and through the National Housing Federation to ensure housing remains a key government priority. A range of support measures for customers are in place including a Social Impact Team. The Group has also reduced exposure to the housing for sale market and has a strategic partnership in place with Homes England.	**2022 Rating – Amber/Medium** **2021 Rating – Green/Low** We maintain a close watch on the external operating environment and during the year we increased our assessment of the potential impact of this risk. The drivers for this increase include the Ukraine conflict, the cost-of-living crisis, the levelling up agenda, planning reform and house price movement. Energy price increases especially impact our leisure business and as well as increasing costs to the Group, cost of living and inflation increases affect our customers' ability to afford their rents, pay for essential needs and the impact on our services as they need our help. The actions being taken include increasing support measures for customers, expenditure reviews and cost reduction measures and, for our leisure business, renegotiation of management contracts with local authorities as a result of energy prices.

Risk	Mitigation	Change in year
9. Sustainability and uneconomic assets		
The Group may be unable to adequately respond to climate change and associated decarbonisation requirements, uneconomic assets or environmental risk factors impacting on our ability to achieve strategic goals, maintain customer safety, and/or regulatory compliance.	The business planning process, performance monitoring and board scrutiny processes consider carbon reduction and climate related challenges. The Group has developed environmental sustainability aims, targets and appropriate KPIs. The Group carries out regular reviews of our products and assets through the Asset Management Group, asset survey programme and capital spend allocation, and is continually reviewing new technology and innovations to ensure ongoing development of the business and ways of working. This has helped us to embed climate related risks and opportunities within business, strategy and financial planning processes. The Group undertakes regular stakeholder engagement giving us confidence in our ability to identify, track, and understand the implications of societal and/or technological change and to respond. The Group Geographic Asset Strategy identifies locations at risk of flooding over the medium to long term.	**2022 Rating – Amber/Medium** **2021 Rating – Green/Low** The Group continually monitors the external environment to ensure we are in step with environmental laws and policies and any changes to these. This includes restrictions on gas appliances in new builds expected from 2025 and the Group's Environmental Strategy sets out plans to deliver compliance. To support the consistent scoring of risks, and to ensure alignment with risk appetite, the Group's impact and probability scoring matrix has been reviewed and updated and the assessment of this risk has been increased over the year as a result of the uncertainty around the costs of meeting net zero targets and decarbonisation requirements. The sustainability landscape is constantly evolving and while we consider the impacts of climate change on our business, we recognise that ongoing analysis is required to help inform longer-term decision making.
10. Business disruption		
There is a risk that business disruption, major incident and/or prolonged business restrictions impacts on the continuity of business services, delivery of our business plan and/or there is a threat to the safety of our customers, colleagues, or contractors.	The Group has a major incident policy and business continuity planning approach in place, supported by a framework of guidance and business continuity plans in each business, to ensure incidents are dealt with constantly and in the most appropriate and effective way. The aim is to ensure that disruptions to customer service are kept to an absolute minimum and that colleagues are clear on the required response and course of actions to a range of incidents.	**2022 Rating — Green/Low** **2021 Rating — Green/Low** There has been no change to our assessment of this risk during 2021/22. We have reviewed and refreshed our business continuity planning and implemented a new way of working project that drew on learning from the pandemic and delivered a framework and infrastructure to support agile working and collaboration. We continue to promote work life balance at the same time as making our workplaces more agile and flexible so we maximise innovation, creativity and productivity. By its very nature, a new pandemic or resurgence of Covid-19 cannot be foreseen but our experience gives us confidence that we could respond effectively in the future.

Risk management and ASSURANCE

The board is responsible for the Group's system of internal control. This has been designed to manage, and mitigate as far as possible, the risk of any failure to meet business objectives. It can only provide reasonable assurance – not absolute assurance – against material misstatement or loss. The board's approach to risk management is supported by a structured assurance framework that includes the Audit & Risk Committee.

The board has an ongoing process to identify, evaluate and manage the significant risks faced by the Group. This was in place throughout the year and up to the date of the approval of the financial statements. The key elements of this process are as follows:

- A Risk Management Framework is in place which is supported by a 'three lines of defence' assurance model, risk based internal audit and assurance mapping. Each strategic risk is allocated to an accountable individual at a senior management level. During the 2021/22 financial year, there has been a strengthening of the second line of defence with the appointment of a Group Chief Risk Officer (CRO) as part of the Group Executive Team. The CRO leads on risk and compliance matters across the Group. The strategic and key operational risks have also been allocated to a second line of defence director, reporting to the CRO, to ensure there is a groupwide standard, education arrangements, expected key controls and risk-based checking arrangements in place. This structure is designed to ensure there is a consistent and integrated approach to risk across the Group and provides the Group board with the necessary assurance that risks are being managed effectively.
- Risk maps are maintained by each Group business which set out the key internal and external risks faced by that business. Controls in place to mitigate each risk are documented, as are any further actions considered necessary to reduce risk further. Subsidiary businesses review risk maps at their senior management meetings. These operational level risks are linked to the Group's strategic risks to ensure there is a top-down and bottom-up approach consistent with the requirements of the Regulator for Social Housing (RSH).
- The Group business plan sets out for each Group business its objectives for the coming year, along with the risks that might prevent achievement of those objectives and the controls and actions in place to mitigate those risks.
- The Group's risk appetite is reviewed and agreed by the Group board as part of the business planning process.
- The Group's Strategic Risk Management Group meets quarterly to consider emerging strategic risks and to review and update the Group strategic risk map. The Executive team are provided with a strategic risk summary at its monthly meeting which shows movement in risk ratings, highlights any newly emerging risks and prompts debate at an Executive level as to the need to consider any further emerging risks.

— Group risk maps are subject to further scrutiny and challenge by the Audit & Risk Committee.

— The Group Business Assurance internal audit plan is driven by the Group strategic risk register, which ensures audits are focused upon the key risks identified by management, as well as being informed by horizon scanning, regulatory information, and sector intelligence.

  Audit testing seeks to ensure that appropriate controls are in place to mitigate and manage risk to an acceptable level.

— The methodology for the presentation of risk reports has undergone further development during the year. A 'Group Chief Risk Officer's report' has been introduced for the Strategic Risk Management Group and Audit & Risk Committee members to support the review and monitoring of strategic risks. This includes a PESTLE (Political, Environmental, Social, Technological, Legal and Economic) horizon scanning analysis of the external operating environment, key risk indicators which highlight the linkage between Group KPIs and strategic risks, and a watchlist of issues/events etc which provides information on their possible consequences and management actions being undertaken.

— To support the consistent scoring of risks the Group has an impact and probability matrix, which is used to guide the assessment of risk across the Group. During the year this was reviewed and revised to ensure that the possible event descriptions align across all the distinct types of risks and the split of financial and business performance descriptions and the critical impact thresholds are the most suitable.

— Senior management from across the business are asked at each year end to confirm that they have appropriate internal control structures, policies, procedures and risk management processes in place for the financial year. Output from this process is provided to the Audit & Risk Committee and for the year in question. All relevant management confirmed that appropriate arrangements were in place and no significant control weaknesses were identified.

— As part of the normal course of business, and in line with our culture of continuous improvement, testing of internal controls through the Business Assurance process has identified opportunities for the enhancement of our control structure. Recommendations are made via internal audit reports to introduce such improvements and the implementation of these recommendations is monitored by both the Group Executive and the Audit & Risk Committee. For the 2021/22 financial year, there have been no issues which are material to the strength of the overall internal control structure.

— Risk management and assurance processes have been reviewed during the year by the Social Housing Regulator, with the Group retaining the highest possible gradings for both governance and financial viability (G1/V1).

— The Audit & Risk Committee has received a full report on the internal control system in place throughout the year and is satisfied that the sources of assurance provided are appropriate, adequate and valid and have provided sufficient evidence to confirm the adequacy of the design and operation of the internal control system in place.

We change lives.

Delivered
1,775
new homes

Spent
£65.1m
on capital improvements

Issued 14 year
£300m
sustainability bond

GOVERNANCE report

2021 – 2022

GOVERNANCE REPORT

BOARD OF DIRECTORS

The Group board, at the date of signing the annual report, comprises eight non-executive directors and five executive directors, a configuration deemed an appropriate balance between executive and non-executive roles and a suitable balance to address the challenges of workload and skills required. Details of the directors and their respective biographies can be found on pages 67 to 71. These details are also available to view on the Group's website at www.placesforpeople.co.uk

Non-executive directors are subject to reappointment at intervals of no more than four years and are expected to serve for no more than nine years. The terms of appointment of all directors are available for inspection from the Group Company Secretary during normal business hours.

In accordance with the Companies Act 2006, the directors comply with a duty to exercise reasonable care, skill and diligence; a duty to promote the success of the company (please refer to page 42 for the Group's section 172(1) statement which explains how the directors achieve this in practice); a duty to act within their powers; a duty to exercise independent judgement; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties; and a duty to declare any interest in a proposed transaction or arrangement.

The board meets at least five times a year to direct overall strategy and take key financial and business decisions. Given the complex nature of the Group's business, members of the board also meet in standing committees or working parties to examine specific areas of operation. The standing committees and working parties are:

- **Audit & Risk Committee**
- **Treasury Committee**
- **Development Committee**
- **Pensions Working Party**
- **Remuneration & Nominations Committee**

The work of these standing committees and working parties is described later in this report and details of committee/working party membership and attendance at board and committee/working party meetings during the year are reported on page 88.

Decisions to approve proposed financial transactions can also be delegated to the boards of Places for People Treasury plc and Places for People Finance plc as reported below.

The board adopted guidelines for the appointment of non-executive directors which were in place throughout the year. Those guidelines include a requirement for there to be a formal role profile in relation to each non-executive board appointment.

During the recruitment process, the board selects the best candidate for any vacancy. It has no targets for board composition by reference to gender, ethnicity, sexual orientation, or any other diversity measurement. The board is proactive in seeking to include in interviews for Group board appointments, one or more candidates whose presence on the board would add to its diversity. The board would only use diversity as a decisive criterion in connection with any appointment if two or more candidates were evenly matched in other respects.

On 1 November 2021 following an externally supported search, Richard Cartwright and Helen Fridell were appointed as non-executive directors. Further to these appointments Mike Dunn was appointed as a non-executive director on 1 January 2022.

On 30 September 2021, Lynette Lackey resigned as a non-executive director having served on the board for nine of her ten years with the Group. Ms Lackey contributed a great deal during her time with the Group and was highly regarded for the depth and breadth of her knowledge.

Helen Fridell resigned as a non-executive director on 30 June 2022 to take up an unexpected opportunity to pursue her career in her homeland of Australia.

Following the announcement made by David Cowans of his decision to retire as Group Chief Executive, a recruitment process to select his successor commenced resulting in the appointment of Greg Reed on 1 December 2021, at which point David Cowans resigned from the Group board.

None of the directors who left the board up to the point of signing these reports and financial statements expressed concerns about the operation of the board for circulation on their departure to fellow board members.

On an administrative level, the board requires each director to inform the Group Company Secretary if he or she has an interest that ought to be declared. Such interests include offices held in other organisations but also any other potential conflicts of interest (namely those related to connected persons, benefits offered by a third party or interest in a proposed or existing transaction).

Through the register of interests, which is made available to board members at each meeting, the board monitors the independence of individual directors and remains satisfied that during the year under review, all directors have been properly regarded as independent.

Non executive directors have the opportunity to scrutinise management through the reports presented to, and their attendance at, board and committee meetings.

DELEGATION OF RESPONSIBILITIES BY THE BOARD OF DIRECTORS

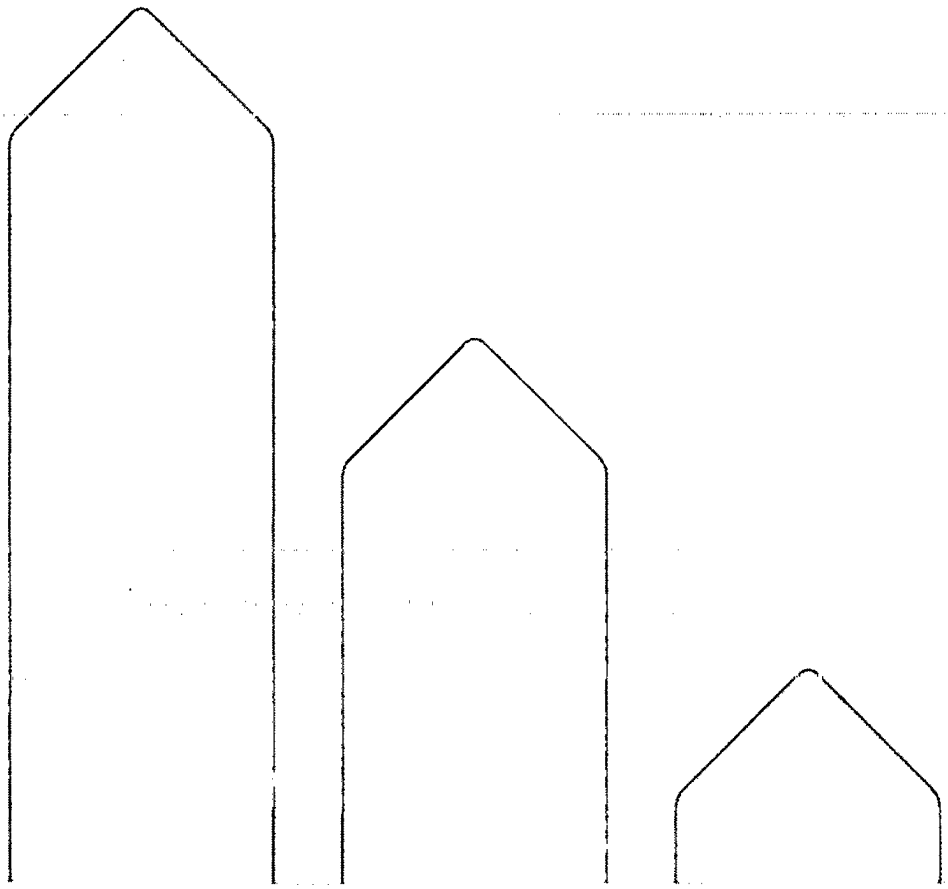
Ultimate authority for all aspects of the Group's activities rests with the board. The board has determined a clear division of responsibilities between the Group Chair and the Group Chief Executive as set out in the Governance Manual which is available on the Group's website at www.placesforpeople.co.uk

The board is responsible for setting strategies and policies for the whole Group's activities, including, the approval of the Group's strategic plan, the annual approval of the Group's consolidated business and financial plans as well as the approval of the Group's strategy aimed at furthering its purpose and culture.

The board remains satisfied that its policies, practices, and behaviour throughout the business are aligned with the Group's purpose values and strategy (see page 17).

The board achieves this through a combination of an established set of matters that are reserved to the Group board, intra Group agreements, schedules of delegated authority, appointment of board members to subsidiary boards and the application of Group-wide policy standards on key issues.

Where matters are not reserved to the Group board, the scheme of delegation operates so that management has all necessary authority to run the Group's business.



NON-EXECUTIVE BOARD MEMBERS

Richard Gregory OBE
Chair

Richard has held the roles of chair, senior independent director and non-executive director across a range of private and public sectors. Currently Richard is also Chair of the specialist lender Together Personal Finance Ltd. Former roles include Senior Advisor to Virgin Money PLC, Senior Independent Director and Risk Committee Chair of the Clydesdale and Yorkshire Banking Group (CYBG PLC) and Chair of the Yorkshire Bank Pension Trust.

In the NHS, two foundation trust chairmanships, a board member of the Foundation Trust Network, member of GovernWell and the NHS Leadership Academy advisory board. In regional development, Deputy Chair of the regional development agency Yorkshire Forward, Chair of the Science and Industry Council, Yorkshire Innovation, and Chair of Science City York.

He is a former board member of Business in the Community and its Yorkshire Chair, former Chair of Sheffield Hallam University and non-executive director of Sheffield University Enterprises Ltd.

His executive career was in television broadcasting first with Granada TV in Manchester and then Yorkshire Television where he retired as Managing Director Broadcasting before becoming Chair of the digital media company Imagesound PLC. Other former memberships include the North West Business Leadership Team, the Yorkshire and Humber Council of the CBI, the Team Humber Marine Alliance advisory board and the Innovation advisory board of Sheffield Hallam University.

Richard joined the board of Places for People Group on 1 November 2020.

Graham Waddell
Senior Independent Director

Graham's executive career was with Nationwide Building Society, during which he held a number of senior Executive positions. He was also the Managing Director of a Nationwide subsidiary company, which was a large private landlord and property owning vehicle. He was Chair of Council of Mortgage Lenders in Scotland and is a Fellow of the Chartered Institute of Bankers. Graham joined the board of Castle Rock Edinvar in September 2013 and became its Chair on 1 March 2018.

Graham joined the board of Places for People Group on 1 September 2018 and was appointed senior independent director in 2019.

Regina Finn

Regina is Chair of the Low Carbon Contracts Company and the Electricity Settlement Company, which play a critical role in the delivery of the UK's clean, sustainable, affordable energy goals. She is also a Director of Lucerna Partners, a consultancy specialising in public policy, economic regulation and competition and consumer policy and a non-executive Director of Motor Fuel Group, the largest independent forecourt operator in the UK. Regina has held a number of other non-executive roles including Chair of Mutual Energy Limited, and non-executive director of Irish Water and the Channel Islands Competition and Regulatory Authority.

She was the first chief executive of Ofwat, the water regulator for England and Wales, held the position of Commissioner for Energy Regulation in Ireland, and set up and ran a regulator for the energy, post and telecommunications sectors in Guernsey in the British Channel Islands. She also led the establishment of Ireland's first economic regulator for the telecommunications sector.

Regina joined the board of Places for People Group in October 2019.

Angela Daniel

Angela currently works for a global insurance company and heads up the Firm's Finance team within the Europe Asset Management division. Prior to joining, she worked as the EMEA Controller for Custody & Securities Lending (WSS) in JP Morgan Chase and before that worked as a Client Financial Management Specialist (Oil & Gas sector) in Accenture. Angela trained as an Accountant within a small to medium-sized practice and is a Fellow Member of the Association of Chartered Certified Accountants (FCCA). She received a B.A. (Hons) degree in Accounting and Management from Cardiff Business School and holds a Masters degree from the University of Oxford. She also currently holds a non-executive role as Treasurer at The Urology Foundation.

Angela joined the board of Places for People Group in October 2019.

Nigel Hopkins

Nigel is a non-executive director of MHS Homes Limited and Chairman of Instructus, a skills charity. He is also an associate with Concerto Consulting providing advisory services to registered providers of social housing. Previously, he had a wide-ranging international career, living and working in the UK, Europe and the USA.

He is a qualified accountant and has held senior management positions with the Confederation of British Industry, Fiat, Abbeyfield, Laporte (Chemical), Burmah Castrol, United Technologies, Coopers & Lybrand, Ernst & Young and Remploy. At Abbeyfield he led the strategic review of its living and care businesses. At Remploy he was Finance and Strategy Director at a time when the company was being transformed from one that was exclusively an employer of disabled people in a wide range of industries, to one that placed 15,000 disabled and disadvantaged people into work each year.

Nigel joined the board of Places for People Group in October 2013.

Graham Kitchen

Most recently, Graham was Global Head of Equities at Janus Henderson Investors. Prior to joining Janus Henderson in 2005 as Head of UK Equities, Graham was with Threadneedle Investments, and he spent 13 years at INVESCO Asset Management as a UK Fund Manager and Co-Head of Investment.

Graham is Chair of Trillium Asset Management UK Ltd and PPT Asset Management UK Ltd (formerly Perpetual Asset Management UK Ltd) and is a non-executive Director at The Mercantile Investment Trust plc and AVI Global Trust. He was previously Chair of Invesco Select Trust plc. Graham is also a member of the Investment Committee of the charity Independent Age and acts as mentor for The Prince's Trust and The Social Mobility Foundation.

Graham joined the board of Places for People Group in October 2017.

Richard Cartwright

Richard is presently a Non-executive Director at Central North West London NHS Foundation Trust and a Governor at Motability. Having trained as an auditor with KPMG, he continues in that field as an independent external member of the Audit, Risk & Assurance Committee of the National Audit Office, whilst also working as a Principal Enterprise Fellow at Southampton Business School.

Richard, who sustained a high-level spinal cord injury in 2006, is passionate about making places truly inclusive and accessible for all.

Richard joined the board of Places for People Group in November 2021.

Mike Dunn

Mike is currently a Non-Executive Director, Audit Chair and Senior Independent Director of Storm Housing Group and London & Continental Railways Limited (LCR Properties) which works between the public and private sectors to develop housing projects with transport elements. He is also Non-Executive Director: Audit and Risk for the Crown Prosecution Service. He has previously served as Non-executive and Chair of Audit and Risk on the board of the G15 Housing Association Metropolitan Thames Valley and as Non-Executive Chair of Metworks.

A Chartered Accountant with senior finance experience in property, construction, treasury, regulated businesses and investor relations, he was formerly Chief Financial Officer of the regeneration specialist St Modwen Properties plc and of the support service provider May Gurney Integrated Services plc.

Mike joined the board of Places for People Group in January 2022.

EXECUTIVE BOARD MEMBERS

Greg Reed

Greg is a purpose-driven senior executive, expert at setting strategic direction and proven at delivering strong, sustained commercial, customer and people outcomes.

Before Places for People, Greg was UK CEO for HomeServe Plc, and this followed a 20 plus year career in international banking with senior leadership roles at Bank of America and RBS Group.

Greg is passionate about helping to solve the UK's housing crisis and prior to taking on his role at Places for People, was a non-executive director with Clarion Housing Group, the UK's largest housing association, and also chaired its charitable foundation, Clarion Futures.

A native of Smyrna, Delaware, Greg graduated from Pennsylvania State University with a Batchelor of Science in Finance and then received a Juris Doctor from Delaware Law School. Greg lives in Edinburgh, UK with wife Melissa and their three children.

Andy Winstanley

Andy was appointed Group Finance Director in August 2017, having previously operated as the Group's Financial Controller since joining Places for People in 2010.

Andy qualified as an Accountant at Ernst and Young where he spent nine years in its North-West assurance practice.

Debi Marriott-Lavery

Debi has been in her role as Group Executive Director of Affordable Housing at Places for People since July 2019 and has been with Places for People since 2015. Prior to housing, Debi spent a decade in health and social care as a qualified healthcare professional. Debi has held a number of senior management roles since joining Places for People and soon became Chief Executive of Places for People Living Plus, focusing on providing all round accommodation, care and support to help vulnerable people with complex needs live independent fulfilling lives.

Debi now has over 20 years' experience working at a senior level in the health, social care and housing markets, strategically leading teams and businesses to provide innovative high-quality services in diverse and challenging markets for both public, independent and not-for-profit sectors. Debi's former roles include Managing Director Community Services, Care UK and Chief Operating Officer at Anchor Trust.

Tim Weightman

Tim joined Places for People in 1997 and has over 25 years' experience in the affordable housing sector, including development, investment and strategic asset management. His role involves the strategic management of £3.5bn of social housing and £0.5bn of PRS and student housing to deliver excellent customer experience, social impact and financial returns.

He also leads the Group's response to the changing and complex operating environment, including addressing fire and building safety issues, delivering carbon net-zero and tackling the impact of climate change. He also leads on the Group's ESG and innovation work. Tim has a degree in Building Surveying and an MBA from Durham University.

Tim joined the board of Places for People Group in October 2019.

Scott Black

Scott Black is a chartered architect with 25 years' experience in the development industry and with a passion for design and the creation of sustainable new communities.

He has performed several roles in his career leading up to Managing Director of Crest Nicholson Regeneration, with responsibility for delivering some of the UK's most iconic major projects and regeneration schemes, managing circa 200 colleagues with an annual turnover of between £250m – £300m a year.

At Places for People, Scott is responsible for delivering around 2,000 homes per year across six regional businesses, from Scotland to Cornwall. Scott also leads on the Homes England strategic partnership, which will see around 6,000 homes delivered in the next 10 years.

Chris Martin

Chris is a solicitor with over 30 years' experience of legal practice and joined Places for People in 2008.

Previously, he worked in private practice for 10 years, in a City law firm and as a partner in a US legal practice, and then in general counsel roles in UK and international businesses in a number of different industry sectors.

CORPORATE GOVERNANCE

The Group's governance arrangements are described in the following pages. The Group is required to adhere to standards imposed by its regulators and also endeavours to comply with the principles and provisions of the UK Corporate Governance Code (2018 version) to the extent that it can and where it can't, suitable explanations are contained within this report.

AUDIT & RISK COMMITTEE

A review of the activity of the Audit & Risk Committee is summarised below and demonstrates the committee's fulfilment of its obligations as set by the Group board. The committee carries out its duties as detailed below for the parent company, most of its major subsidiary undertakings and the Group as a whole. The members of the Audit & Risk Committee from 1 April 2021 to 31 March 2022 were:

- **N Hopkins** (chair)
- **A Daniel**
- **R Finn**
- **G Waddell**
- **G Kitchen**
- **M Dunn** (from 1 January 2022)

supported by members of management.

Remit

The executive directors are responsible for maintaining and reviewing the Group's system of internal control. The Audit & Risk Committee is responsible for discharging governance responsibilities in respect of audit, risk and internal control and reports to the board, as appropriate. It oversees, reviews and monitors the Group's application of accounting policies and standards, the appointment and remuneration of the external auditors, the resources and work programme of Business Assurance (the internal auditors), the risk management framework and the adequacy of internal control.

The committee receives and reviews reports from Business Assurance on a regular basis. The programme of reports reviewed in the year is informed by, and aligned with, business planning and ensures that the committee covers all material areas of risk on a regular basis. The external auditors submit reports to the committee when appropriate.

The committee also reviews regular presentations from management on the operation of controls throughout the business. It takes initiatives to satisfy itself that risk avoidance measures are fully embedded within the Group structure and to determine the effectiveness of management accounts. During the year, the Group appointed a Chief Risk Officer. Efforts over the next year will concentrate on improving the risk function's structure and approach as well as simplifying and clarifying business owners' accountabilities and roles. As part of improving the structure additional hires of a Director of Risk and a Director of Cyber Security are planned. A review of the existing strategic risks has been undertaken and a hierarchy to simplify internal and external reporting, developed. The Audit & Risk Committee has operated in accordance with its plan of work throughout the year as summarised on the following pages:

Topic/area of focus	Discussions held/decisions taken
Risk Management	Quarterly reports received from the Strategic Risk Management Group (formerly the Strategic Risk Management and Value for Money Group during the year) throughout 2021/22 together with interactions required with the Group's regulators the RSH and ICO relating to reportable matters Quarterly reports received on any issues relating to fraudulent activity throughout 2021/22 Stress testing and consideration given to key financial and non-financial risks, **April 2021** Review of register of delegated authority, **April 2021** Proposed changes to stress testing assumptions for 2022/23 business plan, **November 2021** Risk Management presentation received from the Chief Risk Officer, **February 2022** Stress testing on proposed business plan, **February 2022**
Business Assurance Services (BAS) (internal audit)	Quarterly BAS reports delivered throughout 2021/22 together with summary of any outstanding audit actions BAS Annual Report delivered for 2020/21, **April 2021** An external audit was commissioned and its findings delivered to the committee, that reviewed secure remote working, information security and operational resilience in view of an increased number of colleagues working from home due to the pandemic, **August 2021** Approval of draft BAS audit plan 2022/23, **February 2022** Approval of Internal Audit Charter, **February 2022** Approval of Group Assurance Map — the map had been updated to reflect changes and movements in risk together with the assurance ratings provided by recent BAS audits, **February 2022** Review of allocation of BAS resource against identified risk as captured in the Group Risk Register, **February 2022** Review of annual Self-Assessment and Improvement Plan required in order to maintain CIPFA accreditation, **February 2022** **The committee meets separately with representatives of Business Assurance on at least one occasion in each year without any members of management being present.**

Topic/area of focus	Discussions held/decisions taken
External audit	Interim audit report delivered and approach towards year end audit presented for consideration, **April 2021** Review of the effectiveness of the external audit 2020/21, **November 2021** Audit Plan and Strategy for 2021/22, **February 2022** Review of non-audit fees for 2021/22, **February 2022** Year-end assurance process was considered and agreed, **February 2022** Financial Accounting update was presented, **February 2022** **The committee meets separately with the external auditors on at least one occasion in each year without any members of management being present.**
Annual/bi-annual reviews	**Whistleblowing Policy, February 2021** — the committee received its annual report to review the terms and usage of its Whistleblowing Policy. The policy provides for the mechanism for a proportionate and independent investigation and for the protection of any whistleblower against subsequent unfair treatment. Any failings in value, policies or conduct identified by such an investigation are addressed by the line management and/or the board. The committee noted the use of the policy across the Group and the measures taken to promote awareness of the policy and concluded that the arrangements for drawing the policy to the attention of colleagues remained appropriate and continued to be appropriate notwithstanding changes in working arrangements owing to the global pandemic. **Money Laundering Regulations, February 2021** — the committee received its annual report to review compliance with regulations. The annual report provided information to the committee on the ways in which the Group's obligations under Money Laundering Regulations had been assessed, understood and addressed. The report also drew to the attention of the committee the measures in place to sustain continued compliance and to identify any failures of compliance. **Finance Policy Manual, February 2021** — the committee received its annual report on the review of the Finance Policy Manual. It discussed the proposed changes and welcomed the enhancement of certain controls. **Insurance, August 2021** — the committee received its annual report on insurance designed to describe what the Group insured, with whom, how, cost trends and service levels. Reports on health and safety, ordinarily **April 2021 and November 2021** but the committee requested a further update in **February 2022** to follow up on comments raised at the November meeting. Reports on Safeguarding, **November 2021 and February 2022**
Committee Initiatives	Project Synergy (also now considered on a quarterly basis) Implications of Pension Scheme Funding Code

External Auditors

The appointment of the Group's auditors is a matter reserved to the Group board. The decision is reached with the benefit of a recommendation from the Audit & Risk Committee working alongside the Group Finance Director. Following recommendations by the Audit & Risk Committee, the Group board approved the renewal of the audit contract during the 2019/20 financial year resulting in the reappointment of the incumbent, KPMG, for a period of three years with the option to extend by a further two years.

Following conclusion of the 2021/22 audit, recognising the requirement to rotate off the audit in the short term and taking account of commercial arrangements and resourcing constraints, KPMG has indicated that it does not wish to to exercise the option to continue as the Group's auditor for the 2022/23 financial year. KPMG has indicated that there are no circumstances connected with their ceasing to hold office that they consider should be brought to the attention of the company or successor auditor.

At its meeting in February 2022, the committee agreed to commence the process for the next audit tender.

At the close of each financial year, the committee receives a report on the external audit process and reports to the Group board its finding regarding the independence and effectiveness of the external audit process. Such review took place in November 2021 for the financial year ended 31 March 2021 and the findings were that the process had been effective but could be made more efficient. In February 2022, the committee received the external audit plan in respect of the 2021/22 financial year.

Non-audit fees

The Group has instructed KPMG to carry out £93,700 (2021. £108,000) of non audit work in the year where advantages of efficiency, cost or expertise were identified. This related to review work in respect of the audit of the Homes England Strategic Partnership grant, EU grant audits, loan covenant reporting, bond compliance confirmations and turnover certificates.

Issues considered by the Audit & Risk Committee

Matters of significant importance and risk to the Group financial statements were presented to and agreed by the Committee. A number of detailed reports were presented to the Committee and discussions were held to ensure members had sufficient understanding of the issues and their potential impact on the presentation of the financial statements. Discussions were also held with the external auditor to ensure that resolutions of these areas were in line with accounting and auditing standards.

Valuation of investment properties

The valuation of the Group's investment properties is inherently subjective as it is undertaken on the basis of a range of assumptions that may not prove to be accurate. Following two years of external valuations the Group undertook an internal valuation of the properties for the current financial year using past experience as well as knowledge and expertise. The committee analysed the approach, reviewed the outcomes, and challenged the assumptions where it was believed appropriate to do so. The committee was satisfied with the valuation process, the effectiveness of the internal valuers, and the results of their work.

Recoverability of stock

The committee has reviewed the judgements in relation to the recoverability of the stock held by the Group at 31 March 2022. The committee received a paper prepared by management outlining the approach and assumptions taken by management to assess the net realisable value of the Group's stock and work in progress. The paper reviewed the details of sites with significant areas of judgement and the sensitivity to a change in sales prices for all of the Group's development sites. The committee was satisfied by the review undertaken by management.

Pension scheme valuations
The Committee receives details of the pension scheme valuations carried out at each reporting date from the actuaries who advise the Group. The Committee has reviewed the underlying assumptions together with the external auditors' report benchmarking pension actuarial assumptions.

After reviewing the presentations and reports from management and consulting where necessary with the auditors, the committee is satisfied that the financial statements appropriately address the significant judgements and key estimates (both in respect of the amounts reported and disclosures). The committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Going Concern

The committee reviewed management's assessment of going concern and the outcome of this. The committee was happy that the assessment was adequate and robust and provided sufficient evidence to support the going concern assumption.

After reviewing the presentations and reports from management and consulting where necessary with the auditors, the committee is satisfied that the financial statements appropriately address the significant critical judgements and key estimates (both in respect of the amounts reported and disclosures). The committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Misstatements

Management confirmed to the committee that they were not aware of any material or immaterial misstatements made intentionally to achieve a particular presentation. The auditors reported to the committee the misstatements that they found in the course of their work and no material amounts remain unadjusted.

TREASURY COMMITTEE

A review of the activity of the Treasury Committee is reported below and demonstrates the committee's fulfilment of its obligations as set by the Group board. The committee carries out its duties as detailed below for the parent company, major subsidiary undertakings and the Group as a whole.

The members of the Treasury Committee from 1 April 2021 to 31 March 2022 were:

- **G Waddell** (chair)
- **L Lackey** (until 30 September 2021)
- **G Kitchen**
- **R Gregory**
- **R Cartwright** (from 1 December 2021)

supported by members of management.

Remit

The Treasury Committee scrutinises on behalf of the Group board the strategic management of the Group's financial assets and liabilities and its liquidity position. The Group board has delegated to the committee authority to approve treasury transactions on behalf of the Group parent, including but not limited to, the terms of new or extended borrowing facilities. It has also charged the committee with ensuring coordination of the approach to treasury matters in all parts of the Group.

The Group maintains a clear distinction between its regulated housing businesses (being its registered providers of social housing in England and Wales or registered social landlord in Scotland) and its non-regulated businesses (being its commercially-driven entities).

Places for People Treasury plc raises finance only for the regulated businesses and those businesses have delegated their authority to its board to approve treasury transactions on their behalf. Places for People Finance plc raises finance only for the non-regulated businesses and those businesses have delegated their authority to its board to approve treasury transactions on their behalf.

Overall treasury strategy and coordination rests with the committee, and decision-making in relation to specific treasury transactions rests with the committee for the Group parent and with either Places for People Treasury plc or Places for People Finance plc for the Group subsidiaries. The Treasury Committee has operated within the parameters of its terms of reference throughout the year as summarised on the following page:

Topic/area of focus	Discussions held/decisions taken and/or recommendations made for approval by Places for People Treasury plc or Places for People Finance plc
Strategic management	Quarterly Treasury Management updates received throughout 2021/22 Corporate finance updates received throughout 2021/22 concerning proposed transfers/disposals Commenced transition from LIBOR to SONIA agreed, **April 2021** Funding overview presented, **April 2021** Operational banking facilities reviewed and agreed to remain with incumbent, **April 2021** Revisions made to the Treasury Policy and Treasury Strategy, **April 2021** Feedback received on virtual roadshows held with investors, **April 2021** Consideration given to sterling public issuance later in the 2021/22 financial year, **August 2021** Annual update to the Euro Medium Term Note Programme, **November to December 2021** Review undertaken by credit rating agencies, **October to December 2021** Discussion with lenders in respect of proposed strategy to consolidate the English registered providers, commenced **Autumn 2021** Update on strategy concerning non-regulated entities, **November 2021** Sterling Bond Issuance approved and transacted, **January 2021** Report received confirming guarantor compliance with Deed of Covenant, **February 2022**
Corporate transactions	A number of corporate transactions were considered and recommended for approval by the respective treasury vehicles, Places for People Treasury plc and Places for People Finance plc throughout the 2021/22 financial year.

REMUNERATION & NOMINATIONS COMMITTEE

A review of the activity of the Remuneration & Nominations Committee is reported below and demonstrates the committee's fulfilment of its obligations as set by the Group board. The committee carries out its duties as detailed below for the parent company, major subsidiary undertakings and the Group as a whole.

The members of the Remuneration & Nominations Committee from 1 April 2021 to 31 March 2022 were:

- **R Finn** (chair)
- **A Daniel**
- **R Gregory**
- **G Waddell**
- **H Fridell** (from 1 December 2021 until 30 June 2022)
- **R Cartwright** (from 1 December 2021

supported by members of management.

Remit

The Remuneration & Nominations Committee has a broad remit — encompassing all aspects of remuneration, nominations and aspects of Group governance. It sets the reward and remuneration policy for the Group and reviews its effectiveness with regard to all colleagues including executive remuneration and recommendations on non-executive fee levels. The overarching policy is to set salary, benefits and a framework for performance-related pay which is competitive for each of the relevant talent pools. The Group's businesses operate in a range of sectors and locations and the policy is intended to reflect that variety.

Executive remuneration is aligned to the Group's purpose and values and is linked to the successful delivery of long-term strategy. Fee levels for non-executives are set to attract candidates with the skills and experience to add value to the board. They reflect time spent on Group activity and do not include performance-related elements.

The Committee is responsible for reviewing the structure, size and composition of the board including its leadership needs and arrangements for succession. The Committee monitors training and development needs of all board members. It is also responsible for maintaining the Group's governance framework.

The committee confirmed that only basic salary is pensionable and pension contribution rates for executive directors, or payments in lieu, are aligned with those available to the workforce. The pension consequences and associated costs of basic salary increases and any other changes in pensionable remuneration, or contribution rates, particularly for directors close to retirement, are carefully considered by the Committee. The Committee assured itself that no contract with an executive director requires a period of notice in excess of 12 months.

Details of directors' emoluments are set out in note 5 to the financial statements.

Topic/area of focus	Discussions held/decisions taken
Composition, succession, and evaluation	CEO Search, **June – November 2021** The committee led the process for recruiting a successor to the outgoing Chief Executive Officer and appointed Russell Reynolds Associates to undertake the search and recommended the preferred candidate to the Group board. Having approved the recommendation, the board welcomed Greg Reed in December 2021. Executive succession planning, **August and November 2021, February 2022** The committee also considered and approved other senior appointments during the year including the Chief Risk Officer and provided guidance on the recruitment of the Chief People Officer. NED recruitment and succession planning, **May – February 2022** The committee reviewed the skills, competencies and composition of the board during the year as part of its annual succession planning exercise. The board commissioned a search for new non-executives through the external consultant, Saxton Bampfylde and, working through the committee, prioritised those skills that were likely to be lost in 2021 and 2022 through expiry of terms of office. A selection panel comprising non-executive and executive directors supported the appointment of three new non-executive directors, and the committee also made recommendations for the 3-year extension for two current non-executive directors. Board member appraisals, **November 2021 and February – May 2022** See page 89 for further detail Review of board member induction and training, **May, August and November 2021** There were frequent discussions regarding inductions, training and development for board members. During the year, the committee approved a standardised induction programme, canvassed for and reviewed training requests from board members and recommended a site visit programme of the Group's locations for the Group board. Group Diversity and Inclusion strategy and progress, **August and November 2021** The committee had regard to the benefits of diversity on the board and in the workforce generally. It sought candidates for senior positions with diverse characteristics and appointed the best candidate for any board post. It recognised the importance of promoting diversity through the Group and especially at senior levels. To that end it agreed to appoint one of its members to lead a review of the Group's position on Diversity and Inclusion. Members considered and supported a new Diversity and Inclusion Strategy and approved the accompanying action plan which focused on the themes of data and declaration, disability representation, gender, ethnicity representation and leadership and accountability. In line with this plan, progress was made in the year on the strategy through a number of new initiatives and improved processes. Examples included working in partnership with an external body to nominate two individuals to the Future Leaders Programme, aimed at cultivating the next leaders in housing from an ethnic minority background, and the anonymisation of applicants for the Emerging Talent Program to reduce bias within recruitment to drive broader representation at senior levels.

Topic/area of focus	Discussions held/decisions taken
Composition, succession, and evaluation (continued)	A live D&I dashboard was also developed to illustrate the D&I data for each business area, and system changes were prioritised to encourage colleagues to disclose and to help improve disability declaration rates. My Flex was also introduced to ensure that work practices do not form barriers to current and future colleagues. Looking ahead to the next financial year, committee members agreed to consider a review and reflection on current policies and to learn more about the launch of the planned Ethnic Diversity Leadership Programme and the Female Leadership Program, both due in late 2022. Gender Pay Gap Report, **February 2022** Members reviewed the report and endorsed the recommendation of an action plan. Big Colleague Survey Results, **August and November 2021** Members received and considered the survey results and commended the reach and extent of engagement in difficult circumstances, with colleagues. Independent review of Group People Function, **February 2022** Members received a report following an independent review of the Group People function and contributed to the plans to develop the service. The committee continued to develop its relationship with the executive-led People committee, a management forum for considering strategic people matters.
Remuneration	Review of Trends and Fiscal Environment, **May 2021 and February 2022** Members were briefed on the key indicators of the health of the UK economy and UK labour market, the forward-looking view on the likely/potential developments in the future and on emerging trends in reward. 2022 Pay Award, **November 2021 and February 2022** In light of extreme economic conditions including cost-of-living pressures and a talent shortage, coupled with results from the colleague survey, the committee considered and approved a 3.1% pay increase for the 2022/23 financial year. Executive Performance Framework, **April and May 2021, February 2022** The committee thoroughly reviewed and approved a revised executive performance related pay framework for 2021/22. The revised framework utilised information based on business and individual performance which included a combination of hard measures linked to the business plan targets and softer measures which were linked to the demonstration of SPIRIT values and peer and team feedback. The revised framework also included greater emphasis on certain measures of performance such as managing risk during a transitional period and driving innovation and diversity within culture. It was also agreed that the framework for 2022/23 would be developed alongside the draft business plan. In doing so, the committee had regard to the expectations of the UK Corporate Governance code for clarity, simplicity, risk mitigation, proportionality and alignment to culture in reward arrangements.

Topic/area of focus	Discussions held/decisions taken
Remuneration (continued)	Appointment of a Reward consultant, **May 2021** The committee agreed to appoint Alvarez & Marsal, a reward consultant, in June 2021 to ensure the Group's reward strategy and mechanisms were competitive, effective and value for money at senior levels. The firm helped inform the future reward package for the incoming CEO, and provided insightful benchmarking data on non-executive remuneration, which led to the Group board's consideration and approval of a supplementary flat fee rate for non-executives with chairing responsibilities in November 2021. Bonus incentive strategy and award for Group, **May 2021** The committee determined the total available bonus pot and approved its distribution to members of the senior management team including executive directors in line with individual performance and their annual appraisals. The committee had regard to underperformance of parts of the business in the year and the resetting of the business plan and also to the fact that elements of underperformance were a consequence of pandemic restrictions on operational activity over which management had little control and that some management action in difficult circumstances mitigated the adverse impact of the exceptional operating environment. Long-term incentive arrangements remained in place for two of the Group board executive directors who served during the year and are a legacy of growth share arrangements created in 2016/17 based on the performance of selected non-regulated subsidiaries. The committee identified that those arrangements were unlikely to generate any value for the individuals. It resolved during the reporting period that the growth shares scheme should be allowed to run its course with any value emerging being available to current participants and, in the absence of value, any subscription cost paid by participants for the shares at the point of issue being returned to them upon expiry of the arrangements by the end of the 2021/22 financial year. Bonus incentive strategy and award for Millwood Designer Homes, **May 2021** The committee considered and approved the application of a separate bonus strategy within Millwood Designer Homes in 2021/22. Having recognised that whilst there is the need for a consistent remuneration standard, the committee acknowledged that flexibility needs to be preserved in some circumstances to accommodate the specialist businesses within the Group. Remuneration strategy for PfP Capital Limited, **August 2021 and February 2022** Working in conjunction with the newly established PfP Capital Remuneration Committee, the Group committee considered and recommended changes to the senior pay scale within PfP Capital to better reflect the reward packages typical to the fund management sector, and therefore support and encourage the recruitment of necessary resource. Review of remuneration for non-executive directors, **May and December 2021** Fees for non-executive directors for Group board and subsidiaries, Pension Trustee roles and non-statutory roles were also reviewed during the period and an increase in line with the Group pay award was agreed. Non-executive directors remained subject to reappointment at intervals of no more than four years and are expected to serve for no more than nine years in total. The committee also considered and approved changes to NED fees for PfP Capital Ltd at the end of 2021.

Topic/area of focus	Discussions held/decisions taken
Governance	Chief Executive Officer Pay Ratio Report, **May 2021** See page 84 for further detail External board evaluation, **November 2021 – March 2022** See page 89 for further detail Castle Rock Edinvar (CRE) Governance Review, **November 2021** In addition to the Group evaluation, the committee also considered the governance review for Castle Rock Edinvar and discussed the next steps. Group Policy Reviews, **August 2021 and February 2022** During the year the committee also considered Group policies. Members discussed how they might assure themselves that all policies met a basic standard set by the Group and a decision was taken to commence an annual cycle of key Group policy reviews. It was agreed that the equality, diversity and inclusion policy, flexible working policy and the conduct and capability management policy, which were deemed policies of strategic significance to the Group, would be prioritised.
Committee governance	Review of committee terms of reference, **November 2021** The committee considered that the terms of reference were still fit for purpose and no material changes were made.

Specialist advisory services were provided by Russell Reynolds, Alvarez & Marsal, Saxton Bampfylde and none have a connection with any board or committee members within the Group.

Chief Executive Officer Pay Ratios

Chief Executive Officer ("CEO") Pay Ratios are considered by the Group's Remuneration and Nominations Committee. The committee notes that the Group is under no obligation to report on its CEO Pay Ratios. However, it believes that pay transparency and governance is an important principle and therefore wishes to go 'above and beyond' the basic disclosure requirements for the Group. This is consistent with the Group's approach to matters of broader corporate governance.

The table below compares the 2021/2022 total pay and benefits for the Group CEOs with that of the Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of the UK employee population.

The Regulations require that where there has been more than one CEO at a company during the financial year, the company should use the total pay and benefits paid to anyone undertaking the role of CEO in the relevant financial year.

Places for People appointed a new CEO on the retirement of the former CEO. In line with the requirements of the Regulations the total pay and benefits for the former CEO for the year to 30 November 2021 and the total pay and benefits for the recently appointed CEO for the part financial year (from his appointment on 1 December 2021) have been aggregated and used in the calculations for the Pay Ratios.

Year ending	Method	25th Percentile	50th Percentile	75th Percentile
March 2022	Option B	24.1	18:1	14.1

The remuneration figures for the employee at each quartile were determined with reference to the financial year ended 31 March 2022.

Option B was used to calculate these figures. The committee believes that this approach provides a fair representation of the Group CEO to employee pay ratios and is appropriate in comparison to alternative methods, balancing the need for statistical accuracy with internal operational constraints and complexities. Under this option, the latest available gender pay gap data (i.e. that from April 2021) was used to identify the best equivalent for three Group UK employees whose hourly rates of pay are at the 25th, 50th and 75th percentiles for the Group. This was also sense checked against a sample of employees with hourly pay rates either side of the identified individuals to ensure that the identified employees reflect the best equivalents for each quartile. A full-time equivalent total pay and benefits figure for the 2021/22 financial year was then calculated for each of those employees. The pay ratios outlined above were then calculated as the ratio of the aggregated Group CEOs' total pay and benefits to each of these employees.

Each employee's total pay and benefits were calculated using the single figure methodology applicable to listed companies, with the exception of bonuses where the amount paid during the year was used instead of that earned during the year. Periods where employees were on leave at less than 100% of their normal pay were excluded from the calculations. Small adjustments were made to the total pay and benefits figures to allow for the up-rating of pay elements where appropriate to achieve full-time and full-year equivalent values. No components of pay have been omitted.

This year no special consideration was needed in respect of colleagues being placed on paid furlough, but consideration was given for other periods of leave where pay was reduced. The way 'pay of employees on leave' is treated for the purposes of the CEO pay ratio calculations is primarily a matter for individual companies permitted by the Regulations. This approach is consistent with that taken last year.

The table below sets out the salary and total pay and benefits for the three identified quartile point employees:

Year	25th Percentile	50th Percentile	75th Percentile
Salary	£21,662	£29,053	£37,994
Total Pay and Benefits	£24,585	£32,939	£42,954

The individual at the 50th Percentile is a Service Charge Analyst that works in our Affordable Housing business. The Group is a large and diverse organisation, the vast majority of headcount sits within the Leisure Management and Affordable Housing sector businesses.

The committee considers that the median CEO pay ratio is consistent with the relative roles and responsibilities of both CEOs and the identified employee. Large parts of the Group's operations are in sectors where remuneration primarily consists of a market competitive salary, a pension contribution and a selection of voluntary benefits. Broader elements of remuneration, in the form of bonuses/incentives, allowances and other benefits are less typical across the majority of the Group's colleagues, with the highest bonuses payable to management and senior management roles. The colleague identified at the 50th percentile, however, was in receipt of a smaller bonus in the 2021/22 financial period, awarded in recognition of the colleague's commitment during the pandemic. Pension benefits make up the remainder of the total pay and benefits for the colleague at the 50th percentile. The Group is committed to offering its employees a competitive remuneration package. Remuneration for employees, including executive directors, is determined with reference to a range of factors including (but not limited to) job banding, market practice, geography and sector. Due to the nature of their roles, the Group CEOs' remuneration package has higher weighting on performance-related pay compared to the majority of the workforce. This means the pay ratios are likely to fluctuate depending on the determination of the Group CEO's bonus in each year.

The committee also recognises that, due to the nature of the Group's business and the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, the ratios reported above may not be comparable to those reported by other companies.

Previous years' CEO Pay Ratios are shown below. The reasons for the change in the ratios from the year ending March 2021 to March 2022 include: a change in the value of the total pay and benefits for the employees identified at the relevant percentiles and a change in the makeup of the total number of employees across the organisation.

Year ending	Method	25th Percentile	50th Percentile	75th Percentile
March 2022	Option B	24:1	18:1	14:1
March 2021	Option B	23:1	19:1	13:1
March 2020	Option B	29:1	22:1	14:1

DEVELOPMENT COMMITTEE

The committee carries out its duties as detailed below for the parent company, major subsidiary undertakings and the Group as a whole.

The members of the Development Committee from 1 April 2021 to 31 March 2022 were:

- **G Kitchen** (chair)
- **A Daniel**
- **H Fridell** (from 1 December 2021 until 30 June 2022)
- **R Gregory**
- **N Hopkins**
- **L Lackey** (until 30 September 2021)

supported by members of management.

Remit

The Development Committee monitors delivery of projects, approves new projects and amendments to existing projects within certain delegated limits and scrutinises and helps management refine and recommend to the Group board proposals for new projects falling outside those limits. Management keeps the committee informed through scheduled committee meetings of emerging opportunities that merit detailed examination.

The committee acts as a sounding board and critical friend that supports and challenges by bringing an informed, external perspective. If management presents any opportunity that requires Group board approval, the committee will review it and seek to become satisfied with any ensuing proposal so that it can be presented to the Group board as having the committee's endorsement. The Development Committee has operated within the parameters of its terms of reference throughout the year.

PENSIONS WORKING PARTY

The Pensions Working Party carries out its duties as detailed below for the parent company and the Group as a whole.

The members of the Pensions Working Party during the financial year were:

- **R Gregory** (chair)
- **G Waddell**
- **N Hopkins**
- **G Kitchen**
- **M Dunn** (from 1 January 2022)
- **A Winstanley**
- **G Reed** (from 1 January 2022)

Remit

The Pensions Working Party, which is a formally constituted committee of the Group board, addresses material pensions projects and makes recommendations to the Group Board on appropriate courses of action. Most of the defined benefit pension cost and risk across the Group rests with subsidiaries involved in social and affordable housing provision.

VENTURES BOARD

Places for People Ventures Limited is a direct subsidiary of the Group parent. It is a senior company within the Group structure that is not involved with affordable housing provision.

The company has a controlling interest in a number of subsidiaries within the Group's non-social housing regulated businesses.

To ensure these businesses receive similar levels of scrutiny to those of the core businesses, the Ventures board comprises the same membership as that of the Group board.

It monitors operational and financial performance on a consolidated basis against the prevailing business plan. Paying special regard to value creation/preservation where 'value' may be measured in several ways including profitability leading to dividend, capital growth, social impact and the enhancement of the Group's wider placemaking activity.

Board meetings provide board members with the opportunity to constructively challenge the individual operating companies as to performance levels and in addition provide an opportunity to monitor the performance of any joint ventures or investments made by the non-social housing businesses.

The Ventures board meetings are used in conjunction with Group board meetings to hear from the senior management team. Following the lifting of Covid restrictions, 2021/22 saw some resumption of site visits undertaken by board members. These site visits help demonstrate the clear synergies between different parts of the Group.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Directors' attendance at board and committee meetings, in relation to the number of meetings held, during the year that ended 31 March 2022 is set out in the following table.

Board member	Group board	Audit & Risk Committee	Remuneration & Nominations Committee	Treasury Committee	Development Committee	Pensions Working Party	Places for People Ventures Limited
Greg Reed[1]	2/2	N/A	N/A	N/A	N/A	3/3	1/1
Richard Gregory	7/7	N/A	7/7	4/4	4/4	6/6	4/4
Angela Daniel	7/7	6/6	7/7	N/A	4/4	N/A	4/4
Regina Finn	7/7	6/6	7/7	N/A	N/A	N/A	4/4
Nigel Hopkins	6/7	6/6	N/A	N/A	4/4	5/6	4/4
Graham Kitchen	7/7	6/6	N/A	4/4	4/4	6/6	4/4
Lynette Lackey[2]	3/3	N/A	N/A	2/2	2/2	N/A	2/2
Graham Waddell	7/7	6/6	6/7	4/4	N/A	6/6	4/4
David Cowans[3]	5/5	N/A	N/A	N/A	N/A	N/A	3/3
Debi Marriott-Lavery	7/7	N/A	N/A	N/A	N/A	N/A	4/4
Scott Black	6/7	N/A	N/A	N/A	N/A	N/A	4/4
Tim Weightman	7/7	N/A	N/A	N/A	N/A	N/A	4/4
Andy Winstanley	7/7	N/A	N/A	N/A	N/A	6/6	4/4
Richard Cartwright[4]	2/3	N/A	1/1	1/1	N/A	N/A	1/2
Mike Dunn[5]	2/2	1/1	N/A	N/A	N/A	2/3	1/1
Helen Fridell	3/3	N/A	1/1	N/A	0/1	N/A	2/2

[1] Appointed to the board on 1 December 2021

[2] Resigned from the board on 30 September 2021

[3] Resigned from the board on 1 December 2021

[4] Appointed to the board on 1 November 2021

[5] Appointed to the board on 1 January 2022

[6] Appointed to the board on 1 November 2021 and resigned on 30 June 2022

BOARD EVALUATION

In line with the UK Corporate Governance Code and as a matter of good practice and its commitment to excellence, the board commissioned an external evaluation in 2021/22. This was undertaken by Saxton Bampfylde and its formal report was received in March 2022.

The report noted the context and changes within the Group, and that:

> THE STANDARD OF GOVERNANCE AT PLACES FOR PEOPLE IS HIGH AND THE BOARD HAS BEEN THROUGH A CONSIDERABLE AMOUNT OF CHANGE TO BRING IT IN LINE WITH BETTER GOVERNANCE PRACTICES.

As the boards of Chorus Homes Group Limited, Chorus Homes Limited, Cotman Housing Association Limited, Derwent Housing Association Limited, Places for People Homes Limited and Places for People Living+ Limited meet at the same time as and have identical membership to the Group board, this review is taken to apply to those boards also.

Directors received and were invited to discuss the recommendations contained within the report at its meeting held on 25 May 2022. It was agreed that the Remuneration & Nominations Committee would build on that discussion by examining each recommendation and proposing changes to the board to reflect the external evaluation report.

In addition to the external board evaluation, the Group Chair has carried out appraisal meetings with each board member (and the Senior Independent Director has carried out an appraisal of the Group Chair) following the end of the financial year. This year, 360 degree feedback was sought from board members and members of the senior management team. This feedback formed part of discussions which generated agreed objectives for each board member, building on the work done through the board evaluation.

GOVERNANCE PROVISIONS

UK Corporate Governance Code

The Group parent is a company limited by guarantee and does not issue shares or have external shareholders in the sense contemplated by the Code. It addresses the need for scrutiny and evaluation through the board or an appropriate committee of the board and it engages with investors directly through a mix of investor seminars/roadshows.

Management's interests are aligned with the company's through the performance-related reward policy.

The Group has complied with the UK Corporate Governance Code (the Code) (2018 version) except for Code provisions 3, 4, 18, 36 and aspects of provision 5

Provision not complied with	Explanation
3	— This provision is not directly applicable as the parent company is limited by guarantee and does not have external shareholders. — Lenders and investors form an external stakeholder community. The Group has dialogue with this community through the Group Finance Director who reports to the Group board. — The Group hosts annual investor seminars which provide the opportunity for non-executive directors to engage in person with lenders and investors. Throughout periods of pandemic restrictions those events were hosted online.
4	— The process described in Provision 4 is not relevant as there are no external shareholders involved.
18	— The parent company is limited by guarantee and as such its members (akin to shareholders) are its non-executive directors. — Non-executives are recruited on initial fixed terms of no more than 4 years. — Consideration for reappointment is carried out on the basis of Chair appraisals over the period of the term of office to date, the Remuneration & Nominations Committee's review of the needs of the board and the approval of the board for any proposed re-appointment. — These mechanisms are considered suitable for the proper governance and effective operation of the Group.
36	— Provision 36 encourages the alignment of company and management interests through long-term shareholdings. — The Group parent is limited by guarantee and so reward schemes at Group level are not designed in a way that promotes long-term shareholdings by executive directors. — The Group's fund management business, PfP Capital Limited, operated an LTIP during the year, such arrangements being considered common within this field of activity. The board and remuneration committee of PfP Capital Limited took advice from Deloitte on the design and operation of the LTIP.
5 (aspects of this provision)	— Part of provision 5 prescribes the options for workforce engagement. The board has concluded that its methods for engagement are effective and more suited to the Group's needs than those prescribed in provision 5. See page 93 for further detail.

SUBSIDIARY BOARDS

Places for People subsidiaries have governance arrangements appropriate to their size and field of activity. These governance arrangements feed into the Group's overall governance structure.

Each of Places for People Homes Limited, Places for People Living+ Limited, Castle Rock Edinvar Housing Association Limited, Derwent Housing Association Limited, Chorus Homes Group Limited, Chorus Homes Limited and Cotman Housing Association Limited have adopted the Code as their governing code.

REGULATOR ENGAGEMENT

There is engagement throughout the year with the relevant regulators of the affordable housing providers: the Regulator of Social Housing (RSH) in England and the Scottish Housing Regulator (SHR).

Mechanisms for engagement include quarterly and annual data submissions, management meetings with regulator representatives, engagement with non-executives and, in the case of the SHR, annual attendance at board meetings of Castle Rock Edinvar Housing Association Limited. Following its annual risk assessment of social landlords, the SHR confirmed that it proposed no changes to its level of engagement with Castle Rock Edinvar Housing Association Limited nor to its information requirements of the association.

During the year, the RSH conducted its latest in-depth assessment of the Group, during which executive and non executive directors met with RSH representatives. The exercise resulted in the Group maintaining its G1/V1 rating.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD ISSUED BY THE REGULATOR OF SOCIAL HOUSING

The Group board has confirmed that an assessment of the Group's compliance with the RSH's Governance and Financial Viability Standard has been completed and certifies that the Group is compliant with the Standard.

DIRECTORS' REPORT

Directors

A comprehensive list of the directors who served during the year and to the date of signing are listed on page 164.

Disclosures provided in the Strategic Report

Future developments which may impact on the Group are described throughout the Strategic Report. Our approach to research and innovation is referenced within the Principal Risks and Uncertainties section of the Strategic Report. Our approach towards continued engagement with our suppliers, customers and other stakeholders is summarised within our Section 172(1) statement.

Statement of corporate governance arrangements

The Group's corporate governance arrangements are described on pages 89 to 91 of the Governance Report. In accordance with the requirements of our regulators we report our corporate governance arrangements against the UK Corporate Governance Code (2018 version).

Financial instruments (including indication of financial risk management objectives and policies and exposure of the company to price risk, credit risk, liquidity risk and cash flow risk)

Detail of financial instruments, including exposure to risk, management objectives and policies can be found in note 24 to the financial statements.

Details of the Group's exposure to risk and objectives and policies in relation to financial instruments can be found in note 24 to the financial statements.

Disclosure concerning employment of people with a disability

The Group's recruitment policy incorporates a fair commitment to a "disability confident" approach. All candidates who declare a disability and who meet the minimum essential criteria for the role will be shortlisted and guaranteed an interview.

Managers also receive training and guidance on how to apply reasonable adjustments during the recruitment process, to ensure candidates with a disability are given full opportunity to demonstrate their skills and ability.

The organisation takes appropriate steps to support those colleagues who become disabled during their employment, including the support of specialist occupational health advice for colleagues with underlying health conditions and additional training where this may be appropriate.

Engagement with employees

The Group utilises a range of different channels to ensure colleagues are kept informed of key information relating to our business plans and performance, our customers and our plans for change.

This includes using a blend of face-to-face events, virtual/online meetings and written communications, alongside the "Our Place" intranet. Recently the organisation introduced Yammer, a social media platform which enables colleagues to interact more directly with both senior leaders and each other. Colleagues are consulted through both the relationship with UNISON as a recognised trade union in relevant parts of the organisation, and also through informal colleague voice forums.

Each year the Group undertakes a colleague survey across everyone working for Places for People, in conjunction with Great Place to Work — this measures a range of different factors and provides valuable information to inform decision making, both in terms of the colleague offer and issues more broadly.

Alongside this, colleague views are sought through regular pulse surveys focused on specific topics, such as our New Ways of Working or digital capability. Other examples of how we have engaged with our employees and taken account of their interests during the year are also referenced throughout the Strategic Report and evidenced by the work undertaken by the Remuneration & Nominations Committee.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

We address our environmental sustainability strategy and relevant risk mitigation elsewhere in this report. This section deals with SECR disclosures — the third year running.

	2021/22			2020/21		YOY% change	
Scope	**kWh**	**tCO_2e** loc.	**tCO_2e** mar.	kWh	tCO_2e loc.	kWh	tCO_2e loc.
Scope 1	**204,270,593**	**38,772**	**38,772**	187,277,725	35,798	9%	8%
Scope 2	**63,808,882**	**13,549**	**9,277**	44,800,865	10,445	42%	30%
Scope 3	**2,118,059**	**521**	**521**	1,658,222	412	28%	26%
Total	**270,197,534**	**52,842**	**48,570**	233,736,812	46,656	**16%**	**13%**

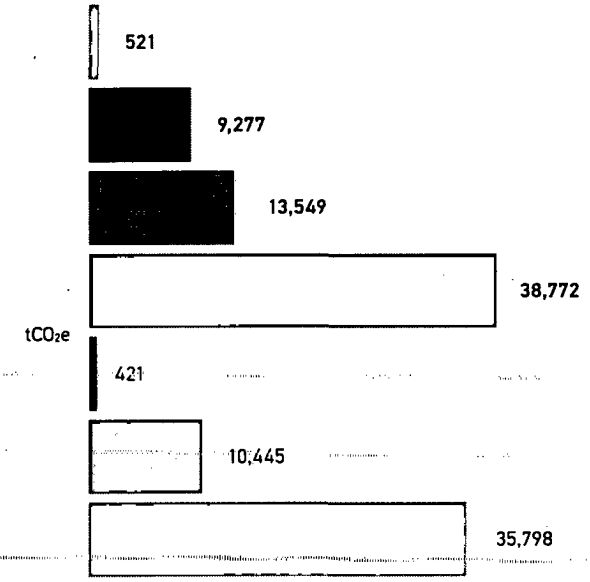
Scope 1 — Combustion of gas, purchase of fuel, business travel in company cars and in-house fleet
Scope 2 — Purchased electricity inc. electric vehicles
Scope 3 — Business travel in rental cars or employee-owned vehicles
Abbreviations: loc. — location-based reporting, mar. — market-based reporting

Places Leisure (generation)	**2021/22**		2020/21			
Generation type	**kWh**	**tCO_2e saving**	kWh	tCO_2e saving	YOY% change	Location
SG Electricity	**5,789,852**	**1,229**	3,884,131	884	39%	On Site

*Self-generation figures are for the Leisure businesses only

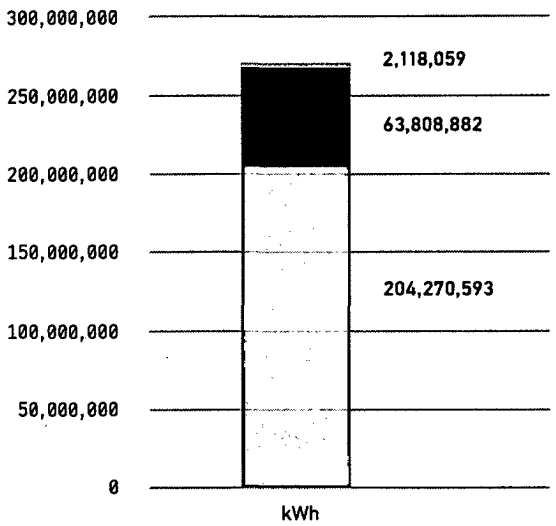
Intensity metrics	**2021/22** loc.	**2021/22** mar.	2020/21 loc.	YOY% change loc.
tCO2e per £m turnover	**55.54**	**51.05**	51.01	9%
tCO2e per employee	**10.01**	**9.20**	9.67	4%

Places for People Group total greenhouse gas emissions



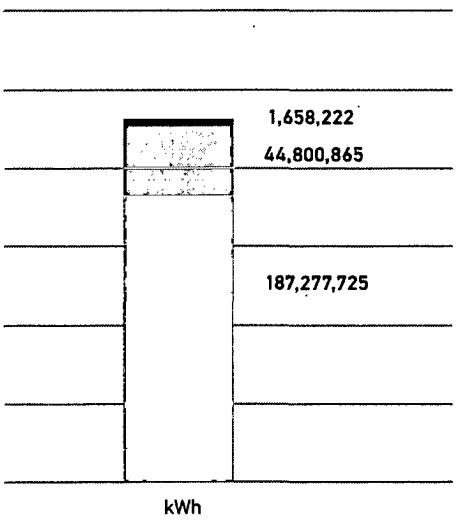
- Scope 3 — Business travel in rental cars or employee-owned vehicles
- Scope 2 — Purchased electricity inc. electric vehicles (market based)
- Scope 2 — Purchased electricity inc. electric vehicles (market based)
- Scope 1 — Combustion of gas, purchase of fuel, business travel in company cars and in-house fleet
- Scope 3 — (2020/21)
- Scope 2 — (2020/21)
- Scope 1 — (2020/21)

Places for People Group total kWh 2021/22



- Scope 3 — Business travel in rental cars or employee-owned vehicles
- Scope 2 — Purchased electricity inc. electric vehicles
- Scope 1 — Combustion of gas, purchase of fuel, business travel in company cars and in-house fleet

Places for People Group total kWh 2020/21



- Scope 3 — Business travel in rental cars or employee-owned vehicles
- Scope 2 — Purchased electricity inc. electric vehicles
- Scope 1 — Combustion of gas, purchase of fuel, business travel in company cars and in-house fleet

Reporting scope

The reporting period is 1 April 2021 to 31 March 2022, which is directly aligned to the Group's financial reporting year.

The report includes a consolidation of all Group companies captured by the SECR requirements. Those continuing to be captured by the requirements are: Places for People Group, Places for People Homes, Places for People Living Plus, Places for People Developments, Places for People Landscapes, Cotman Housing, Derwent Housing Association, Chorus Homes, Castle Rock Edinvar Housing Association, Allenbuild, Millwood Designer Homes, ZeroC Holdings and Places for People Leisure. A company that has fallen within the qualification criteria during 2021/22 reporting year is Residential Management Limited which has also been included as part of reporting.

All measured emissions from activities for which the organisation has financial control are included unless otherwise stated in the exclusions statement, as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

This year market-based as well as location-based reporting methodology was used. Market based methodology allowed us to demonstrate the renewable electricity Places for People purchase from SSE which started in July 2021 as well as market-based emissions from Places for People Leisure. The renewable energy is certified by Renewable Energy Guarantees of Origin (REGO).

In addition, Generation from onsite combined heat and power (CHP) plant has been included voluntarily for our Leisure business.

No F-Gas consumption has been used or recorded.

Intensity ratios

We have opted to utilise two intensity ratios: turnover and FTE. These measurements have been selected in order to compare emissions with company growth and for consistency with similarly reporting businesses for review of the market position.

Emission factors and methodology

Fuel type	Emissions conversion factor source
UK electricity — location based (excluding transmission and distribution), UK gas, petrol, diesel, hybrid, gas oil	Department for Business, Energy and Industrial Strategy 2021

This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance'.

We have utilised the Energy Savings Opportunity Scheme methodology.

Exclusions

All mandatory fuels have been included with no exclusions.

The electricity and heat generation from the onsite CHP plants within our Leisure facilities have been accounted for separately to the main scopes, the input fuel is grid natural gas and this is included in Scope 1.

Scope 2 purchased electricity does not include the transmission and distribution element as this is owned by the supplier and would be Scope 3.

Estimations

Estimations	2021/22	2020/21	YOY% change
kWh	**7,652,649**	11,642,904	– 34%
% estimated	**3%**	5%	

The estimation of energy and transport data (where required) equalled 3% of the total energy and transport kwh consumption. The list below gives a summary of the estimates:

1. Electricity
SSE — estimated reads
Allenbuild (estimates based on costs)
PfP Leisure pro-rata (March 2022)

2. Natural Gas
Gazprom — estimated reads
Allenbuild (estimates based on costs)

The estimations based on costs were used where raw data was not available. Examples of this is Allenbuild where energy was estimated based on electricity and gas tariffs.

Pro-rata extrapolation and benchmarking have been utilised as the estimation approach by using figures available for one period of time to get average consumption figures for a shorter period (Total usage for period/days in period * missing days).

The comparison has been demonstrated by the year-on-year emissions changes against the 2020/21 and 2020/19 reporting year. The general observation showed that energy consumption and emissions have increased compared to 2020/21.

This can largely be attributed to the increase of operation of Places for People Leisure facilities (considering that Places for People Leisure is one of the main contributors of energy consumption), increased usage of corporate offices and an increase in transport emissions with more employees claiming mileage.

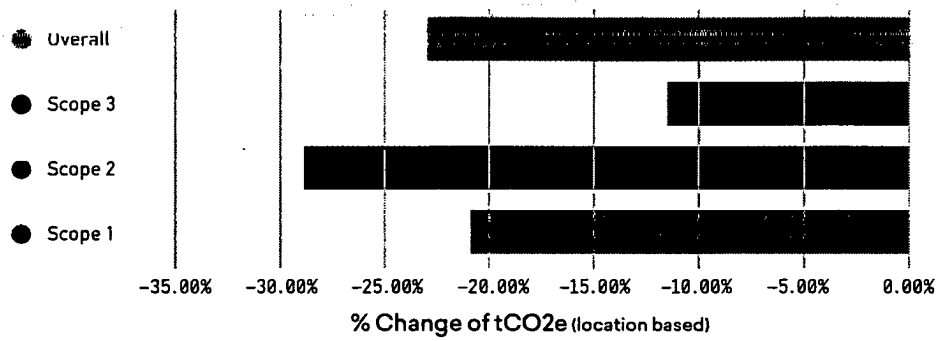
The reason for the increased emissions is due to the lifting of Covid-19 restrictions which meant that business operations can continue as normal.

If compared against the first reporting year (2019/20), the total energy consumption and emissions figures are closer aligned to the pre-pandemic levels with a reduction which was achieved through efficient operation of facilities, hybrid working for employees and reduced travelling.

Year-on-year emissions changes

Estimations	2021/22	2020/21	2019/20	YOY% change 2021/22 vs 2020/21	YOY% change 2021/22 vs 2019/20
kWh	**270,197,534**	233,736,812	334,569,149	15.60%	–19.24%
tCO2e loc.	**52,842**	46,656	68,508	13.26%	–22.87%

Places for People YOY emissions changes (2021/22 vs 2019/20)



Energy efficiency statement (corporate and leisure facilities)

With easing of regulations on Covid-19, the program of energy efficiency works could be continued with the rollout of energy efficiency measures across two of our offices. Furthermore, we are continuously focusing on making sure the facilities are well maintained, and plants are controlled whilst being under full capacity. A summary of actions is presented below.

Corporate

Leeds — Stanley House refurbishment

Full office refurbishment is targeting 30% reduction in carbon dioxide emissions as a result of energy efficiency measures such as:

- Removing gas supply from the building and making it fully electric
- Installing a new air source heat pump with a Sunamp thermal storage heat battery
- Replacing gas fuelled central 150L floor mounted hot water heater in the plant room with a new electric point of use hot water heater for each outlet. Projected Energy Reduction 55.8%.
- Installing LED light fittings across 5 floors internally and externally to the building. A mixture of linear fittings, spotlights, flood lights and bulkhead downlighters. With an expected 9.7% energy reduction compared to the previous fluorescent light fittings.

- Replacing all roof top VRF systems for heating and cooling of floor plates. Projected savings 8.6%.
- Replacing fan coil units across the floor plates.
- Installing push button showers to minimise water use, and efficient flushing mechanism for toilets.
- Increasing recycling rates by diverting old furniture from landfill and re-upholstering and reusing furniture from other sites.
- Procuring materials with a high recycled content including recycled plastic benches for showers and cushions made of 100% recycled bottles.

South Rings chiller replacement
Authorisation was granted for the early replacement of two rooftop mounted chillers at the Preston — South Rings office. The chillers had originally been planned to be replaced when they reached 15 years of age. Corporate Facilities had decided to replace the units two years earlier, improving the air quality and environmental working conditions within the office. The replacement units provide fantastic environmental benefits including:

- Increased efficiency

  Lower energy consumption

  The chiller units contain an environmentally friendly refrigerant called R 32. The Global Warming Potential (GWP) of R-32 refrigerant is only one third compared to commonly used refrigerants.
- Lower noise levels.

Places for People Leisure

Centre specific objections and targets

- Reduce electricity and gas consumption by 7% year-on-year
- Good housing keeping ensuring all non-essential appliances are switched off overnight

  All AC units to be programmed with timer

  All external lighting to be timed to operate in line with seasonal requirements
- Review heating time settings and implement heating/cooling dead band
- Review water storing, swimming pool and room temperatures are correct
- Promote sustainable modes of transport for colleagues and visitors
- Ensure pool covers are used according to guidelines
- Daily consumption analysis review
- Introduce an Environmental Champion at the centres
- Ensure colleagues complete online environmental awareness training

Covid-19 energy reduction challenge
The Technical Support Team introduced an initiative issuing saving measures to be implemented across the leisure facilities to reduce the overall energy usage during local lockdowns. Some of the measures include:

- Reduction of energy usage for pools through effective operation and maintenance
- Turning off vending machines
- Turning off or reducing car park lighting
- Turning off drinking fountain chillers
- Turning off gas fired sports hall heaters
- Turning off underfloor heating and radiators
- Turning off wall/roof fans, A/C units, overdoor and electric heaters
- Ensure seasonal settings are used for building controls

Christmas closures energy management

- Turning off A/C and air handling units
- Reducing gas fired radiant set points
- Turning down radiators TRVs for low level background heat
- Ensure lights are turned off
- External parking lights switched off or reduced
- Floodlights to be turned off
- Turning of heaters, convectors, wall/rood supply and extract fans
- Turning off gym equipment and non-essential appliances

MODERN SLAVERY ACT

The Group is completely opposed to human trafficking and modern slavery practices. The Group publishes an annual statement to comply with the Modern Slavery Act 2015. We have introduced several tools to help mitigate and prevent human trafficking and modern slavery practices within the Group and its supply chain.

A confidential reporting line is accessible to all colleagues (including consultants, agency and self-employed contractors). This reporting line provides a route for grievances or whistleblowing complaints to be raised. These complaints can be raised anonymously.

We also carry out right to work checks in order to adhere to our obligation to prevent illegal working. To enhance our message around equality, diversity and zero-tolerance of harassment or discrimination, we have also launched new policies including the Respect Policy, Sustainable Procurement Policy and the Health and Wellbeing Policy.

While we acknowledge that there are difficulties in controlling the position, particularly within the Group's supply chain, we are committed to working with our suppliers to help mitigate such practices from taking place within any part of the business. The latest iteration of the Group's statement is published via a link on the homepage of our website and has also been added to the Government's modern slavery statement registry. The statement has been adopted by the Group and each of our subsidiaries that are required to make a statement pursuant to the Modern Slavery Act 2015, as set out in the statement.

IMPORTANT EVENTS AFFECTING THE COMPANY SINCE THE FINANCIAL YEAR END

There have been no such events since the financial year end.

GOING CONCERN AND VIABILITY STATEMENTS

The Group produces a strategic business plan each year. This process includes review and challenge by the board, alongside consideration of principal risks and uncertainties. When the business plan is approved it is then used as the basis for monitoring business performance and providing guidance for our external stakeholders, including regulators and investors.

The Group robustly assesses both its risks and mitigating actions through the use of a comprehensive risk mapping process. Principal risks and uncertainties are set out on pages 54 to 59 of the Strategic Report.

Going concern

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. The global Covid-19 pandemic presented the Group with a series of unprecedented challenges, whilst the most significant impacts have now been felt the board continues to monitor the pandemic, alongside the impact of the rising cost of living and increasing energy costs.

At 31 March 2022 the Group had cash and undrawn facilities of £1,009.0m. The Group continues to actively manage its cash flows in order to mitigate any reductions in income.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants.

For the purposes of both Viability and Going Concern, the directors have overlaid several severe but plausible, multi-variate scenarios. These scenarios include a short-term impact on rent collection, closure of leisure centres and a severe downturn of the housing market affecting property sales.

As a result of these assumptions, and before any cost reductions are applied, management believe the Group would hold 21 months of liquidity at 31 March 2024 if it did not raise any additional finance to that which is currently available.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Viability

The Code requires the directors to make a statement with regard to the viability of the Group. This requires consideration of solvency and liquidity over a longer period than the going concern assessment.

The Group's strategic plan covers a 10-year period, over which the directors have made assumptions regarding the Group's revenues, operating costs and cash requirements.

The projections for the first three years of the plan are based on current opportunities and include an expectation of the rental incomes for the Group. There is inherently less certainty in the projections from year four to ten.

Consistent with prior years, the directors have therefore determined that three years is an appropriate period for this viability statement. In assessing the Group's prospects and resilience, management produced projections which considered the Group's current business position and risk appetite. The projections have undergone rigorous single and multi-variate stress testing through consideration of several events, scenarios and mitigation factors, which identify the mix of extreme circumstances that could create challenging conditions for the Group, including a downturn in the housing market.

These events and scenarios have been selected from an analysis of: the operating environment; policy and politics; the regulatory framework; the Group risk register; and analysis of economic and financial market trends and risks. The results confirmed that the Group would continue to be able to settle projected liabilities as they fall due over a three-year period. Therefore, the directors were satisfied that measures were in place to mitigate significant risks to the Group's operations.

During the year, the Regulator of Social Housing maintained the Group ratings for Governance and Viability at G1 and V1 respectively. External assurance of the Group's viability is demonstrated by the Group's credit ratings (Moody's: A3, Standard & Poor's: A– and Fitch: A).

Having assessed the prospects of the Group, including the Group's current funding, forecast requirements, existing committed borrowing facilities and the principal risks as outlined on pages 54 to 60 of the Directors' Report, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to March 2025.

In making this statement the directors understand that there is inherent uncertainty in all business planning and therefore as a result it is not possible to consider every risk and eventuality that the Group may face.

DIRECTORS' INDEMNIFICATION

Throughout the year, the Group has maintained directors' and officers' insurance cover.

POLITICAL DONATIONS

The Group made no political donations during the year (2021: nil).

DIRECTORS' STATEMENT OF DISCLOSURE TO THE AUDITORS

At the time of approval of this report:

- So far as the directors are aware, there is no relevant audit information of which the Group's auditor is unaware.
- The directors have taken all steps that they are required to take as directors to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

ANNUAL GENERAL MEETING

The Annual General Meeting was held on 28 July 2022.

STATEMENT OF BOARD RESPONSIBILITIES

The directors are responsible for preparing the strategic report, the governance report and the financial statements in accordance with applicable law, and regulations. Company law requires the directors to prepare financial statements for each financial year.

Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (*UK Generally Accepted Accounting Practice*), including FRS 102 – the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they intend either to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors consider the report and accounts, taken as a whole, to be fair, balanced and understandable. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board

Chris Martin
Group Company Secretary
28 July 2022

We provide homes.

Because communities matter at The Engine Yard, Edinburgh.

Turnover
£849.9m

Operating Profit
£209.9m
before interest

Net assets
£787.8m

FINANCIAL statements

Independent auditor's report

For the year ending 31 March 2022

To the members of Places for People Group Limited

1. Our opinion is unmodified

We have audited the financial statements of Places for People Group Limited ("the Group" or "the Group and Company") for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Company Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's profit and the Company's loss for the year then ended;
- the Group and parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: Group financial statements as a whole	£16.7m (2021: £16m) 2% (2021: 2%) of Group Turnover	
Coverage	84% (2021: 83.1%) of Group Turnover	
Key audit matters		vs 2021
Recurring risks	Recoverable amount of development programme schemes and associated land	◀ ▶
	Valuation of defined benefit pension scheme gross obligation	▼
	Parent Company fraud risk from revenue recognition	◀ ▶

Independent auditor's report

For the year ending 31 March 2022

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2020]):

	The risk	Our response
Recoverable amount of development programme schemes and associated land. Stock: £422.9 million (2021: £408.2 million) Refer to page 75 (Audit and Risk Committee Report), page 121, (accounting policy) and page 138 (financial disclosures).	**Forecast-based valuation** The Group has a significant development programme including a significant portfolio of properties developed for commercial sale and rent, the recoverable amount of which could potentially be affected by changing market conditions during the year. The Group has appraisal processes in place to determine the recoverable amount of each development scheme (and help identify any potential impairment risks). The accounting of these schemes contains a number of assumptions and judgements relating to the recoverability of assets for sale and work in progress, capitalised costs (including internal colleagues and other costs), allocation of costs between tenure types, as well as complex contractual arrangements with third party contractors and partners. The Directors review the assumptions and appraise the developments regularly, and at the year end, to determine the recoverable amount of the assets. This also includes the consideration of impairment on significant developments due to time delays, increases in construction costs, falling land values, and/or budget overruns. There is a risk that the appropriate valuation and accounting treatment is not applied to development transactions leading to material misstatements in the valuation of stock held by the Group.	We have undertaken a fully substantive approach to the audit. Our procedures included: — **Methodology choice:** Assessment of the appraisal processes that are used to determine the scheme current asset stock and work in progress carrying values to check that these are consistent with our sector and entity knowledge; — **Benchmarking Assumptions:** Assessment of the assumptions that have been used to underpin the appraisal processes to assess their appropriateness, including consideration of the planned tenure mix for the development schemes being considered, and comparison of key assumptions (e.g. market value of properties, cost inflation, sales forecasts) to current third party online data , including appropriate online indexes (e.g. the Building Cost Information Service index); — **Our sector experience:** Consideration of the Directors ' assessment of whether there has been an impairment indicator and assessment of this based on other evidence obtained during the audit including the sales performance of schemes and market indicators; and — **Tests of detail:** Agreeing the underlying data used in the appraisal processes, including consideration of the sales history and costs incurred during the 2021/22 financial year, back to sales certification documentation and other third party documentation, such as invoices. — **Tests of detail:** Performing sensitivity analysis on the impact of key elements of the estimates of costs to complete to determine the impact on the recoverability of stock and WIP and margin calculations of reasonable possible changes in those assumptions.

Independent auditor's report

For the year ending 31 March 2022

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Valuation of defined benefit pension scheme gross obligation Group Retirement Benefit Scheme gross pension obligation: £236.7 million (2021: £251.0 million) Refer to page 75 (Audit and Risk Committee Report), page 121 (accounting policy) and page 148 (financial disclosures).	**Subjective valuation** The Group is a member of various defined benefit pension schemes, which are material to the Group, including: the Social Housing Pension Scheme, the Scottish Housing Associations' Pension Scheme, Places for People Group Retirement Benefit Scheme and Cambridgeshire County Council Local Government Pension Scheme. The valuation of such schemes relies on a number of assumptions, most notably around the actuarial assumptions. It is important that the assumptions used reflect the profile of the Group's employees. It is also important that assumptions are derived on a consistent basis year to year, or updated to reflect the Group's current position. There are also generic financial assumptions and demographic assumptions used in the calculation of the Group's gross pension obligation. There is a risk that, if the assumptions used are not appropriate, the amounts shown in the financial statements for the pension scheme obligation could be materially misstated. We have rebutted the risk in relation to the Social Housing Pension Scheme, the Scottish Housing Associations' Pension Scheme and Cambridgeshire County Council Local Government Pension Scheme because of the size of the gross obligation in each scheme relative to Group materiality and therefore the reduced risk of material misstatement.	We have undertaken a fully substantive approach to the audit. Our procedures included: — **Assessing actuary's credentials:** Assessing the competence, capability, objectivity and independence of the external Actuary used. — **Benchmarking assumptions:** Challenging, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate, and mortality/ life expectancy against externally derived data; and — **Assessing transparency:** Considering the adequacy of the Group's disclosures in respect of the sensitivity of the deficit to these assumptions.

	The risk	Our response
Parent Company revenue recognition Turnover: £56.5 million (2021: £42.7 million) Refer to page 120 (accounting policies) and page 115 (financial disclosures).	**Provision of support services** Places for People Group Ltd is the holding entity for the group and provides central support services to each of its subsidiary entities. As such, the entity will incur charges for these centralised costs and recharge these to other group companies. This results in the majority of the Company Statement of Comprehensive Income being driven by costs incurred on behalf of the group and related income. Therefore the revenue generated from the services provided to subsidiaries is seen as the key area of audit focus.	We have undertaken a fully substantive approach to the audit. Our procedures included: **Review of overhead costs incurred** — **Review of costs incurred:** Testing a sample of the overhead costs incurred to ensure the costs had been recorded completely and accurately and comparing the movement year on year to determine the cost base; **Review of parent Company income** — **Review of parent Company recharge income:** Testing a sample of the parent Company recharge income to determine the recharge income had been recorded accurately and had been applied to relevant costs.

Independent auditor's report

For the year ending 31 March 2022

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £16.7m (2021: £16m), determined with reference to a benchmark of Group turnover (of which it represents 2% (2021: 2%)). We consider Group turnover to be the most appropriate benchmark as the Group is a not-for-profit organisation, therefore the focus is on turnover and any surplus generated is variable and reinvested.

Materiality for the parent company financial statements as a whole was set at £875k (2021: £1.2m), determined with reference to a benchmark of company total revenue, of which it represents 2% (2021: 2%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2021: 75%) of materiality for the financial statements as a whole, which equates to £12.5m (2021 : £12m) for the group and £656.5k (2021: £940k) for the parent company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.835m (2021: £0.8m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 201 (2021: 202) reporting components, we subjected 87 (2021: 91) to full scope audits. 11 (2021: 10) of these were required for group reporting purposes and 3 (2021: 2) we performed audits of account balances. The latter were not individually financially significant enough to require a full scope audit for group purposes, but did present specific individual risks that needed to be addressed.

The full scope audits required for group reporting purposes accounted for 84% (2021: 83.1%) of Group turnover and 96% (2021: 98.9%) of Group total assets.

An additional 12 components (2021: 1) were deemed material, non-significant components but were included in the scope of our group reporting work in order to provide further coverage over the group's results.

We subjected them to an audit of account balances: over revenue (2 components (2021: 1)), stock (10 components (2021: 2)) and pensions (1 component (2021: nil)).

The components within the scope of our work accounted for the percentages illustrated on the next page.

For the remaining components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £360k to £7m (2021: £4.5k to £12m), having regard to the mix of size and risk profile of the Group across the components.

Video and telephone conference meetings were held with these component auditors. At these meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

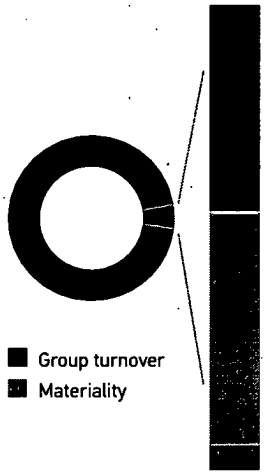
The work on 28 of the 87 components (2021: 28 of the 88 components) was performed by component auditors (all of whom are component teams from the same audit firm as the Group audit team) and the rest, including the audit of the parent company, was performed by the Group team.

Independent auditor's report

For the year ending 31 March 2022

Group turnover
£852.m
(2021: £815.6m)

Group materiality
£16.7m
(2021: £16m)



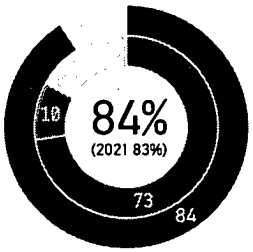
£16.7m
Whole financial statements materiality (2021: £16m)

£12.5m
Whole financial statements performance materiality (2021: £12m)

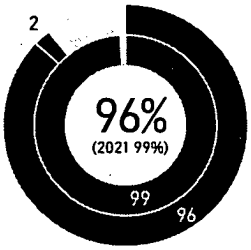
£12m
Range of materiality across audited components (£4.5k – £12.m) (2021: £3.3k to £11m)

£0.835m
Misstatements reported to the Audit & Risk Committee (2021: £0.8m)

Group revenue



Group total assets



Full scope for Group audit purposes 2022
Specified risk-focused audit procedures 2022
Full scope for Group audit purposes 2021
Specified risk-focused audit procedures 2021
Residual components

4. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period.

The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- The impact of further rent reductions;
- A downturn in the development market;

We also considered less predictable but realistic second order impacts, such as the impact of Brexit and the erosion of customer or supplier confidence, which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the Directors' sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

Our procedures also included:

- assessing whether downside scenarios applied mutually consistent and severe assumptions in aggregate, using our assessment of the possible range of each key assumption and our knowledge of inter-dependencies;
- we compared past budgets to actual results to assess the directors' track record of budgeting accurately;
- we evaluated the achievability of the actions the directors consider they would take to improve the position should the risks materialise, which included, conversion of developed units into market rent, the sale of commercial subsidiaries and investment properties and reduction in capital expenditure, taking into account the extent to which the directors can control the timing and outcome of these; and.
- we assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Independent auditor's report

For the year ending 31 March 2022

5. Fraud and breaches of laws and regulations — ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Obtaining a copy of the Group's fraud register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls in particular the risk that the Group may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because we do not consider there to be sufficient opportunity to fraudulently manipulate revenue in the financial statements.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation of the design and implementation of some of the Group-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals, journals containing specific words, journals posted to seldom used accounts, and journals posted to cash and turnover that were considered outside of the normal course of business.
- Assessing whether the judgements made in the accounting estimates are indicative of potential bias including assessing the assumptions used in pension valuations and the value of housing stock held in current assets.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation) and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent auditor's report

For the year ending 31 March 2022

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

- we have not identified material misstatements in those reports;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirm within the Going concern and Viability statements on page 101 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the Going concern and viability statements of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report

For the year ending 31 March 2022

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 103, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company'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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**

9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Harry Mears
(Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15, Canada Square
London
E14 5GL

26 August 2022

Consolidated statement of comprehensive income

For the year ending 31 March 2022

	Notes	2022 £m	2021 £m
Group and share of joint ventures turnover		**909.3**	855.7
Less: share of joint ventures turnover		**(59.4)**	(39.2)
Group turnover	2	**849.9**	816.5
Cost of sales	2	**(174.3)**	(198.5)
Operating costs	2	**(477.0)**	(422.8)
Profit on sale of fixed assets	4	**11.3**	7.6
Gain on revaluation of investment properties	15	**(0.4)**	3.9
Operating profit before interest		**209.5**	206.7
Share of operating profit on joint ventures		**0.8**	1.7
Interest receivable and similar income	7	**9.4**	9.7
Interest payable and similar charges	8	**(142.8)**	(139.0)
Profit on ordinary activities before taxation	9	**76.9**	79.1
Taxation	10	**(6.1)**	(5.3)
Profit on ordinary activities after taxation		**70.8**	73.8
Loss attributable to non-controlling interests		**0.1**	0.3
Profit attributable to members of the parent company		**70.9**	74.1
Group profit for the financial year excluding joint ventures		**70.2**	73.2
Share of joint ventures profit for the financial year		**0.7**	0.9
Total profit for the financial year		**70.9**	74.1
Fair value gain/(loss) on interest rate and currency swaps		**8.1**	(54.5)
Revaluation gain on interest rate and currency swaps		**—**	52.3
Deferred tax on interest rate and currency swaps	10	**(0.3)**	0.4
Actuarial gain recognised in the pension scheme	25	**17.3**	0.6
Actuarial loss recognised in the pension scheme	25	**—**	(43.6)
Deferred tax arising on movement in the pension scheme	10	**(6.1)**	9.1
Total comprehensive income for the year		**89.9**	38.4

The notes on pages 120 to 163 form an integral part of these financial statements.

Company statement of comprehensive income

For the year ending 31 March 2022

	Notes	**2022 £m**	2021 £m
Turnover		**56.5**	42.7
Operating costs		**(60.0)**	(42.7)
Operating loss		**(3.5)**	—
Loss on ordinary activities before and after taxation		**(3.5)**	—

The notes on pages 120 to 163 form an integral part of these financial statements.

There is no other comprehensive income other than that reported above.

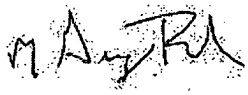
Consolidated statement of financial position

As at 31 March 2022

	Notes	2022 £m	2022 £m	2021 £m	2021 £m
Fixed assets					
Intangibles	12	**12.5**		8.4	
Housing properties	13	**4,183.3**		3,959.7	
Fixed asset investments	15	**710.1**		757.8	
Equity loans	16	**64.6**		68.1	
Other fixed assets	14	**121.2**		113.5	
			5,091.7		4,907.5
Non-current assets					
Debtors: amounts falling due after one year	18	**29.5**		33.9	
Pension surplus	25	**12.4**		0.1	
			41.9		34.0
Current assets					
Stock	17	**416.1**		408.3	
Debtors: amounts falling due within one year	19	**128.6**		139.1	
Investments	20	**3.8**		12.8	
Cash and cash equivalents		**106.7**		95.2	
		655.2		655.4	
Current liabilities					
Creditors: amounts falling due within one year	21	**(539.4)**		(408.2)	
Net current assets			**115.8**		247.2
Non-current liabilities					
Creditors: amounts falling due after more than one year	22	**(4,452.9)**		(4,468.3)	
Pension liability	25	**(8.7)**		(22.4)	
			(4,461.6)		(4,490.7)
Net Assets			**787.8**		698.0
Capital and reserves					
Revenue reserves		**819.0**		737.2	
Cash flow hedge reserve		**(28.9)**		(37.0)	
Restricted reserve		**0.2**		0.2	
Total capital and reserves			**790.3**		700.4
Non-controlling interests			**(2.5)**		(2.4)
			787.8		698.0

The notes on pages 120 to 163 form an integral part of these financial statements.
The financial statements of Places for People Group Limited, company number 03777037, were approved by the board of directors on 28 July 2022.
They were signed on its behalf by:

R Gregory
Group Chair



G Reed
Chief Executive

Company statement of financial position

As at 31 March 2022

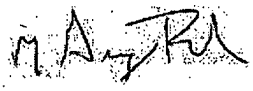
	Notes	2022 £m	2021 £m
Fixed assets			
Investments	15	**0.2**	0.5
Current assets			
Debtors: amounts falling due within one year	19	**5.0**	16.3
Cash and cash equivalents		**0.3**	0.3
		5.3	16.6
Current liabilities			
Creditors: amounts falling due within one year	21	**(9.0)**	(17.1)
Net current liabilities		**(3.7)**	(0.5)
Net assets		**(3.5)**	—
Capital and reserves			
Revenue reserves		**(3.5)**	—
		(3.5)	—

The notes on pages 120 to 163 form an integral part of these financial statements.

The financial statements of Places for People Group Limited, company number 03777037, were approved by the board of directors on 28 July 2022.

They were signed on its behalf by:

R Gregory
Group Chair



G Reed
Chief Executive

Consolidated statement of changes in reserves

For the year ending 31 March 2022

	Revenue Reserve	Cash Flow Hedge Reserve	Restricted Reserve	Total Reserves
	£m	£m	£m	£m
Balance at 1 April 2021	**737.2**	**(37.0)**	**0.2**	**700.4**
Total comprehensive income for the year				
Profit for the year	**70.9**	—	—	**70.9**
Fair value loss on interest rate and currency swaps	—	**8.1**	—	**8.1**
Deferred tax on interest rate and currency swaps	**(0.3)**	—	—	**(0.3)**
Actuarial gain recognised in the pension scheme	**17.3**	—	—	**17.3**
Deferred tax arising on movement in the pension scheme	**(6.1)**	—	—	**(6.1)**
Balance at 31 March 2022	**819.0**	**(28.9)**	**0.2**	**790.3**

The notes on pages 120 to 163 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ending 31 March 2022

	Notes	2022 £m	2021 £m
Net cash generated from operating activities	11	**221.0**	219.7
Additional pension contributions		**(6.6)**	(5.0)
Cash flow from investing activities			
Purchase of housing and investment properties		**(256.1)**	(149.3)
Proceeds from the disposal of housing and investment properties		**62.9**	42.8
Purchase of other fixed assets		**(24.1)**	(22.0)
Purchase of fixed and current asset investments		**(24.0)**	(25.5)
Proceeds from the disposal of fixed and current asset investments		**35.7**	70.9
Cash received from acquisitions		**—**	0.4
Receipt of government and other grants		**21.9**	10.7
Interest received		**2.0**	0.9
Dividends received from investments		**1.7**	1.8
Net cash flow from investing activities		**(180.0)**	(69.3)
Cash flow from financing activities			
Interest element of finance lease rental payment		**(14.3)**	(15.2)
Capital element of finance rental lease payments		**(1.7)**	(1.6)
Interest paid		**(122.7)**	(125.3)
Tax paid		**(4.1)**	1.4
Settlement of financial instruments		**9.9**	(22.8)
(Repayment)/drawdown of loans in the year		**(132.1)**	58.3
Issue/(repayment) of debentures in the year		**242.1**	(128.6)
Net cash flow from financing activities		**(22.9)**	(233.8)
Net change in cash and cash equivalents		**11.5**	(88.4)
Cash and cash equivalents at beginning of year	11	**95.2**	183.6
Cash and cash equivalents at end of the year	11	**106.7**	95.2

Notes to the financial statements

For the year ending 31 March 2022

1 Principal accounting policies

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of accounting
These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 — 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Accounting Direction 2019 for Private Registered Providers of Social Housing 2015, and with the Companies Act 2006.

The financial statements are presented in Sterling (£m's).

Going Concern
The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. As part of this assessment the Board monitors the external economic and financial environment including any continuing impact of the Covid-19 pandemic, the war in Ukraine, the cost of living crisis and increased energy costs. The Board is focussed on mitigating the risks for the Group and has assessed the going concern considering the above factors along with the risks included in the Group risk register.

At 31 March 2022 the Group had cash and undrawn facilities of £1.0bn. The Group continues to actively manage its cash flows in order to mitigate any reductions in income.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants. For the purposes of both Viability and Going Concern, the Directors have overlaid several severe but plausible, multi-variant scenarios. These scenarios include limited housing sales, reduction in rents collected, leisure centre closures, loss of management contracts, increase in interest rates, long term increase in inflation and the cost of meeting government sustainability targets.

As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2023 would be £600m and £360m at 31 March 2024 if the Group did not raise any additional finance to that which is currently available.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Basis of consolidation
The financial statements are group statements and have been prepared by consolidating the results of the entities within the Places for People Group using the acquisition method for subsidiary entities and the equity method for joint venture entities as appropriate.

The consolidated accounts comprise the financial statements of Places for People Group Limited and its subsidiary undertakings, control of which are achieved where Places for People Group Limited has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A listing of subsidiaries and related undertakings is provided in note 29.

Independence and Responsibility Agreements exist between the Group parent and the subsidiaries, which are the basis of the Group structure, and enable the Board of Directors to control the Group. All subsidiaries have coterminous year ends. Places for People Living+ Limited, Places Impact, Castle Rock Edinvar Housing Association, Cotman Housing Association, Derwent Community Housing Association Limited, Chorus Homes Limited (formerly Luminus Homes Limited) and Places for People Leisure Partnerships each have a charitable status.

Public benefit entity combinations that are in substance a gift to the Group are accounted for by calculating the excess of the fair value of the assets assumed over the fair value of liabilities acquired. This gain is recognised in the Statement of Comprehensive Income.

Significant Judgements
The following are the significant judgements, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Going Concern
In order to assess whether it is appropriate for the Group to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the Group's activities and the principal risks and uncertainties. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. As a result of these considerations the financial statements have been prepared on a going concern basis.

Investment properties
The Group owns a range of different property types. This requires the Group to assess which properties should be classified as investment properties as these properties are held at a market valuation, not at depreciated cost.

The Group considered the FRS 102 definition of investment property which refers to property held to earn rentals for capital appreciation, rather than for administrative purposes or for sale in the ordinary course of business. The Group has also reviewed Section 16 of FRS 102 that precludes the classification of property held primarily for the provision of social benefits being classified as investment property. The Group has applied this by judging that rental properties without public subsidy attached to them are investment properties.

Lease classification
During the year ending 31 March 2019, the Group purchased the freeholds of a number of properties and assessed that the arrangement should be classified as a finance lease.

The Group considered the requirements of FRS 102 Section 20 which requires that, if a lease substantially transfers all the risks and rewards of ownership, it should be treated as a finance lease. It was determined that because the Group will retain ownership of the properties at the end of the 45 year lease period, alongside holding the risks and rewards of owning and managing the properties during this period, the Group substantially holds the risks and rewards of ownership.

Notes to the financial statements

For the year ending 31 March 2022

1 Principal accounting policies (continued)

Accounting estimates
The nature of estimation means that actual outcomes may differ from the estimates made.

Residual value of social housing properties
It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Group consider the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £4.1bn. The residual value of social housing property structure is £293m above the carrying value as at 31 March 2022. A 10% reduction in residual value would result in no impact to the depreciation charge.

Defined benefit pension schemes
The Group has defined benefit obligations relating to six pension schemes. Note 25 sets out the details for these schemes and the assumptions made to assess the net scheme benefit as at the reporting date. The Group engage qualified actuaries to advise on an appropriate discount rate. A decrease in the discount rate used of 0.1% is estimated to increase scheme deficits by £3.9m. The Group is party to legal action arising from the scheme rules on the Group retirement benefit pension scheme, and the Social Housing Pension Scheme. More detail can be found in note 25.

Investment properties
In addition to judging whether or not properties are categorised as investment properties, the Group is also required to estimate the fair value of investment properties on an annual basis. To facilitate this estimation, the Group engaged Savills, a leading professional adviser, to use RICS guidance and the requirements of the Red Book to complete a full valuation of the Group's investment properties. The results of the valuation exercise have been subjected to management scrutiny and challenge.

Recoverability of stock
The Group has £416.1m of stock at 31 March 2022 (2021: £408.3m), comprising land of £112.2m, properties in construction of £211.3m and completed properties of £91.5m. FRS 102 section 13 requires stock to be measured at the lower of cost and estimated selling price less costs to complete and sell. The Group also undertakes sensitivity analysis and has assessed that that a short-term drop in expected selling prices of our completed properties of 10% would not result in a material impairment charge.

The Group monitors development projects and properties held for sale on an ongoing basis and uses rigorous appraisal techniques to estimate the recoverable amount of stock. Realistic financial projections are used on an individual site basis to allow management to estimate that land and property are held at the appropriate amount. The Group makes judgements to assess the achievable selling price for properties including assessing the views of specialist advisers on the UK housing market and future house price inflation. Management also consider detailed information relating to geographical area and property type. As such the Group judges that stock is held at the lower of cost and estimated selling price less costs to complete and sell.

Turnover
Turnover represents rental and service charge income receivable (net of void losses), income from the sale of properties, income from the sale of the first tranche of shared ownership properties, fees and grants from local authorities and Homes England, leisure facilities management fees, equity loan fee income and other income. The turnover of the parent entity consists of recharges to other Group entities.

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

Rental income is recognised from the point the property becomes available for letting, net of any voids. Income from land and property sales is recognised when the risks and rewards of ownership have passed to the purchaser. Long term contract revenue is recognised based on the total contract value and the stage of completion of the contract. Mortgage fee income is recognised over the term of the contract. Other income is recognised upon the delivery of services.

Government grant is recognised in turnover over the expected lives of the assets to which it relates.

All turnover arises from activities within the United Kingdom.

Segmental Reporting
Operating segments FRS 102 requires entities with publicly traded debt to apply the reporting requirements IFRS 8 Operating Segments. The Group consider the Group Board to be the chief operating decision maker ("CODM") as defined by IFRS 8. The information in these financial statements and accompanying notes, that has been produced in line with the requirements of the Accounting Direction for Private Registered Providers 2019, aligns with internal reporting presented to the CODM.

Corporation tax
The Group is liable to United Kingdom Corporation Tax.

The charge for taxation for the year is based on the profit for the year end and includes current tax on the taxable profit for the year and deferred taxation. Deferred taxation is recognised in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the statement of financial position date.

VAT
The majority of the Group's turnover is exempt from VAT. However, certain activities are subject to VAT and give rise to VAT recovery. Where appropriate, costs are stated including irrecoverable VAT.

Pensions
There are thirteen pension schemes, six of which are defined benefit pension schemes based on final pensionable salary. There is a Group-wide contribution based scheme. Details of the schemes are set out in Note 25. Employees joining the Places for People Group have the option of joining the Places for People Group Stakeholder Scheme ('Stakeholder Scheme'), a defined contribution scheme. The costs of contributing to the Stakeholder Scheme are accounted for as an expense in the year in which they occur. Contributions from the Group and participating employees are paid into independently administered funds. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries.

Pension scheme assets are measured by independent experts using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Notes to the financial statements

For the year ending 31 March 2022

1 Principal accounting policies (continued)

Pension scheme surpluses are recognised where there is an unconditional right to a refund of that surplus. Pension scheme deficits are recognised in full. The movement in scheme surplus or deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

Places for People Homes Limited, Cotman Housing Association Limited and Derwent Housing Association Limited (the English Associations) participate in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme. Castle Rock Edinvar Limited and Places for People Scotland Limited (the Scottish housing Associations) participate in the Scottish Housing Association Pension Scheme (SHAPS).

Housing Properties
Housing properties are those held primarily for the provision of social benefit. Housing properties are stated at the lower of depreciated cost or its recoverable amount. Cost is taken as the purchase price together with costs of acquisition and improvements, attributable administrative costs and interest costs incurred, including related development and administrative costs and interest payable.

The Group capitalises expenditure on housing properties which results in an increase in either the existing use value of the property or the disposal value of the property.

Investment properties
Properties held for rental income or capital appreciation that are not held primarily for the provision of social benefit are held as investment properties at fair value, with changes to fair value recognised in the statement of comprehensive income.

Land
Land is stated at lower of cost or its recoverable amount. Land purchased for the development of properties which are planned to be subsequently owned and managed by the Group is recorded in housing properties. Land purchased for the development of properties to be sold is held within stock in current assets.

Other fixed assets
Other fixed assets are recognised initially at cost and subsequently held at the lower of depreciated cost or its recoverable amount.

Depreciation
Fixed assets, other than freehold land and investment properties, are depreciated at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis over the expected remaining useful economic life of the component. Freehold land is not depreciated. The estimated lives of assets and components is as shown in the table opposite.

Fixed asset investments
Fixed asset investments are measured at cost. An annual review is carried out by management to assess if there are any triggers that would lead to an impairment review. In the event of any impairment, the investment is measured at the lower of its recoverable amount or its value in use. Investments in joint ventures are recognised initially at cost and subsequently measured using the equity method.

Assets	Depreciation period (years)
Rented housing and commercial properties:	
Kitchens	20
Bathrooms	20
Boilers	15
External windows and doors	30
Roofs	45
Fire safety systems	20
Fencing	30
Digital TV aerials	10
Lifts	20
Social alarms	From 20 – 40
Surveys	15
Initial and replacement scheme assets	From 1 – 5
Other elements (new build)	100 – 125
Other elements (rehab)	80
Other elements (leasehold)	Lesser of term of lease or 100 years
Shared ownership housing:	
All elements (new build)	100
All elements (rehab)	80
All elements (leasehold)	Lesser of term of lease or 100 years
Other fixed assets:	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	From 10 – 20
Offices (long leasehold)	Lesser of term of lease or 100 years
Offices (short leasehold)	Terms of lease
Plant and equipment	5
Cars and commercial vehicles	5
Computer hardware, software and infrastructure	From 3 – 15

Notes to the financial statements

For the year ending 31 March 2022

1 Principal accounting policies (continued)

Stock
Properties purchased for improvement for sale are treated as current assets and all other housing properties are treated as tangible fixed assets. Properties held as current assets are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stock includes land and property held with the intention to sell, including assets under construction and those purchased for improvement prior to sale. Stock is stated at the lower of cost and estimated selling price less costs to complete and sell with any provisions being charged to cost of sales. The cost of stock is the purchase price together with costs of acquisition and attributable overhead costs.

All land and property held within stock is subject to regular appraisal to confirm the assets are recoverable at least at the carrying value.

Included within stock are amounts in respect of the expected percentage of sales under first tranche disposal for shared ownership properties. Proceeds from first tranche disposals are recognised in turnover. The unsold equity of shared ownership properties is recognised within housing properties.

Intangible Assets
Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets and liabilities of the acquired business or company at the date of acquisition. Goodwill has no residual value and the finite useful life of goodwill is assessed on an individual basis for each acquisition, with a maximum useful economic life of 10 years. The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill and other intangible assets are tested for impairment in accordance with FRS 102 Section 27 (Impairment of assets) when there is an indication that goodwill may be impaired.

Intangible assets, other than goodwill, include expenditure on the set up of investment funds less accumulated amortisation and accumulated impairment losses. Intangible assets with a finite life, are amortised on a straight-line basis over their expected useful lives, these range from ten to thirty years. Impairment reviews are undertaken annually on all intangible assets.

Impairment
An impairment review is undertaken when there is an indication the asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in Note 3.

When undertaking impairment reviews to assess whether assets or cash generating units are held at the lower of cost or recoverable amount, recoverable amount is defined as its value in use. Recoverable amount is normally assessed using discounted cash flow techniques for all anticipated cash flows to generate a net present value.

Costs are assigned to all schemes on a detailed basis, including mixed tenure schemes.

The Group defines cash generating units as housing developments except where its developments are not sufficiently large enough in size and it is more appropriate to consider individual assets. This approach supports effective appraisal of housing schemes as it aligns with the management and operation of the business.

Long term contracts
Long term contracts are stated at cost plus attributable profit after providing for anticipated future losses and contingencies. Progress payments received are deducted from these amounts. Cost includes appropriate attributable overheads. Long term contract work in progress is included in debtors as amounts recoverable on contracts.

Cash retentions relating to customers and contractors are recognised, within debtors and creditors respectively, in line with the terms and stage of the relevant contract. Cost accruals for works completed but not yet invoiced by suppliers and costs estimated for defect remediation are recognised in line with profit recognition on the project and held until actual costs are incurred.

Social Housing Grant and Other Capital Grant
Government grants are included within creditors in the statement of financial position and credited to the statement of comprehensive income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

When Social Housing Grant (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.

Where SHG or other grants are retained following the disposal of property, it is shown under the Disposal Proceeds and Recycled Capital Grant Funds within creditors. These funds will be used for the provision of new social housing for rent and sale and become repayable if unutilised.

Concessionary Loans
The Group has a HomeBuy arrangement which is considered to be a concessionary loan.

Under the HomeBuy scheme, the Group receives HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Group meet the definition of concessionary loans and are shown as fixed assets investments on the statement of financial position. The HomeBuy grant provided by the Government to fund all or part of a HomeBuy loan is classified as a creditor due in more than one year.

Financial Instruments
The Group has elected to apply the recognition and measurement provisions of International Accounting Standard 39 as allowed by FRS 102 sections 11 and 12. Financial instruments are initially recorded at fair value. Subsequent measurement depends on the designation of the instrument as follows:

- Debt service reserves held in trust as security against debt holdings are categorised as held-to-maturity and measured at amortised cost using the effective interest method.
- Loans and mortgages receivable are categorised as loans and receivables and measured at amortised cost using the effective *interest method.*
- Amounts recoverable on long term contracts are included with debtors.
- Other assets, including trade investments and joint venture investments and assets that are short-term in nature such as cash and receivables are predominantly categorised as loans and receivables and measured at amortised cost using the effective interest method.

Notes to the financial statements

For the year ending 31 March 2022

1 Principal accounting policies (continued)

The effective interest rate includes interest and all directly attributable incremental fees and costs.

Derivatives require fair value measurement each year and consequently they are subject to categorisation under the hierarchy approach.

Cash and cash equivalents in the statement of financial position are items that mature or are convertible within three months or less. The Group is required to set aside sums in respect of future maintenance of certain properties subject to leasehold arrangements. These sums are held in a separate bank account to which interest is added and tax deducted. Amounts accumulated in the fund are included within current asset investments and within creditors in the statement of financial position.

Other debtors, including tenant arrears, and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income.

Foreign Currency
Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions or if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the statement of financial position date and gains or losses on translation are included in the statement of comprehensive income.

Leases
The Group classifies finance leases as those where the risk and reward of ownership of the leased asset has transferred to the Group. Other leases are classified as operating leases.

Assets obtained under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their economic useful lives. Obligations under finance leases are included in creditors net of the finance charge allocated to future periods. The finance element of the rental is charged to the statement of comprehensive income using the effective interest rate method.

Costs in respect of operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term. Income in respect of operating leases where the Group is the lessor is recognised in the statement of comprehensive income on a straight line basis over the lease term, reduced by the cost of any lease incentives.

Restricted Reserves
The Group has a reserve which is only expendable in accordance with the wishes of the funder. The transfers to/from restricted reserves are shown in other comprehensive income.

Operating segments
FRS 102 requires entities with publicly traded debt to apply the reporting requirements IFRS 8 Operating Segments. The Group consider the Group Board to be the chief operating decision maker ("CODM") as defined by IFRS 8. The information in these financial statements and accompanying notes, that has been produced in line with the requirements of the Accounting Direction for Private Registered Providers 2019, aligns with internal reporting presented to the CODM for management and review purposes.

Notes 2 and 3 present segmental information on income and expenditure for the differing operations of the Group. The CODM do not review disaggregated financial information in respect of assets and liabilities so this is not presented in these financial statements.

Notes to the financial statements

For the year ending 31 March 2022

2 Turnover, cost of sales, operating costs and operating profit

	Turnover	Cost of sales	Operating costs	Other operating items	2022 Operating profit
	£m	£m	£m	£m	£m
Social housing lettings (note 3)	**391.8**	—	**(204.9)**	—	**186.9**
Other social housing activities					
Social housing property sales	**6.6**	**(4.5)**	**(0.1)**	—	**2.0**
Shared ownership property sales	**33.3**	**(21.6)**	**(0.9)**	—	**10.8**
Charges for support services	**2.9**	—	**(2.5)**	—	**0.4**
Other	—	—	—	—	—
	434.6	**(26.1)**	**(208.4)**	—	**200.1**
Non-social housing activities	**415.3**	**(148.2)**	**(268.6)**	—	**(1.5)**
	849.9	**(174.3)**	**(477.0)**	—	**198.6**
Surplus on sale of fixed assets (note 4)	—	—	—	**11.3**	**11.3**
Gain on revaluation of investment properties (note 15)	—	—	—	**(0.4)**	**(0.4)**
Total	**849.9**	**(174.3)**	**(477.0)**	**10.9**	**209.5**

	Turnover	Cost of sales	Operating costs	Other operating items	2021 Operating profit/(loss)
	£m	£m	£m	£m	£m
Social housing lettings (note 3)	380.4	—	(190.5)	—	189.9
Other social housing activities					
Social housing property sales	10.7	(7.1)	(1.8)	—	1.8
Shared ownership property sales	24.2	(19.8)	(2.2)	—	2.2
Charges for support services	3.8	—	(3.4)	—	0.4
Other	1.2	—	(0.3)	—	0.6
	420.3	(26.9)	(198.2)	—	195.2
Non-social housing activities	396.2	(171.6)	(224.6)	—	—
	816.5	(198.5)	(422.8)	—	195.2
Surplus on sale of fixed assets (note 4)	—	—	—	7.6	7.6
Gain on revaluation of investment properties (note 15)	—	—	—	3.9	3.9
Total	816.5	(198.5)	(422.8)	11.5	206.7

Analysis of turnover	**2022**	2021
	£m	£m
Social housing turnover	**434.6**	420.3
Non-social housing activities		
Non-social housing development	**128.2**	159.1
Leisure facilities management	**120.4**	87.7
Property management services	**64.7**	61.1
Non-social housing lettings	**38.6**	36.6
Non-social construction services	**42.1**	41.8
Other	**21.3**	9.9
Total	**849.9**	816.5

Notes to the financial statements

For the year ending 31 March 2022

3 Income and expenditure from social housing lettings

	General needs housing £m	Supported housing & housing for older people £m	Other £m	2022 Total £m	2021 Total £m
Income					
Rent receivable net of identifiable service charges	**257.4**	**32.4**	**30.4**	**320.2**	311.1
Service charge income	**17.4**	**18.2**	**3.9**	**39.5**	38.0
Revenue grant	**0.8**	**0.1**	**—**	**0.9**	2.9
Amortised Government grants	**20.4**	**3.2**	**0.6**	**24.2**	24.5
Other income	**5.4**	**1.0**	**0.6**	**7.0**	3.9
Turnover from social housing lettings	**301.4**	**54.9**	**35.5**	**391.8**	380.4
Expenditure on social housing lettings activities					
Management	**(40.6)**	**(9.4)**	**(8.7)**	**(58.7)**	(56.5)
Service charge costs	**(16.6)**	**(16.9)**	**(3.6)**	**(37.1)**	(33.8)
Routine maintenance	**(39.1)**	**(5.4)**	**(2.6)**	**(47.1)**	(47.2)
Planned maintenance	**(12.8)**	**(3.1)**	**(0.7)**	**(16.6)**	(13.4)
Major repairs expenditure	**(2.6)**	**(0.2)**	**(0.2)**	**(3.0)**	(4.6)
Bad debts	**(0.8)**	**—**	**(0.1)**	**(0.9)**	(2.2)
Depreciation on housing assets	**(33.9)**	**(4.8)**	**(1.8)**	**(40.5)**	(31.3)
Other costs	**(0.9)**	**—**	**(0.1)**	**(1.0)**	(1.5)
Operating costs on social housing lettings	**(147.3)**	**(39.8)**	**(17.8)**	**(204.9)**	(190.5)
Operating profit on social housing lettings	**154.1**	**15.1**	**17.7**	**186.9**	189.9
Void losses	**(3.1)**	**(1.8)**	**(0.9)**	**(5.8)**	(5.5)

Notes to the financial statements

For the year ending 31 March 2022

4 Group profit on sale of fixed assets

	Sale proceeds	Cost of sales	Other sales expenses	2022 Surplus/ (loss)
	£m	£m	£m	£m
Sale of housing assets	33.9	(20.1)	(1.1)	12.7
Sale of fixed asset investments	27.1	(27.8)	(0.8)	(1.5)
Sale of other fixed assets	1.9	(1.8)	—	0.1
Total	**62.9**	**(49.7)**	**(1.9)**	**11.3**

	Sale proceeds	Cost of sales	Other sales expenses	2021 Surplus/ (loss)
	£m	£m	£m	£m
Sale of housing assets	25.4	(17.0)	(1.2)	7.2
Sale of fixed asset investments	25.8	(24.8)	(0.6)	0.4
Total	51.2	(41.8)	(1.8)	7.6

5 Directors' emoluments

The Group is administered by a board of directors. The directors received remuneration as set out below.

	Group 2022 £m	2021 £m
Aggregate emoluments (excluding pension contributions):		
Non-executive directors	0.3	0.4
Executive directors	1.9	1.7
Pension contributions:		
Executive directors	0.1	0.2
Total remuneration	**2.3**	2.3

The number of executive directors who received emoluments in the following ranges was:	2022 No.	2021 No.
£120,000 – £129,999	—	1
£230,000 – £239,999	1	—
£240,000 – £249,999	—	1
£270,000 – £279,999	—	1
£280,000 – £289,999	—	1
£300,000 – £309,999	1	1
£330,000 – £339,999	1	—
£340,000 – £349,999	1	—
£390,000 – £399,999	1	—
£450,000 – £459,999	1	—
£510,000 – £519,999	—	1

Notes to the financial statements

For the year ending 31 March 2022

5 Directors' emoluments (continued)

Aggregate emoluments are attributed to executive directors as follows:

		Salary £'000	Bonus £'000	Benefits £'000	**2022 Total £'000**	Group 2021 Total £'000
S Black		286	128	7	**421**	298
D Cowans	Resigned 1 December 2021	251	50	31	**332**	519
D Marriott-Lavery		229	90	2	**321**	273
G Reed	Appointed 1 December 2021	145	68	1	**214**	—
T Weightman		198	77	2	**277**	244
A Winstanley		250	110	12	**372**	307
M Parsons	Resigned 27 May 2020	—	—	—	—	120
		1,359	523	55	**1,937**	1,761

All directors above were paid for the full year with the exception of G Reed who was appointed on 1 December 2021, and D Cowans who resigned on 1 December 2021.

The Group Executive, Scott Black is the highest paid director as disclosed above.

Pension contributions are attributed to executive directors as follows:

		2022 £'000	2021 £'000
S Black		**32**	41
D Cowans	Resigned 1 December 2021	**—**	—
D Marriott-Lavery		**26**	30
G Reed	Appointed 1 December 2021	**16**	—
T Weightman		**23**	32
A Winstanley		**22**	32
M Parsons	Resigned 27 May 2020	**—**	18
		119	153

Aggregate emoluments are attributed to non-executive directors as follows:

		Salary £'000	Expenses £'000	**2022 Total £'000**
R Gregory	Chair	81	—	**81**
R Cartwright	Appointed 1 November 2021	12	1	**13**
A Daniel		29	—	**29**
M Dunn	Appointed 1 January 2022	7	—	**7**
R Finn		30	—	**30**
H Fridell	Appointed 1 November 2021, resigned 30 June 2022	12	—	**12**
N Hopkins		30	—	**30**
G Kitchen		30	—	**30**
L Lackey	Resigned 30 September 2021	14	—	**14**
G Waddell		30	—	**30**
		275	—	**276**

Board members who were also the Chair of other Group Boards or Committees received an additional payment of £1,250 (2021 £nil).

Notes to the financial statements

For the year ending 31 March 2022

6 Employee information

The average number of employees expressed as full time equivalents (including the executive directors) employed during the year was:

	Group 2022 No.	Group 2021 No.	**Company 2022 No.**	Company 2021 No.
Managing housing services	**2,544**	2,443	**64**	29
Developing and selling houses	**259**	326	**183**	12
Central administration services	**800**	778	**464**	307
Care services	**171**	234	**—**	—
Leisure service activities	**1,958**	2,204	**—**	—
	5,732	5,985	**711**	348

Average number of employees is calculated by ascertaining for each calendar month in the financial year, the number of persons, by category, employed by the Group. The monthly numbers are then added together and divided by the number of months in the financial year.

Staff costs (for the above persons):	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Wages and salaries	**186.1**	180.0	**37.3**	17.2
Severance pay	**1.1**	3.0	**0.4**	0.1
Social security costs	**16.4**	15.6	**4.2**	1.9
Pension payments	**12.2**	11.0	**3.7**	1.8
	215.8	209.6	**45.6**	21.0
Staff costs (for the non-executive members of the board):				
Wages and salaries	**0.4**	0.7	**—**	—
	0.4	0.7	**—**	—

Remuneration banding for key management personnel is disclosed below, which is considered by the Places for People Group to be members of the Group management team responsible for the management of the Group's Registered Providers. Analysis of the executive directors is disclosed in note 5. For the financial year 20/21, due to the ongoing Covid-19 pandemic bonuses were capped at 50% of maximum.

	2022 No.	2021 No.
£70,000 – £79,999	**—**	1
£80,000 – £89,999	**—**	1
£90,000 – £99,999	**—**	1
£110,000 – £119,999	**2**	5
£120,000 – £129,999	**2**	2
£130,000 – £139,999	**2**	1
£140,000 – £149,999	**—**	4
£150,000 – £159,999	**1**	1
£160,000 – £169,999	**1**	—
£170,000 – £179,999	**1**	—
£180,000 – £189,999	**2**	—
£220,000 – £229,999	**1**	—
£260,000 – £269,999	**1**	—

Notes to the financial statements

For the year ending 31 March 2022

7 Interest receivable and similar income

On financial assets not at fair value through the statement of comprehensive income:

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Interest on fixed asset investments	**7.6**	7.6	—	—
Dividend received	**1.7**	1.8	—	—
Other interest receivable from deposits	**0.1**	0.3	—	—
	9.4	9.7	—	—

8 Interest payable and similar charges

On financial liabilities not at fair value through the statement of comprehensive income:

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Bank loans and overdrafts	**129.5**	125.8	—	—
Finance charges on hire purchase or lease agreements	**14.6**	14.5	—	—
In respect of Recycled Capital Grant Fund	**0.1**	—	—	—
	144.2	140.3	—	—
On defined benefit pension scheme:				
Expected return on pension assets	**(7.4)**	(8.4)	—	—
Interest on scheme liabilities	**7.8**	7.9	—	—
	0.4	(0.5)	—	—
Share of joint ventures interest payable and similar charges	—	0.7	—	—
Less: capitalised interest	**(1.8)**	(1.5)	—	—
	142.8	139.0	—	—

9 Profit on ordinary activities before taxation

	Group		Company	
	2022	2021	**2022**	2021
Profit on ordinary activities before taxation is stated after charging:	**£m**	£m	**£m**	£m
Depreciation and impairment:				
Tangible fixed assets	**50.6**	44.4	—	—
Amortisation of intangible assets	**2.1**	1.3	—	—
Profit on disposal of tangible fixed assets other than housing assets	**0.1**	0.4	—	—
Payments under operating leases:				
Housing properties	**9.4**	9.4	—	—
Motor vehicles	**5.3**	5.3	**0.2**	0.1
Other operating leases	**1.5**	1.9	—	—
Hire of equipment	**0.5**	0.5	**0.2**	0.2
Auditor's remuneration:				
In their capacity as auditor	**0.8**	0.7	—	—

Auditor's remuneration in respect of non-audit services was £94,000 (2021: £108,000).

Notes to the financial statements

For the year ending 31 March 2022

10 Tax on profit on ordinary activities

	2022	Group 2021
(a) Analysis of charge in period	**£m**	£m
Tax on profit on ordinary activities		
United Kingdom corporation tax	**3.5**	5.1
Adjustments to tax charge in respect of prior periods	**1.2**	(1.1)
	4.7	4.0
Deferred tax (note 10e)		
Origination and reversal of timing differences	**3.0**	1.6
Adjustments to deferred tax in respect of prior periods	**(0.9)**	(0.3)
Effect of tax rate change on opening balance	**(0.7)**	—
	1.4	1.3
Total tax charge	**6.1**	5.3

(b) Tax expense included in other comprehensive income		
Deferred Tax		
Origination and reversal of timing differences	**6.4**	(9.5)

(c) Factors affecting tax charge for period		
The tax assessed is different than the standard rate of corporation tax in the UK of 19% (2021: 19%).		
The differences are explained below:		
Taxable Group profit	**76.9**	79.1
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**14.6**	15.0
Fixed asset differences	**0.2**	0.2
Expenses not deductible/(income not taxable)	**(9.0)**	0.2
Chargeable gains	**0.8**	0.2
Exempt charitable income	**—**	(8.1)
Movement in unrecognised deferred tax	**(1.5)**	0.9
Amounts charged directly to STRGL or otherwise transferred	**—**	(0.4)
Rate difference	**0.9**	—
Adjustments to tax charge in respect of prior periods	**0.3**	(1.4)
Other movements	**0.7**	(0.5)
Deduction for Gift Aid	**(0.9)**	(0.8)
Tax on profit on ordinary activities (note 10a)	**6.1**	5.3

Notes to the financial statements

For the year ending 31 March 2022

10 Tax on profit on ordinary activities (continued)

(d) Factors that may affect future tax charges

The main rate of corporation tax will be increased from 19% to 25% (effective 1 April 2023). This change will increase the company's future current tax charge accordingly. As this change in corporation tax rate has been substantively enacted at the Balance Sheet date, deferred tax has been calculated using the increased rate of 25% due to the expected reversal of the deferred tax asset/liability.

		Group
	2022	2021
	£m	£m
(e) Provision for deferred tax		
Accelerated capital allowances	**10.7**	5.7
Other short-term timing differences	**(5.3)**	(0.9)
Other timing differences	**2.6**	2.0
Tax losses	**—**	(0.1)
Interest rate and currency swaps through other comprehensive income	**(5.2)**	(5.5)
Pension through other comprehensive income	**3.5**	(2.6)
	6.3	(1.4)
(Debtor)/provision at 1 April	**(1.4)**	6.8
Effect of tax rate change on opening balance	**0.7**	—
Expense in the year in statement of comprehensive income	**2.9**	1.5
Expense in the year in statement of comprehensive income in other comprehensive income	**6.4**	(9.5)
Adjustments in respect of prior periods other comprehensive income	**(0.9)**	(0.2)
Provision/(debtor) at 31 March at 19% (2021: 19%) (note 19 & 21)	**6.3**	**(1.4)**

Notes to the financial statements

For the year ending 31 March 2022

11 Statement of cash flows

	2022 £m	2021 £m
Note 11a — Cash flow from operating activities		
Profit for the year	**70.9**	74.1
Adjustments for non-cash items to reconcile profit for the year to net cash generated from operating activities		
Depreciation and impairment of fixed assets	**49.5**	44.5
Amortisation of grants	**(24.2)**	(24.5)
Profit from investment in joint ventures	**(0.7)**	(0.9)
Loss attributable to non-controlling interests	**(0.1)**	(0.3)
Amortisation of intangible fixed assets	**2.1**	1.3
Appreciation of fixed asset investments	**(2.5)**	(2.4)
Gain/(loss) on revaluation of investment properties	**0.4**	(3.9)
(Increase)/decrease in stock	**(9.6)**	60.7
Decrease in debtors	**17.2**	3.7
Decrease in trade and other creditors	**(5.8)**	(57.3)
Profit on tangible fixed asset disposals	**(13.2)**	(7.6)
Pension adjustment	**(2.5)**	(2.3)
Interest payable	**142.8**	139.0
Interest receivable	**(9.4)**	(9.7)
Taxation	**6.1**	5.3
	221.0	219.7

Note 11b — Analysis of changes in net debt	At 1 April 2021 £m	Cash Flows £m	Other non-cash changes £m	At 31 March 2022 £m
Cash and cash equivalents	**95.2**	**11.5**	**—**	**106.7**
Borrowings				
Debt due within one year	**128.9**	**(108.3)**	**238.8**	**259.4**
Debt due after one year	**2,998.7**	**207.5**	**(229.0)**	**2,977.2**
	3,127.6	**99.2**	**9.8**	**3,236.6**
Total	**3,032.4**	**87.7**	**9.8**	**3,129.9**

12 Intangibles

	Goodwill £m	*Other intagibles* £m	*Total intagibles* £m
Net book value			
At 31 March 2022	8.4	—	**8.4**
Additions in year	—	6.6	**6.6**
Impairment charged in year	—	(0.4)	**(0.4)**
Amortisation charged in year	(1.5)	(0.6)	**(2.1)**
At 31 March 2022	**6.9**	**5.6**	**12.5**

Other intangible assets include set up costs on investment funds, these assets are amortised on a straight-line basis over their expected useful lives which range from 10 to 30 years.

Notes to the financial statements

For the year ending 31 March 2022

13 Housing properties

	Housing properties and land	LSE & shared ownership housing properties	Housing properties in the course of construction	LSE & shared ownership properties in the course of construction	Total housing properties
	£m	£m	£m	£m	£m
Cost					
At 1 April 2021	4,135.4	265.5	70.6	11.1	**4,482.6**
Development additions	—	—	146.3	34.1	**180.4**
Major work additions	63.8	—	—	—	**63.8**
Transfer to completed schemes	122.7	36.9	(122.7)	(36.9)	—
Change of tenure	33.2	(0.1)	(1.5)	1.1	**32.7**
Transfer to sales account on disposal	(16.7)	(6.8)	—	—	**(23.5)**
At 31 March 2022	**4,338.4**	**295.5**	**92.7**	**9.4**	**4,736.0**
Depreciation					
At 1 April 2021	(507.4)	(15.5)	—	—	**(522.9)**
Charge for year					
Depreciation	(35.1)	—	—	—	**(35.1)**
Eliminated on disposal					
Depreciation	3.1	0.5	—	—	**3.6**
Impairment	1.7	—	—	—	**1.7**
At 31 March 2022	**(537.7)**	**(15.0)**	**—**	**—**	**(552.7)**
Net book value at 31 March 2022	**3,800.7**	**280.5**	**92.7**	**9.4**	**4,183.3**
Net book value at 1 April 2021	3,628.0	250.0	70.6	11.1	3,959.7

LSE denotes Leasehold Schemes for the Elderly.

	2022	2021
	£m	£m
Housing properties comprise, at cost:		
Freehold	**4,212.8**	4,008.8
Long leasehold	**513.6**	464.5
Short leasehold	**9.6**	9.3
	4,736.0	4,482.6

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities amounting to £9.2m (2021: £2.9m).

Expenditure on major works to existing properties during the year was £63.8m (2021: £44.9m).

Additions to housing properties in the course of construction during the year include capitalised interest of £1.8m (2021: £1.5m).

The market value subject to tenancies of the Groups housing properties at 31 March 2021 was £5,860m.

Notes to the financial statements

For the year ending 31 March 2022

14 Group other fixed assets

					Commercial and office properties			
	Motor vehicles	Plant and specialist equipment	Computer equipment	Fixtures and fittings	Freehold offices	Long leasehold	Short leasehold	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
At 1 April 2021	1.7	4.3	71.4	53.2	32.4	12.6	33.5	**209.1**
Additions	—	1.5	15.5	1.1	1.9	3.6	0.5	**24.1**
Change of tenure	—	—	(0.1)	0.1	—	—	—	**—**
Disposals	(0.1)	(0.5)	(0.2)	(4.3)	—	—	(1.8)	**(6.9)**
At 31 March 2022	**1.6**	**5.3**	**86.6**	**50.1**	**34.3**	**16.2**	**32.2**	**226.3**
Depreciation								
At 1 April 2021	(1.6)	(3.3)	(25.5)	(41.2)	(2.1)	(2.9)	(16.3)	**(92.9)**
Charge for year	—	(0.5)	(7.7)	(3.6)	(0.5)	(0.2)	(3.0)	**(15.5)**
Change of tenure	—	—	0.1	(0.1)	—	—	—	**—**
Eliminated on disposal	—	0.3	0.2	3.9	—	—	0.4	**4.8**
At 31 March 2022	**(1.6)**	**(3.5)**	**(32.9)**	**(41.0)**	**(2.6)**	**(3.1)**	**(18.9)**	**(103.6)**
Impairment								
At 1 April 2021	—	—	—	(0.2)	(0.3)	(0.5)	(1.7)	**(2.7)**
	—	—	—	—	(0.1)	—	—	**(0.1)**
Charge for year	—	—	—	0.2	—	—	1.1	**1.3**
At 31 March 2022	**—**	**—**	**—**	**—**	**(0.4)**	**(0.5)**	**(0.6)**	**(1.5)**
Net book value at 31 March 2022	**—**	**1.8**	**53.7**	**9.1**	**31.3**	**12.6**	**12.7**	**121.2**
Net book value at 1 April 2021	0.1	1.0	45.9	11.8	30.0	9.2	15.5	113.5

Notes to the financial statements

For the year ending 31 March 2022

15 Fixed assets investments

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
External investments and investment in related undertakings (a)	**182.5**	184.9	**0.2**	0.5
Investment property (b)	**527.6**	572.9	—	—
Total fixed asset investments	**710.1**	757.8	**0.2**	0.5

(a) External investments and investment in related undertakings

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Cost at 1 April	**185.1**	203.2	**0.5**	0.5
Cost at 31 March	**182.7**	185.1	**0.2**	0.5
Accumulated impairment at 1 April	**(0.2)**	(0.4)	—	—
Provision raised in the year	—		—	—
Reversal of impairment	—	0.2	—	—
At 31 March	**(0.2)**	(0.2)	—	—
Net book value at 31 March	**182.5**	184.9	**0.2**	0.5
Debt service reserves	**26.7**	26.6	—	—
Grace Gillett Trust	**0.2**	0.2	—	—
Trade Investment	—	0.2	—	—
Other external investments	**52.8**	60.7	—	0.3
Investment in associates	**10.0**	10.0	—	—
Investment in related undertakings	—	—	**0.2**	0.2
Investment in joint venture undertakings	**92.8**	87.2	—	—
	182.5	184.9	**0.2**	0.5

Investments in Debt Servicing Reserves are held in trust for the Association by the Prudential Trustee Company as security against the 6.625% Eurobond 2038, and the 5.09% secured Bond 2024, and by Abbey National Treasury Services as security against a fixed rate loan of £39 million. The reserves equate to one year's payment of interest and principal.

The Grace Gillett Trust resulted from a legacy left to support the residents of a scheme in Bristol.

Notes to the financial statements

For the year ending 31 March 2022

15 Fixed assets – investments (continued)

(b) Investment properties

	£m
At 1 April 2021	**572.9**
Additions	**13.7**
Change of tenure	**(30.9)**
Revaluation in year	**(0.4)**
Disposals	**(27.7)**
At 31 March 2022	**527.6**

16 Equity loans

	Group	
	2022	2021
	£m	£m
Gross valuation		
At 1 April	**82.5**	86.4
Additions in year	**1.2**	1.7
Net appreciation in year	**3.1**	2.6
Disposals in year	**(9.1)**	(8.2)
At 31 March	**77.7**	82.5
Other associated liabilities		
At 1 April	**(14.4)**	(15.8)
Additions in year	**—**	(0.1)
Net appreciation in year	**(0.6)**	(0.2)
Disposals in year	**1.9**	1.7
At 31 March	**(13.1)**	(14.4)
Net book value at 31 March	**64.6**	68.1

Notes to the financial statements

For the year ending 31 March 2022

17 Stock

	Group 2022 £m	Group 2021 £m
Land	**112.2**	105.4
Properties in construction	**211.3**	225.6
Completed properties	**77.7**	57.7
Rental properties held for sale	**13.8**	18.3
Other	**1.1**	1.3
	416.1	408.3

18 Debtors: amounts falling due after more than one year

	Group 2022 £m	Group 2021 £m
Derivative financial instruments held to manage the interest rate profile and currency risk	**12.5**	4.5
Revaluation of foreign currency denominated debt	**15.8**	28.2
Mortgages	**1.2**	1.2
	29.5	33.9

19 Debtors: amounts falling due within one year

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Rental debtors	**17.8**	15.1	**—**	—
Less: Provision for bad and doubtful debts	**(4.5)**	(6.1)	**—**	—
	13.3	9.0	**—**	—
Other trade debtors	**28.3**	36.5	**0.3**	9.6
Revaluation of foreign currency denominated debt	**0.8**	—	**—**	—
Mortgages	**0.1**	0.1	**—**	—
Deferred tax	**—**	1.4	**—**	—
Corporation tax	**2.5**	3.2	**(0.3)**	—
Capital debtors	**33.7**	35.9	**—**	—
Derivative financial instruments held to manage the interest rate profile and currency risk	**3.1**	0.9	**—**	—
Amounts due from related undertakings	**—**	—	**—**	0.9
Amounts due from joint ventures undertakings	**1.4**	1.7	**0.1**	—
Sundry debtors, prepayments and accrued income	**44.9**	49.8	**4.8**	5.8
Loans and advances to customers	**—**	0.2	**—**	—
Loans to employees	**0.5**	0.4	**0.1**	—
	128.6	139.1	**5.0**	16.3

Notes to the financial statements

For the year ending 31 March 2022

20 Current asset investments

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Cash held as security	**3.8**	12.8	—	—

21 Creditors: amounts falling due within one year

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Debt				
Housing and bank loans principal payable within one year	**251.5**	80.2	—	—
Debentures/stocks principal payable within one year	**2.6**	52.3	—	—
Discount on bond issue	**(5.2)**	(5.5)	—	—
Derivative financial instruments held to manage the interest rate profile and currency risk	**9.1**	0.2	—	—
Finance leases	**1.4**	1.7	—	—
	259.4	128.9	—	—
Other financial liabilities				
Interest on housing loans	**45.6**	46.2	—	—
Payments received on account	**12.9**	11.6	—	—
Prepaid rent	**8.4**	6.9	—	—
Corporation tax	—	—	—	0.3
Deferred tax	**6.3**	—	—	—
Other taxes	**3.2**	3.4	**0.5**	0.1
Capital development creditor	**60.1**	78.6	—	—
Trade creditors	**11.2**	14.6	**0.7**	0.9
Other creditors and accruals	**100.9**	78.5	**7.8**	15.8
Amounts due from related undertakings	—	—	—	—
Amounts in respect of joint venture undertaking	—	—	—	—
Deferred government grant	**23.8**	22.7	—	—
Recycled Capital Grant Fund (note 23)	**7.6**	16.8	—	—
	539.4	408.2	**9.0**	17.1

Notes to the financial statements

For the year ending 31 March 2022

22 Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Debt				
Housing and bank loans	**1,247.0**	1,557.1	—	—
Debenture stock/bonds	**1,485.3**	1,187.9	—	—
Discount on bond issue	**(28.9)**	(29.1)	—	—
Obligations under finance leases	**221.2**	222.6	—	—
Derivative financial instruments held to manage the interest rate profile and currency risk	**52.6**	60.2	—	—
Revaluation of foreign currency denominated debt	—	—	—	—
	2,977.2	2,998.7	—	—
Other financial liabilities				
Recycled Capital Grant Fund (note 23)	**49.5**	34.9	—	—
Deferred Government grant	**1,297.4**	1,297.8	—	—
Fair value of breakage costs	**93.3**	98.5	—	—
HomeBuy grant	**35.5**	38.4	—	—
Total creditors falling due after more than one year	**4,452.9**	4,468.3	—	—

Analysis of debt and other financial liabilities	**2022**	2021
These are repayable as follows:	**£'000**	£'000
In one year or less	**259.4**	128.9
In one year or more but less than two years	**188.7**	250.0
In two years or more but less than five years	**972.3**	730.3
In five years or more		
By instalments	**449.5**	474.3
Not by instalments	**1,366.6**	1,544.1
	3,236.5	3,127.6

The total value of the loans subject to a guarantee is £75.0m (2021: £75.0m).

All secured loans are supported by specific charges on the Group's housing properties and are repayable at varying rates of interest from, 0.96% – 11.95%, in instalments.

Included within housing and bank loans is £12.4m (2021: £12.3m) which relates to the cost of debt issue.

Notes to the financial statements

For the year ending 31 March 2022

23 Recycled capital grant and disposal proceeds fund

Recycled capital grant fund		Homes England 2022 £m	Homes England 2021 £m	Greater London Authority 2022 £m	Greater London Authority 2021 £m
At 1 April		**38.3**	35.0	**8.7**	12.0
Inputs to RCGF:	Grant recycled	**5.8**	7.2	**1.9**	1.3
	Interest accrued	**0.1**	—	**—**	—
Recycling of grant:	New build	**(0.1)**	(3.9)	**—**	—
Repayment of grant to the HE/GLA		**—**	—	**(2.3)**	(4.6)
At 31 March		**44.1**	38.3	**8.3**	8.7
Amounts three years old or older where repayment may be required		**23.0**	16.3	**4.0**	0.6

Disposals proceeds fund		Homes England 2022 £m	Homes England 2021 £m	Greater London Authority 2022 £m	Greater London Authority 2021 £m
At 1 April		**—**	—	**—**	0.1
Recycling of grant:	Transferred to reserves	**—**	—	**—**	(0.1)
At 31 March		**—**	—	**—**	—
Amounts three years old or older where repayment may be required		**—**	—	**—**	—

Recycled capital grant fund in respect of Scottish subsidiaries	**4.7**	4.7
Total recycled capital grant fund	**57.1**	51.7

Notes to the financial statements

For the year ending 31 March 2022

24 Financial instruments

Financial risk management objectives and policies
The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Group. The Group Audit & Risk Committee is assisted in its oversight role by Business Assurance. That team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

The Group's treasury function is responsible for the management of funds and control of the associated risks. Its activities are governed in accordance with board approved policy and are subject to regular audit. The function does not operate as a profit centre.

The net cash generated from operating activities was £221.0m (2021: £219.7m). Bank balances and short-term investments were £110.5m at the year end (2021: £108.0m). In addition to this, the Group had further available facilities of £898.4m (2021: £873m) and has established a European Medium Term Note Programme of £293.5m (2021: £554m) for future fundraising.

Market risk
Market risk comprises interest rate risk, currency risk and other price risk.

Interest rate risk
The Group's strategy is to contain interest rate risk within 30% of the loan book, with the board exercising a strict control over derivative transactions; currently 84% of debt is either held at fixed rates of interest or hedged against adverse rate movements.

The Group manages its exposure to this risk through a mix of debt at fixed rates of interest and interest rate hedging techniques.

It is estimated that each quarter percent increase in interest rates would increase interest payable costs by £0.6m per annum.

Currency risk
The Group has no overseas subsidiaries and trades only in sterling. The Group has some debt which is denominated in foreign currency. The Group's strategy is to mitigate currency risk arising from foreign currency denominated debt. This is achieved using cross currency interest rate swaps. Currency cash flow exposure is fully hedged, therefore a change in the foreign currency rate would be fully offset by the swaps.

Other price risk
The Group is impacted by general changes in price levels and specifically the Retail Price Index (RPI). This is because some payments to retail bond holders are directly linked to the RPI.

It is estimated that each quarter percent increase in RPI would increase interest payable costs by £0.16m per annum.

Credit risk
Credit risk arises from exposure to the risk of a loss if a counterparty fails to perform its obligations to the Group. This relates to exposures to financial institutions for investments and cash deposits placed, with corporates for credit granted in the course of operations and with individuals for rent receivable and loans granted.

The Group's credit exposure is virtually all within the United Kingdom.

Whilst the Group's maximum exposure to credit risk is best represented by the carrying value of the individual assets, in most cases the likely exposure is far less due to the nature of the debt held, credit status of counterparties, security held and other actions taken to mitigate the risk to the Group as described below:

- In respect of investments and deposits placed, the Group has established strict counterparty credit limits based on the overall level of its investment activity and the credit quality of the institutions with which investments are placed. External fund managers are employed to manage investment in government securities which are held as debt reserves to credit enhance certain loan stocks; these reserves are held at levels in excess of covenanted requirements in order to manage against the risk of short-term movements in financial markets.
- In respect of financial derivative instruments, the Group treasury team currently performs a weekly review of the credit ratings of all its financial institution counterparties. The credit risk on liquid funds and derivative financial instruments is managed through the Group's policies of monitoring counterparty exposure, concentration of credit risk through the use of multiple counterparties and the use of counterparties of investor grade quality.
- In respect of individuals, tenant arrears are reported each working day and dedicated teams are assigned to maximise debt recovery. In addition, more than half of arrears are collected directly from local authorities, reducing the Group's exposure to individual tenant's credit risk.
- Loans made to customers to purchase Group developed houses are secured by a charge against the relevant property

Notes to the financial statements

For the year ending 31 March 2022

24 Financial instruments (continued)

Liquidity risk and refinancing exposure
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Interest rate risk is considered to be a key component of both market and liquidity risk.

The Group is in compliance with all of its financial covenants contained within its loan documents and loan stocks trust deeds. The Group defines its refinancing risk as loans which do not include some form of amortisation or sinking fund.

The Group utilises short-term revolving bank debt as a consequence of its sales programme. Currently 44.8% of debt matures within the next 5 years, including 7.8% that matures during the next financial year.

Hedging
The Group hedges its currency risk by taking out fixed/fixed cross currency interest swaps and fixed/floating cross currency interest swaps to fix the GBP value of both interest and principal repayable under foreign currency denominated debt. As at 31 March 2022 the Group held net adverse cross currency interest rate swaps with a mark to market value of £46.1m.

Liquidity Risk
The following interest rate risk analysis is considered to be a key component of the Group's liquidity risk.

Ageing Profile and Interest rate risk of financial instruments
For each class of interest bearing financial asset and financial liability, the following tables indicate the range of interest rates effective at the statement of financial position date, the carrying amount on the statement of financial position and the periods in which they reprice, if earlier than the maturity date. The tables take into account interest-bearing assets and liabilities only.

The following ageing profiles include the impact of hedging transactions, all of which have cash flow movements in line with the impact in the statement of comprehensive income.

Notes to the financial statements

For the year ending 31 March 2022

24 Financial instruments (continued)

Ageing profile and interest rate risk of financial assets as at 31 March 2022 — **Group**

	Effective interest rate	Total amount	Within 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Fixed asset investments:								
Fixed rate	3.11%	20.2	—	—	11.8	—	—	8.4
Floating rate	0.30%	6.4	—	—	—	—	—	6.4
Amounts due from related undertakings	9.53%	50.5	23.8	14.2	0.4	—	0.2	11.9
		77.1	23.8	14.2	12.2	—	0.2	26.7
Mortgages and loans		1.2	0.1	0.1	0.1	0.1	0.1	0.7
Derivative financial instruments held to manage interest rate risk		15.6	3.1	0.3	1.5	5.8	4.4	0.5
		93.9	27.0	14.7	13.8	5.9	4.7	27.9

All financial assets carry a fixed interest rate unless otherwise shown.

Comparative figures as at 31 March 2021 were as follows:	Effective interest rate	Total amount	Within 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Fixed asset investments:								
Fixed rate	4.22%	20.2	—	—	—	11.7	—	8.5
Floating rate	0.64%	6.4	—	—	—	—	—	6.4
Amounts due from related undertakings	11.63%	50.8	28.1	3.4	2.0	0.4	—	16.9
		77.4	28.1	3.4	2.0	12.1	—	31.8
Mortgages and loans		1.5	0.1	0.1	0.1	0.1	0.1	1.0
Derivative financial instruments held to manage interest rate risk		5.4	0.9	1.0	(0.3)	1.3	1.6	0.9
		84.3	29.1	4.5	1.8	13.5	1.7	33.7

Notes to the financial statements

For the year ending 31 March 2022

24 Financial instruments (continued)

Ageing profile and interest rate risk of financial liabilities as at 31 March 2022

	Effective interest rate %	Total amount £m	Within 1 year £m	1 – 2 years £m	2 – 3 years £m	3 –4 years £m	4 – 5 years £m	Over 5 years £m
Stocks and bonds:								
Fixed rate	4.02%	1,899.0	59.9	121.2	279.6	45.7	445.7	946.9
Indexed		—	—	—	—	—	—	—
Discount on bond issue		(34.1)	(5.2)	(5.7)	(4.9)	(4.1)	(4.2)	(10.0)
		1,864.9	54.7	115.5	274.7	41.6	441.5	936.9
Housing and other loans:								
Fixed rate	4.26%	1,796.4	213.4	149.8	100.8	165.0	120.9	1,046.5
Index linked	4.39%	51.6	0.3	0.3	0.3	0.3	0.3	50.1
Floating	2.62%	249.7	91.3	29.2	94.0	4.8	0.9	29.5
		2,097.7	305.0	179.3	195.1	170.1	122.1	1,126.1
Finance leases	5.85%	614.2	16.0	16.0	16.0	16.0	16.0	534.2
Derivative financial instruments held to manage interest rate risk		61.8	9.1	1.1	5.0	—	—	46.6
		4,638.6	384.8	311.9	490.8	227.7	579.6	2,643.8

All financial liabilities carry a fixed interest rate unless otherwise shown.

Comparative figures as at 31 March 2021 were as follows:

	Effective interest rate %	Total amount £m	Within 1 year £m	1 – 2 years £m	2 – 3 years £m	3 – 4 years £m	4 – 5 years £m	Over 5 years £m
Stocks and bonds:								
Fixed rate	4.77%	1,546.4	52.4	52.4	113.7	272.1	38.2	1,017.6
Indexed	3.44%	50.3	50.3	—	—	—	—	—
Discount on bond issue		(34.5)	—	—	—	—	—	(34.5)
		1,562.2	102.7	52.4	113.7	272.1	38.2	983.1
Housing and other loans:								
Fixed rate	4.38%	1,828.8	108.8	188.7	80.2	94.6	166.8	1,189.7
Index linked	3.74%	47.8	0.3	0.3	0.3	0.3	0.3	46.3
Floating rate	1.81%	374.6	8.7	98.1	49.1	198.1	2.0	18.6
		2,251.2	117.8	287.1	129.6	293.0	169.1	1,254.6
Finance leases	5.79%	596.8	15.2	15.2	15.2	15.2	15.2	520.8
Derivative financial instruments held to manage interest rate risk		60.3	0.2	11.3	3.7	11.4	2.7	31.0
		4,470.5	235.9	366.0	262.2	591.7	225.2	2,789.5

Trade and other payables are not included in the above tables as they are non-interest bearing and are not subject to interest rate risk.

Notes to the financial statements

For the year ending 31 March 2022

24 Financial instruments (continued)

Borrowing facilities

As at 31 March 2022, the Group had undrawn committed borrowing facilities expiring as follows:

	2022	2021
	£m	£m
In one year or less, or on demand	**23.8**	285.6
In more than one year but not more than two years	**575.0**	162.6
In more than two years	**385.0**	425.0
	983.8	873.2

£37.5m of the undrawn committed borrowing facilities require fixed charge security to be placed with lenders (2021: £62.5m).

Fair values of financial assets and financial liabilities

Set out below is a comparison by category of carrying values and fair values of all of the Group's financial instruments. None of the financial assets or liabilities have been reclassified during the year.

					Group
			2022		2021
	Note	**Book value**	**Fair value**	Book value	Fair value
Financial assets		**£m**	**£m**	£m	£m
Fixed asset investments	15 and 16	**247.1**	**247.6**	253.0	190.2
Current asset investments	20	**3.8**	**3.8**	12.8	12.8
Cash and cash equivalents		**106.7**	**106.7**	95.2	95.2
Long-term debtors	18	**—**	**—**	—	—
Mortgages and loans	18 and 19	**1.4**	**1.4**	1.5	1.5
Derivative financial instruments held to manage interest rate risk	18 and 19	**15.6**	**15.6**	5.4	5.4
Revaluation of foreign currency denominated debt	18	**15.8**	**15.8**	28.2	28.2
Amounts owed from joint venture undertakings	19	**1.4**	**1.4**	1.7	1.7
Financial assets falling due within one year	19	**77.4**	**77.4**	83.7	83.7
		469.2	**469.7**	481.5	418.7
Financial liabilities					
Debenture stocks and bonds	21 and 22	**1,487.9**	**1,583.6**	1,240.2	1,447.9
Discount on bond issue	21 and 22	**(34.0)**	**(34.0)**	(34.5)	(34.5)
Housing loans	21 and 22	**1,498.5**	**1,498.5**	1,637.3	1,637.3
Revaluation of foreign currency denominated debt	22	**—**	**—**	—	—
Derivative financial instruments held to manage interest rate risk	21 and 22	**61.7**	**61.7**	60.4	60.4
Other financial liabilities	21 and 22	**279.7**	**279.7**	276.0	276.0
Financial liabilities falling due within one year	21	**162.0**	**162.0**	180.6	180.5
		3,455.8	**3,551.5**	3,360.0	3,567.6

Of the financial assets above £15.6m (2021: £5.4m) are derivative financial instruments with the remaining amounts being measured and amortised cost.

Of the financial liabilities above £61.7m (2021: £60.4m) are derivative financial instruments with the remaining amounts being measured at amortised cost.

Notes to the financial statements

For the year ending 31 March 2022

24 Financial instruments (continued)

Investments in debt and equity securities
The fair value of held-to-maturity investments is determined by reference to their quoted bid price at the statement of financial position date. The fair value of held-to-maturity investments after initial recognition is determined for disclosure purposes only.

Financial assets falling due within one year, long-term debtors and mortgages
The fair value of these assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Financial liabilities
The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Cash and cash equivalents
The fair value of cash is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date.

Interest-bearing borrowings
Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the statement of financial position date.

Derivative financial instruments
The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair value hierarchy
The measurement of fair value for financial instruments has been done using a level 2 valuation technique. The definition of this technique per the standard is a valuation using inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Notes to the financial statements

For the year ending 31 March 2022

25 Pension obligations

The pension costs for Places for People Group relate to 13 schemes of which employees and former employees are members. Details of each scheme are set out below.

	2022 £m	2021 £m
Group defined benefit scheme surplus		
PFPL (Holdings) Limited "PFPL (Holdings)"	**1.2**	0.1
Places for People Group Retirement Benefit Scheme "PFP Group"	**10.6**	—
The Scottish Housing Associations' Pension Schemes "SHAPS"	**—**	—
Residential Management Group section of the Citrus Pension Plan "RMG"	**0.6**	—
	12.4	0.1
Group defined benefit scheme liabilities		
Places for People Group Retirement Benefit Scheme "PFP Group"	**—**	(1.8)
The Social Housing Pension Scheme "SHPS"	**(4.2)**	(8.4)
The Scottish Housing Associations' Pension Schemes "SHAPS"	**—**	(2.9)
Cambridgeshire County Council Pension Fund "CCCPF"	**(4.5)**	(9.0)
Residential Management Group section of the Citrus Pension Plan "RMG"	**—**	(0.3)
PFPL (Holdings) Limited "PFPL (Holdings)"	**—**	—
	(8.7)	(22.4)

The Places for People Group Retirement Benefit Scheme
The Group operates a defined benefit pension arrangement called the *Places for People Group Retirement Benefit Scheme.*

This scheme is operated by the Group and is an independently administered defined benefit scheme based on final pensionable salary. The scheme was closed to new members as at 1 September 2004 and was closed to future accrual in October 2010. The most recent formal actuarial valuation was completed as at 31 March 2021 and has been updated by the independent actuary to take account of the requirements of FRS102. As part of the actuarial valuation as at 31 March 2021, the Group agreed a schedule of contributions which included the Group paying annual contributions of £6.6m between 1 April 2021 and 31 March 2026. The Group expects to contribute £6.6m to the scheme during the year to 31 March 2023.

A number of issues have been identified with the Scheme Rules in the Group's Retirement Benefit Scheme that may result in increased liabilities. During the year, the Group has continued to work with its own and the Trustee's advisors to assess these issues. Efforts will be made to resolve them through discussions with the Representative Beneficiary of the pension scheme. At this stage, the value of any additional liabilities cannot be quantified and so no further details are disclosed. Any resolution, whether flowing from agreement between the interested parties or from court proceedings, will take time to achieve.

The Trust Deed provides the Group with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surplus in the UK scheme is recognised in full.

The funding plan is for the Scheme to hold assets equal to the value of the benefits earned by employees, based on a set of assumptions used for funding the scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the Group and Trustee agree on deficit contributions to meet this deficit over a period.

The mortality assumption used at 31 March 2022 is 115% S3NA CMI_2021 extended projections with a long-term rate of improvement of 1.0% pa, w2021 parameter of 10%, and all other parameters set at their default values. The mortality assumption used at 31 March 2021 was 105% S2PA CMI_2020 core projections with a long-term rate of improvement of 1.0% pa. Based on these assumptions, a male currently aged 60 years old has a life expectancy of 25.4 years (2021: 25.5 years), a female currently aged 60 years old has a life expectancy of 28.2 years (2021: 27.8 years), a male currently aged 40 years old will expect to have a life expectancy of 26.5 years (2021: 26.7 years) when they reach age 60 and a female currently aged 40 years old will expect to have a life expectancy of 29.4 years (2021: 29.0 years) when they reach age 60.

Over the year to 31 March 2022 the Trustee of the Scheme has undertaken a review of the option factors available to members and updated them to reflect latest market conditions as well as for consistency with the funding basis agreed for the 31 March 2021 valuation.

This review resulted in an update to all member option factors, in particular a c20% increase to commutation factors and a c3.5% pa increase to early retirement factors.

Updating our liability calculations to reflect these updated member option factors has resulted in a c4% increase to the FRS102 liabilities as at 31 March 2022. We assume that non-pensioners take the maximum tax-free cash at retirement, which is the same as assumed as at 31 March 2021.

Notes to the financial statements

For the year ending 31 March 2022

25 Pension obligations (continued)

The Places for People Leisure Group Retirement Benefit Scheme
PFPL (Holdings) Limited operates a defined benefit scheme. The assets of the scheme are held in a separately administered fund and the plan is administered by an independent trustee body who are responsible for ensuring that the scheme is sufficiently funded to meet current and future obligations. The liabilities have been calculated based on the results of the full Scheme Funding Assessment as of 30 April 2019, allowing for additional benefit accrual and benefits paid. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

PfPL (Holdings) Limited has agreed a funding plan with the Trustees of the scheme, whereby ordinary contributions are made into the Scheme based on a percentage of active employees' salary. Additional contributions are agreed with the Trustees to reduce the funding deficit where necessary.

The mortality assumption used at 31 March 2022 is 95% of S3PxA CMI_2020 core improvements [0.50% p. a long-term rate]. Based on these assumptions, a male currently aged 65 years old has a life expectancy of 22.5 years (2021: 22.7 years), a female currently aged 65 years old has a life expectancy of 24.9 years (2021: 25.0 years), a male currently aged 45 years old has a life expectancy of 43.7 years (2021: 44.0 years) and a female currently aged 45 years old has a life expectancy of 46.2 years (2021: 46.3 years).

Residential Management Group Limited Retirement Benefit Scheme
Residential Management Group Limited operates a defined benefit pension scheme, the Residential Management Group section of the Citrus Pension Plan ("Citrus"), with assets held in separately administered funds. The scheme provides retirement benefits on the basis of members' final salary.

The Trust Deed provides Residential Management Group Limited with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surplus in the UK scheme is recognised in full.

An actuarial valuation of the RMG scheme was carried out as at 31 March 2022.

Assumed to be in line with CMI 2020 model with an adjustment to allow for increased smoothing and a long-term rate of improvement at 1.5% p.a. for males and females. The mortality assumption used at 31 March 2022 is 90% of S2PxA CMI_2020 core improvements [1.5% p.a. long-term rate]. The mortality assumption used at 31 March 2021 is 90% of S2PxA CMI_2017 core improvements [1.5% p.a. long-term rate].

Based on these assumptions, a male currently aged 65 years old has a life expectancy of 21.7 years (2021: 22.5 years), a female currently aged 65 years old has a life expectancy of 24.8 years (2021: 23.7 years), a male currently aged 45 years old has a life expectancy of 44.5 years (2021: 45.1 years) and a female currently aged 45 years old has a life expectancy of 47.0 years (2021: 47.4 years).

Cambridgeshire County Council Pension Fund
The CCCPF is a multi-employer scheme administered by Cambridgeshire County Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary using the projected unit method. The latest Triennial actuarial valuation was at 31 March 2019. The CCCPF is open to the employees of Luminus Group Limited.

The mortality assumption used at 31 March 2022 is that a male currently aged 65 years old has a life expectancy of 22.0 years (2021: 22.2 years), a female currently aged 65 years old has a life expectancy of 24.2 years (2021: 24.4 years), a male currently aged 45 years old has a life expectancy of 42.9 years (2021: 43.2 years) and a female currently aged 45 years old has a life expectancy of 46.0 years (2021: 46.2 years).

Social Housing Pension Scheme
Places for People Homes Limited, Cotman Housing Association Limited and Derwent Housing Association Limited participate in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to non-associated employers.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

SHPS is classified as a 'last-man standing arrangement'. Therefore the company 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.

For financial years ending on or before 28 February 2019, it had not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group has previously accounted for SHPS as a defined contribution scheme. For financial years ending on or after 31 March 2019, it was possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme.

The mortality assumption used at 31 March 2022 is that a male currently aged 65 years old has a life expectancy of 21.1 years (2021: 21.1 years), a female currently aged 65 years old has a life expectancy of 23.7 years (2021: 23.5 years), a male currently aged 45 years old has a life expectancy of 42.4 years (2021:42.9 years) and a female currently aged 45 years old has a life expectancy of 45.2 years (2021: 45.1 years).

Notes to the financial statements

For the year ending 31 March 2022

25 Pension obligations (continued)

Scottish Housing Associations' Pension Scheme
Places for People Scotland Limited and Castle Rock Edinvar Housing Association Limited participate in the Scottish Housing Associations' Pension Scheme (SHAPS), a multi-employer scheme which provides benefits to non-associated employers.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A recovery plan has been put in place to eliminate the deficit which runs to 31 March 2023 for the majority of employers, although certain employers have different arrangements.

SHAPS is classified as a 'last-man standing arrangement'. Therefore the company 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.

For financial years ending on or before 28 February 2019, it had not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group had previously accounted for SHAPS as a defined contribution scheme. For financial years ending on or after 31 March 2019, it was possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme.

The mortality assumption used at 31 March 2022 is that a male currently aged 65 years old has a life expectancy of 21.6 years (2021: 21.5 years), a female currently aged 65 years old has a life expectancy of 23.9 years (2021: 23.2 years), a male currently aged 45 years old has a life expectancy of 42.9 years (2021: 42.8 years) and a female currently aged 45 years old has a life expectancy of 45.4 years (2021: 44.5 years).

The major assumptions used by the actuaries of each scheme were:

			2022			
	SHPS	**SHAPS**	**PFP Group**	**PFPL (Holdings)**	**RMG**	**CCCPF**
	%	**%**	**%**	**%**	**%**	**%**
Discount rate	**2.80**	**2.80**	**2.80**	**2.80**	**2.70**	**2.70**
Rate of RPI inflation	**3.60**	**3.60**	**3.80**	**3.69**	**3.65**	**n/a**
Rate of increase in salaries	**4.26**	**3.19**	**3.60/2.30[1]**	**3.68**	**3.20**	**3.70**
Rate of increase in pension payments	**n/a**	**n/a**	**n/a**	**3.08**	**n/a**	**3.20**
Rate of CPI inflation	**2.96**	**2.89**	**n/a**	**3.18**	**3.20**	**3.20**
			2021			
	%	%	%	%	%	%
Discount rate	2.10	2.10	2.10	1.96	2.40	2.00
Rate of RPI inflation	3.30	3.30	3.30	3.39	3.45	n/a
Rate of increase in salaries	3.84	3.87	2.60/1.90[1]	3.35	2.45	3.35
Rate of increase in pension payments	n/a	n/a	n/a	2.80	n/a	2.85
Rate of CPI inflation	2.60	2.60	n/a	2.85	2.45	n/a

[1] RPI max 5% pa/ RPI max 2.5% pa

Notes to the financial statements

For the year ending 31 March 2022

25 Pension obligations (continued)

The major categories of assets as a percentage of total assets are as follows:

	2022					
	SHPS	**SHAPS**	**PFP Group**	**PFPL (Holdings)**	**RMG**	**CCCPF**
	%	**%**	**%**	**%**	**%**	**%**
Diversified growth funds, hedge funds and structure funds	**10.9**	**11.6**	**20.0**	**22.1**	**—**	**—**
Equities	**22.5**	**23.0**	**19.0**	**60.9**	**14.9**	**69.0**
Gilts	**—**	**—**	**—**	**5.4**	**—**	**15.0**
Liability driven investments	**31.1**	**28.3**	**25.0**	**—**	**21.2**	**—**
Absolute return bonds	**10.9**	**11.4**	**—**	**—**	**7.4**	**—**
Corporate bonds	**6.7**	**6.3**	**29.0**	**6.2**	**23.2**	**—**
Cash and cash equivalents	**0.3**	**0.3**	**7.0**	**1.1**	**15.5**	**1.0**
Other fixed interest	**3.7**	**5.3**	**—**	**—**	**6.2**	**—**
Insurance linked securities	**2.3**	**2.1**	**—**	**—**	**6.6**	**—**
Direct lending	**6.3**	**6.2**	**—**	**1.8**	**5.0**	**—**
Property	**5.3**	**5.5**	**—**	**2.5**	**—**	**15.0**

	2021					
	SHPS	SHAPS	PFP Group	PFPL (Holdings)	RMG	CCCPF
	%	%	%	%	%	%
Diversified growth funds, hedge funds and structure funds	14.5	14.1	20.0	17.2	15.8	—
Equities	19.6	19.0	17.0	69.4	14.0	69.0
Gilts	—	—	—	3.6	—	15.0
Liability driven investments	30.1	28.8	26.0	—	15.1	—
Absolute return bonds	11.6	11.2	—	—	15.4	—
Corporate bonds	5.9	7.5	30.0	4.9	9.8	—
Cash and cash equivalents	—	—	7.0	1.1	18.2	1.0
Other fixed interest	4.2	5.5	—	—	—	—
Insurance linked securities	2.4	2.1	—	—	6.7	—
Direct lending	7.7	7.7	—	1.4	5.0	—
Property	4.0	4.1	—	2.4	—	15.0

Notes to the financial statements

For the year ending 31 March 2022

25 Pension obligations (continued)

Amounts recognised in the Statement of Financial Position

	Value at 31 March 2022						
	SHPS	**SHAPS**	**PFP Group**	**PFPL (Holdings)**	**RMG**	**CCCPF**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Fair value of assets	**38.1**	**30.8**	**247.3**	**7.4**	**7.1**	**32.1**	**362.8**
Present value of the scheme's liabilities	**(42.3)**	**(30.5)**	**(236.7)**	**(6.3)**	**(6.5)**	**(36.6)**	**(358.9)**
Acturial losses on asset ceiling	**—**	**(0.3)**	**—**	**—**	**—**	**—**	**(0.3)**
Surplus/(deficit) in the scheme	**(4.2)**	**—**	**10.6**	**1.1**	**0.6**	**(4.5)**	**3.6**

	Value at 31 March 2021						
	SHPS	SHAPS	PFP Group	PFPL (Holdings)	RMG	CCCPF	Total
	£m	£m	£m	£m	£m	£m	£m
Fair value of assets	37.0	30.0	249.2	6.9	6.6	29.9	359.6
Present value of the scheme's liabilities	(45.4)	(32.9)	(251.0)	(6.8)	(6.9)	(38.9)	(381.9)
Surplus/(deficit) in the scheme	(8.4)	(2.9)	(1.8)	0.1	(0.3)	(9.0)	(22.3)

Notes to the financial statements

For the year ending 31 March 2022

25 Pension obligations (continued)

Amounts recognised in the Statement of Comprehensive Income

	Year ending 31 March 2022						
	SHPS £m	**SHAPS £m**	**PFP Group £m**	**PFPL (Holdings) £m**	**RMG £m**	**CCCPF £m**	**Total £m**
Current service cost	—	—	—	(0.1)	(0.1)	(0.4)	(0.6)
Amount charged in arriving at operating profit	—	—	—	(0.1)	(0.1)	(0.4)	(0.6)
Expected return on plan assets	0.8	0.6	5.2	0.1	0.1	0.6	7.4
Interest on scheme liabilities	(0.9)	(0.7)	(5.2)	(0.1)	(0.1)	(0.8)	(7.8)
Amount charged/(credited) to other finance costs	(0.1)	(0.1)	—	—	—	(0.2)	(0.4)
Total charged to the statement of comprehensive income	(0.1)	(0.1)	—	(0.1)	(0.1)	(0.6)	(1.0)

	Year ending 31 March 2021						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
Current service cost	—	—	—	(0.1)	(0.1)	(0.3)	(0.5)
Amount charged in arriving at operating profit	—	—	—	(0.1)	(0.1)	(0.3)	(0.5)
Expected return on plan assets	0.9	0.7	6.0	0.1	0.1	0.6	8.4
Interest on scheme liabilities	(1.0)	(0.7)	(5.3)	(0.1)	(0.1)	(0.7)	(7.9)
Amount charged/(credited) to other finance costs	(0.1)	—	0.7	—	—	(0.1)	(0.5)
Total charged to the statement of comprehensive income	(0.1)	—	0.7	(0.1)	(0.1)	(0.4)	—

Amounts recognised in Other Comprehensive Income

	Year ending 31 March 2022						
	SHPS £m	**SHAPS £m**	**PFP Group £m**	**PFPL (Holdings) £m**	**RMG £m**	**CCCPF £m**	**Total £m**
Actuarial gain/(loss) in pension scheme	3.1	2.0	5.8	1.0	0.9	4.5	17.3

	Year ending 31 March 2021						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
Actuarial gain/(loss) in pension scheme	(5.0)	(2.6)	(33.0)	0.6	(0.7)	(2.3)	(43.0)

Notes to the financial statements

For the year ending 31 March 2022

25 Pension obligations (continued)

The change in the fair value of the plan assets is analysed as follows:

	Year ending 31 March 2022						
	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
As at 1 April 2021	37.0	30.0	249.2	6.9	6.6	29.9	359.6
Interest on plan assets	0.8	0.6	5.2	0.1	0.1	0.6	7.4
Company contributions	1.3	1.0	6.6	0.2	0.2	0.6	9.9
Contribution by scheme participants	—	—	—	—	—	0.1	0.1
Benefits paid	(1.4)	(1.1)	(7.0)	(0.1)	(0.1)	(1.1)	(10.8)
Return on assets less interest	0.4	0.3	(6.7)	0.3	0.3	2.0	(3.4)
As at 31 March 2022	38.1	30.8	247.3	7.4	7.1	32.1	362.8

Actual return on scheme assets	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
For year ending 31 March 2022	1.2	0.9	(1.5)	0.4	0.4	2.6	4.0
For year ending 31 March 2021	3.4	3.2	9.1	1.6	0.7	5.8	23.8

The change in the present value of the defined benefit obligations is analysed as follows:

	SHPS £m	SHAPS £m	PFP Group £m	PFPL (Holdings) £m	RMG £m	CCCPF £m	Total £m
As at 1 April 2021	45.4	32.9	251.0	6.8	6.9	38.9	381.9
Current service costs	—	—	—	0.1	0.1	0.4	0.6
Past service costs	—	—	—	—	—	—	—
Contribution by scheme participants	—	—	—	—	—	0.1	0.1
Administration costs	—	—	—	—	—	—	—
Interest costs	0.9	0.7	5.2	0.1	0.1	0.8	7.8
Benefits paid	(1.3)	(1.1)	(7.0)	(0.1)	(0.1)	(1.0)	(10.6)
Actuarial losses/(gains) from changes to demographic assumptions	(0.7)	0.1	7.9	—	—	(0.2)	7.1
Actuarial losses from changes to financial assumptions	(4.1)	(2.6)	(23.6)	—	—	(2.5)	(32.8)
Actuarial (gain)/loss on obligation	2.1	0.5	3.2	(0.6)	(0.5)	0.1	4.8
As at 31 March 2022	42.3	30.5	236.7	6.3	6.5	36.6	358.9

Notes to the financial statements

For the year ending 31 March 2022

26 Capital commitments

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Capital expenditure that has been authorised and contracted for but has not been provided for in the financial statements	**202.9**	132.2	**—**	—
Capital expenditure that has been authorised by the board of directors	**1,575.8**	1,017.7	**—**	—

The above commitments will be financed in accordance with the treasury management policy which is detailed in the operating review and note 24 of these financial statements.

The commitments under non-cancellable operating leases for the following year, analysed according to the period in which each lease expires, are set out below.

			Group			Company
	Land and buildings	**Motor vehicles & equipment**	Land and buildings	Motor vehicles & equipment	**Motor vehicles & equipment**	Motor vehicles & equipment
	2022	**2022**	2021	2021	**2022**	2021
	£m	**£m**	£m	£m	**£m**	£m
In one year or less	**6.0**	**3.7**	1.9	3.5	**0.3**	0.2
In one year or more but less than five years	**15.6**	**5.1**	8.0	3.0	**0.2**	0.2
In more than five years	**20.5**	**—**	10.6	3.3	**—**	0.1
	42.1	**8.8**	20.5	9.8	**0.5**	0.5

27 Contingent liabilities

The Group is working with its advisers to resolve issues raised by HMRC relating to the Groups use of the VAT sporting exemption in its Leisure business. This could potentially result in a material liability to the Group, at this stage the value of potential payments cannot be quantified.

The Group is party to certain legal actions arising in the ordinary course of business. While the outcome of these cases is uncertain, the directors believe, on the basis of advice received, that no material loss to the Group will occur. Having made due enquiries the directors are not aware of any further contingent liabilities.

28 Related party transactions

Defined benefit schemes

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Group and its subsidiaries are members of the following defined benefit schemes: The Social Housing Pension Scheme, The Scottish Housing Associations Pension Scheme, The Places for People Group Retirement Benefit Scheme, The PFPL (Holdings) Limited scheme, the Residential Management Group section of the Citrus Pension Plan and the Cambridgeshire County Council Local Government Pension Scheme. Details of transactions with the schemes are disclosed in note 25.

Key management personnel of the entity or its parent

Places for People Ventures Operations Limited held a £nil (2021:£200,000) investment in an asset management company, the prior year comprised of a £100,000 loan and an investment of £100,000. During the year ended 31 March 2021 the investment was sold for £105,000. No dividends were received from this company in the year (2021: £nil). During the year ended 31 March 2021 the director involved in this company resigned from the Group.

Notes to the financial statements

For the year ending 31 March 2022

28 Related party transactions (continued)

The Group had the following transactions during the year with joint ventures, associates and other external investments.

	Services provided	Services received	Amounts outstanding at 31 March 2022	Interest received	Dividends received
	£	£	£	£	£
Alumno Student (Alscot) Limited	—	—	—	892	—
Alumno Student (Bermondsey) Limited	—	—	—	158,801	—
Alumno Student (Essex) Limited	—	—	—	339,425	—
Alumno Student (Lewes Road) Limited	—	—	—	190,730	—
Alumno Student (Manchester) Limited	—	—	—	667	—
Alumno Student (Sheffield) Limited	—	—	—	1,902,926	—
Alumno Student (Whitelock) Limited	—	—	—	158,847	—
Alumno Student Management Limited	—	200,014	—	333,791	—
Big Issue	—	—	—	18,188	—
Boxed Energy Limited	2,220,488	192,135	—	7,000	—
Brooklands LLP	17,124,275	12,193,301	615,800	3,132,523	—
Countryside Places for People (Lower Hearne) LLP	—	—	—	76,354	—
East Wick & Sweetwater Projects (Holdings) Limited	1,170,616	—	171,638	—	—
Global Habitat Housing SL	—	66,339	—	—	—
Ickneild Port Loop LLP	—	—	—	23,636	—
National Places LLP	18,496	200	8,892	—	—
PFP US JV LLP	—	—	—	966,196	—
PFP US (IPL) LLP	54,000	—	—	—	—
PFPC MMR LP	32,692	—	—	—	—
Picture Living LP	—	—	—	—	725,000
Romsey Extra Care Ltd	—	—	—	282,521	—
South Ridge Development LLP	1,923,595	—	—	—	—
Uliving@Essex phase 2	851,676	—	67,713	—	61,604
Uliving@Gloucestershire Holdco	1,092,619	—	75,986	—	94,617
Uliving@Hertfordshire Holdco	3,581,222	—	—	—	699,169
	28,069,677	**12,651,989**	**940,030**	**7,592,497**	**1,580,390**

The Group had no transactions during the year with companies associated with key management personnel and directors.

Notes to the financial statements

For the year ending 31 March 2022

29 Disclosure of Group undertakings

The following joint venture arrangements are related undertakings of the Places for People Group and unless stated otherwise, are incorporated in the UK. The registered office address for each entity is 305 Gray's Inn Road, London, WC1X 8QR, unless stated otherwise.

Subsidiaries

Name	Class of share held	Proportion of shares held
Allenbuild Limited	Ordinary A* & B*	100%
Allenbuild (South East) Limited	Ordinary*	100%
Blueroom Properties Limited	Ordinary/Preference*	100%
Braintree District Leisure Community Association Ltd**	N/A	N/A
Brio Care Landale Limited[1]	Ordinary*	100%
Brio Care Limited	Ordinary*	100%
Brio Retirement Living (Applegreen) Limited	Ordinary A* & B*	100%
Brio Retirement Living (Barton Marina) Limited	Ordinary*	100%
Brio Retirement Living (Chapelton) Limited[1]	Ordinary*	100%
Brio Retirement Living (Chester) Limited	Ordinary*	100%
Brio Retirement Living (Holdings) Limited	Ordinary*	100%
Brio Retirement Living (JV) Limited	Ordinary*	100%
Brio Retirement Living (Midco) Limited	Ordinary*	100%
Brio Retirement Living (Poundbury) Limited	Ordinary*	100%
Brio Retirement Living (Sole Risk) Limited	Ordinary A* & B*	100%
Brio Retirement Living (Stow on the Wold) Limited	Ordinary*	100%
Castle Rock Edinvar Housing Association Limited***[1]	National/Community	100% of National s/holding
Centro Place Investments Limited[2]	Ordinary*	100%
Centro Place Management Limited[2]	Ordinary*	100%
Chorus Homes Developments Limited	Ordinary*/Preference*	100%
Chorus Homes Finance Limited**	N/A	N/A
Chorus Homes Group Limited**	N/A	N/A
Chorus Homes Limited***	Ordinary*	100%
Christchurch Estates Limited[3]	Ordinary*	100%
Cotman Housing Association Limited***	National/Community	100% of National s/holding
Curzon Street Management Limited[3]	Ordinary*	100%
David Glass Associates Limited[3]	Ordinary*	100%
Derwent Community Housing Association Limited***[2]	Ordinary*	100%
Derwent Facilities Management Limited[2]	Ordinary*	100%
Derwent Housing Association Limited***	Ordinary	100%
Design your Home Limited[4]	Ordinary	100%
East Wick and Sweetwater Management Company Limited	Ordinary	100%
Emblem Homes Limited	Ordinary*/Preference*	100%
F & S Property Management Limited[3]	Ordinary*	100%
Girlings Retirement Rentals Limited	Ordinary*	100%
Gross Fine[3]	Ordinary A* & B*	100%
Gross Fine (Holdings) Limited[3]	Ordinary*	100%
Gross Fine Management Limited[3]	Ordinary*	100%
Gross Fine Services Limited[3]	Ordinary*	100%
Hertford Company Secretaries Limited[3]	Ordinary*	100%
HNJV Limited	Ordinary*/Preference*	100%
Hope Social Enterprises Limited	Ordinary*	100%
JVCO Limited	Ordinary/Preference*	100%
Leisure & Community Partnership Limited**	N/A	N/A
Lothian Housing Association Limited[1]	Ordinary*	100%
Matilda's Academy Limited	Ordinary*	100%
Matilda's Blanket Limited	Ordinary*	100%
Matilda's Planet Group Limited	Ordinary*, Ordinary A* & B*	75%
Matilda's Planet Manufacturing Limited	Ordinary*	100%
Matilda's Radiant Heating Limited	Ordinary A* & B*	94%
Matilda's Warm Homes Limited	Ordinary*	75%
Matildasplanet Houses Limited	Ordinary*	100%
Matildasplanet Housing Solutions Limited	Ordinary*	100%
Matildasplanet Thermal Systems Limited	Ordinary*	100%

Notes to the financial statements

For the year ending 31 March 2022

29 Disclosure of Group undertakings (continued)

Subsidiaries (continued)

Name	Class of share held	Proportion of shares held
MDH (Group) Limited[5]	Ordinary A*, B*, C*, D*, E* & F*	100%
Millwood Contracts Limited[5]	Ordinary*	100%
Millwood Designer Homes Limited[5]	Ordinary A* & B*	100%
Millwood Designer Homes Kent Ltd[5]	Ordinary*	100%
Millwood Designer Homes (Southern) Limited[5]	Ordinary*	100%
Minton Healthcare (Buckingham) Limited	Ordinary*	100%
ModularWise Limited	Ordinary*	100%
Officers Field Development Limited	Ordinary*/Ordinary A*	100%
Osterna Limited[6]	Ordinary*	100%
PFP Capital Limited	Ordinary/Preference*	100%
PFP Cosec 2 Limited	Ordinary	100%
PFP Cosec 4 Limited	Ordinary*	100%
PFPC 1 GP Limited	Ordinary*	100%
PFPC 1 LP*****	N/A	N/A
PFPC MMR GP Limited[1]	Ordinary*	100%
PFPC MMR 1 LP[7]	N/A	N/A
PFP Spatia GP Limited	Ordinary*	100%
PFP Spatia LP	N/A	N/A
PFPL Developments Limited	Ordinary*	100%
PFPL (Holdings) Limited	Ordinary*	100%
PFPL Projects (Epping) Ltd	Ordinary*	100%
PFPL Projects (Hinckley) Ltd	Ordinary*	100%
PFPL Projects (Gosport) Ltd	Ordinary*	100%
PFPL Projects (Sandwell) Ltd	Ordinary*	100%
PFPL Projects (Sparkhill) Ltd	Ordinary*	100%
PFPL Projects (Surrey Heath) Ltd	Ordinary*	100%
PFPL Projects (Wyre Forest) Ltd	Ordinary*	100%
PFP-Igloo (General Partner) Limited	Ordinary*	100%
PFP-Igloo Limited Partnership*****	N/A	N/A
PFP-Igloo Nominees Limited	Ordinary*	100%
PFP MMR Developments Limited[1]	Ordinary*	100%
PFP Manco Holdings Limited	Ordinary	100%
PFP SW Avon Limited	Ordinary*	100%
Places Developments (Holdings) Limited	Ordinary*, Ordinary B* & Preference*	100%
Placeford Properties LLP	N/A	N/A
Places Academy Limited	Ordinary*	100%
Places for People Arrangements 1 Limited	Ordinary	100%
Places for People Capital Markets Plc	Ordinary	100%
Places for People Developments Limited	Ordinary*/Preference*	100%
Places for People Finance plc	Ordinary	100%
Places for People Financial Services Limited	Ordinary/Preference*	100%
Places for People Green Services Limited	Ordinary*	100%
Places for People Homes Limited***	Ordinary	100%
Places for People Landscapes Limited	Ordinary*	100%
Places for People Leisure Community Association Limited**	N/A	N/A
Places for People Leisure Limited**	N/A	N/A
Places for People Leisure Management Limited	Ordinary*	100%
Places for People Leisure Partnerships**	N/A	N/A
Places for People Living+ Limited***	Ordinary	100%
Places for People Pension Car Limited	Ordinary/Preference*	100%
Places for People Pension Trustee Limited	Ordinary*	100%
Places for People Retirement Limited	Ordinary*/Preference*	100%
Places for People Scotland Limited[1]	Ordinary A*/Preference*	100%
Places for People Scotland (GP) Limited[1]	Ordinary*	100%
Places for People Scottish Limited Partnership****[1]	N/A	N/A
Places for People SPV 1 Limited**	N/A	N/A
Places for People SPV 2 Limited**	N/A	N/A

Notes to the financial statements

For the year ending 31 March 2022

29 Disclosure of Group undertakings (continued)

Subsidiaries (continued)

Name	Class of share held	Proportion of shares held
Places for People Treasury plc	Ordinary	100%
Places for People Ventures Limited	Ordinary/Preference*	100%
Places for People Ventures Operations Limited	Ordinary*/Preference*	100%
Places Homes Limited	Ordinary	100%
Places Leisure Limited	Ordinary*	100%
Places Living+ Limited	Ordinary	100%
Places Management Limited	Ordinary*	100%
Places Students Limited	Ordinary*	100%
Residential Management Group Limited[3]	Ordinary* & Ordinary B	100%
Residential Management Group Scotland Limited[8]	Ordinary*	100%
Residential Management Property Limited[3]	Ordinary*	100%
RMG Asset Management Limited[3]	Ordinary*	100%
RMG Client Services Limited[3]	Ordinary*	100%
Sam Jones (Clubs) Limited	Ordinary*	100%
Shrubhill Investments Limited[1]	Ordinary*	100%
Smith's Dock LLP	N/A	N/A
The Engine Yard Edinburgh Ltd	Ordinary & Ordinary C*	99%
The Places Foundation**	N/A	N/A
Tila Commercial Limited	Ordinary*	100%
Touchstone Corporate Property Services Limited	Ordinary* & Ordinary B	100%
Upper Strand Developments Limited[1]	Ordinary*/Preference*	100%
Urban Matrix (Ditton) LLP	N/A	N/A
Wood Carewell Managements Limited[3]	Ordinary*	100%
Wood Group Trustees Limited[3]	Ordinary*	100%
Wood Management Trustees Limited[3]	Ordinary*	100%
Wood Managements Limited[3]	Ordinary*	100%
Wood Managements Group Limited	Ordinary*	100%
Wood Trustees Limited[3]	Ordinary* & Ordinary Deferred*	100%
ZeroC Acheson Consortium Limited	Ordinary*	100%
Zero C Holdings Limited	Ordinary* & Ordinary A*	100%
ZeroC Group (2008) Limited	Ordinary*, Ordinary A* & B*	100%

1 1 Hay Avenue, Edinburgh, EH16 4RW
2 1 Centro Place, Pride Park, Derby, England, DE24 8RF
3 RMG House, Essex Road, Hoddesdon, Hertfordshire, EN11 0DR
4 The White House, 10 Clifton, York, North Yorkshire, YO30 6AE
5 6 Alexander Grove, Kings Hill, West Malling, England, ME19 4XR
6 Chelford House, Gadbrook Park, Northwich, Cheshire, England, CW9 7LN
7 c/o Places for People, 1 St Andrew Square, 2nd Floor, Edinburgh, EH2 2BD
8 Unit 6, 95 Morrison Street, Glasgow, G5 8BE

* Shares held by other Group entities but ultimately held by the Group.
** A company limited by guarantee without any share capital.
*** A registered society registered under the Co-operative & Community Benefit Societies Act 2014. Through separate written agreements, the Group ultimately exercises control over the functions and operations of these entities.
**** A Scottish limited partnership.
***** A limited partnership.

Notes to the financial statements

For the year ending 31 March 2022

29 Disclosure of Group undertakings (continued)

Joint Ventures/partnerships

Name	Class of shares held	Proportion of nominal value of share class held	Proportion of all share classes
Alumno Group Limited****	Ordinary A*	100%	50%
Bigg Regeneration Limited Partnership***[1]	N/A	N/A	N/A
Bigg Regeneration (General Partner) Limited[1]	Ordinary A*	100%	50%
Blueprint Limited Partnership***[2]	N/A	N/A	N/A
Blueprint (General Partner) Limited[2]	Ordinary*	50%	50%
Blueprint (Nominees) Limited[2]	Ordinary*	50%	50%
Boxed Energy Limited[3]	A Ordinary*	100%	50%
Brick House Port Loop Residents Management Company Limited[10]	N/A	N/A	N/A
Brooklands Milton Keynes LLP[5]	N/A	N/A	N/A
Cityscape Edinburgh LLP[6]	N/A	N/A	N/A
Countryside Places for People (Lower Herne) LLP[7]	N/A	N/A	N/A
East Wick & Sweetwater Projects (Holdings) Ltd*****[8]	A Ordinary*/A Preference*	100%	50%
East Wick & Sweetwater Finance (Holdings) Ltd[8]	Ordinary*	50%	50%
East Wick & Sweetwater Projects (Finance) Ltd[8]	Ordinary*	50%	50%
Global Habitat Housing SL[9]	Ordinary	50%	50%
Icknield Port Loop LLP[4]	N/A	N/A	N/A
Lakeshore Timber LLP[4]	N/A	N/A	N/A
Lighthouse Court LLP[6]	N/A	N/A	N/A
Namegrace Limited[10]	Ordinary B*	100%	50%
National Places LLP	N/A	N/A	N/A
PFP US (IPL) LLP[4]	N/A	N/A	N/A
PFP US JV LLP[4]	N/A	N/A	N/A
PFP US JV (Nominee 1) Limited[4]	Ordinary*	50%	50%
PFP US Residential (Park Hill) Limited[4]	Ordinary*	50%	50%
Phase 1a Port Loop Residents Management Company Limited[10]	N/A	N/A	N/A
Picture Living LP******	N/A	N/A	N/A
Port Loop Estate Management Limited[4]	N/A	N/A	N/A
Port Loop Phase 2 Limited[4]	Ordinary (one share is held by PfP US JV LLP)	N/A	N/A
Port Loop Phase 2 Residents Management Company Limited[10]	N/A	N/A	N/A
PPSL (Keynsham) Limited	Ordinary*	50%	50%
Ruskin Square Phase One LLP[11]	N/A	N/A	N/A
Shrubhill NHT LLP[6]	N/A	N/A	N/A
South Ridge Development LLP[18]	N/A	N/A	N/A
Swedish By Design LLP	N/A	N/A	N/A
Stephenson Works LLP[12]	N/A	N/A	N/A
Urban Splash (Park Hill) Limited[4]	Ordinary*	50%	50%

Notes to the financial statements

For the year ending 31 March 2022

29 Disclosure of Group undertakings (continued)

Other Group interests/investments

Symlconnect Limited[13]	A Ordinary*	25%	25%
Ansaar Management Company (Private) Limited[14]	Ordinary	25%	25%
Sunamp Limited[15]	Ordinary	1.6%	1.6%
Impact Social Value Reporting Ltd[16]	Ordinary*	7.5%	7.5%
Ilke Homes Holdings Limited[17]	Ordinary*	8.3%	1.7%

* Shares held by other Group entities but ultimately held by the Group

** A Scottish limited partnership

*** A limited partnership

**** Alumno Group Limited has incorporated a further16 companies to develop/manage various student sites:

Alumrose LLP
Alumno Student Management Limited
Alumno Student (Bath) Limited
Alumno Student (Essex) Limited
Alumno Student (Pershore) Limited
Alumno Student (Whitelock) Limited
Alumno Student (Park Hill) Limited
Alumno Student (Jock's Lodge) Limited
Alumno Brighton Holdings Limited
Alumno Student (Alscot) Limited
Alumno Student (Barn) Limited
Alumno Student (Manchester) Limited
Alumno Student (Lewes Road) Limited
Alumno Student (Park Hill) Holdings Limited
Alumno Student (Mgmt) Limited
Alumno Student (Rockingham) Limited

***** East Wick & Sweetwater Projects (Holdings) Limited has incorporated a further seven companies to complete the various phases of the Queen Elizabeth Olympic Park development:

East Wick & Sweetwater Projects (Phase 1) Limited
East Wick & Sweetwater Projects (Phase 2) Limited
East Wick & Sweetwater Projects (Phase 3) Limited
East Wick & Sweetwater Projects (Phase 4) Limited
East Wick & Sweetwater Projects (Phase 5) Limited
East Wick & Sweetwater Projects (Phase 6) Limited
East Wick & Sweetwater Projects (Phase 7) Limited

****** Picture Living LP is a 10:90 limited partnership (10% being Group's interest) and the other entities that sit within the overall structure and include:

Picture Living GP LLP
Picture Living Investments LP
Picture Living Investments GP LLP
Picture Living Property Limited
Picture Living Trustee 1 Ltd (incorporated in Jersey, 3rd Floor, Liberation House, Castle Street, St Helier, Jersey, JE1 1BL)
Picture Living Unitholder Ltd (incorporated in Jersey, 3rd Floor, Liberation House, Castle Street, St Helier, Jersey, JE1 1BL)

1 1 Canal House, 1 Applecross Street, Glasgow, G4 9SP
2 First Floor, 48–50 St Mary's Gate, Nottingham, NG1 1QA
3 Office 201, 69 Old Street, London, EC1V 9HX
4 Timber Wharf, 16–22 Worsley Street, Manchester, M15 4LD
5 Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF
6 1 Hay Avenue, Edinburgh, EH16 4RW
7 Countryside House, The Drive, Brentwood, Essex, UK, CM13 3AT
8 Q14 Quorum Business Park, Benton Lane, Newcastle-upon-Tyne, NE12 8BU
9 Incorporated in Spain with registered address Sant Miquel 161, 08330 Premià de Mar, Barcelona, Spain
10 RMG House, Essex Road, Hoddesdon, Herts, EN11 0DR
11 1 London Wall Place, London, EC2Y 5AU
12 Democratic Services Civic Centre, Barras Bridge, Newcastle Upon Tyne, UK, NE1 8QH
13 Institute of Life Sciences 2, Room 504, University of Swansea, Singleton Park, Swansea, SA2 8PP
14 Incorporated in Pakistan with registered address 31/10-A, Abu Bakar Block, New Garden Town, Lahore
15 1 Satellite Park, Macmerry, Tranent, East Lothian, EH33 1RY
16 2nd Floor, 24–26 Lever Street, Manchester, M1 1DW
17 Flaxby Industrial Estate, Knaresborough, Harrogate, HG5 0XJ
18 Rsm Uk Restructuring Advisory Llp, 25 Farringdon Street, London, EC4A 4AB

Notes to the financial statements

For the year ending 31 March 2022

29 Disclosure of Group undertakings (continued)

Regulated and non-regulated entities

Places for People Group, a regulated entity, allocates overheads to seven non-regulated entities within the Group. This is mainly in respect of an administration charge for finance, information technology, facilities management and human resources services.

The table below shows the Group overhead allocation to each of the seven entities.

	2022 £m	2021 £m
Places for People Financial Services Limited	**0.2**	0.1
Places for People Landscapes Limited	**0.4**	0.4
Places for People Scotland Limited	**0.1**	0.1
Touchstone Corporate Property Services Limited	**0.5**	0.5
PFPL (Holdings) Limited	**0.1**	0.1
Residential Management Group Limited	**—**	—
Zero C Holdings Limited	**0.2**	0.2
	1.5	1.4

30 Events after the reporting date

There were no events after the reporting date.

Notes to the financial statements

For the year ending 31 March 2022

31 Housing stock

The Group owns or manages 230,793 housing properties. A breakdown of these housing properties is shown below:

	2021 No.	Units developed or newly built units acquired No.	Units sold/ demolished No.	Transfers (to)/from other RPs	Other movements No.	**2022 No.**
Social housing owned						
— General needs housing	53,022	184	(103)	—	(37)	**53,066**
— Affordable rent — general needs	3,025	223	—	15	43	**3,306**
— Affordable rent — supported housing	113	37	—	—	—	**150**
— Supported housing	3,383	95	(62)	18	(50)	**3,384**
— Housing for older people	3,962	—	(2)	—	—	**3,960**
— Low cost home ownership accommodation	5,529	92	(129)	—	—	**5,492**
Total social housing owned	**69,034**	**631**	**(296)**	**33**	**(44)**	**69,358**
Social housing managed						
— General needs housing (including intermediate rent)	53,786	356	(103)	—	12	**54,051**
— Affordable rent — general needs	4,936	2,079	—	—	6	**7,021**
— Affordable rent — supported housing	113	37	—	—	—	**150**
— Supported housing	1,930	95	(51)	14	(11)	**1,977**
— Housing for older people	3,949	—	—	—	—	**3,949**
— Low cost home ownership accommodation	5,890	15	(52)	—	194	**6,047**
Total social housing managed	**70,604**	**2,582**	**(206)**	**14**	**201**	**73,195**

	2022 No.	2021 No.
Total social housing units managed but not owned	**5,826**	3,587
Total social housing units owned but not managed	**1,989**	2,017
Non-social housing managed		
— Market rent (incl. keyworker accommodation)	**21,251**	23,378
— Managed services	**111,205**	100,476
— Leased housing — freehold only	**7,788**	7,688
— Student accommodation	**15,061**	15,151
Total non-social housing managed	**155,305**	146,693
Total social housing managed	**73,195**	70,604
Total housing managed	**228,500**	217,297
Total housing owned but managed by another body	**2,293**	2,319
Total housing owned or managed	**230,793**	219,616
Garages, commercial premises and other non-residential units managed or serviced	**12,569**	12,640
Total residential and non-residential units managed or serviced	**243,362**	232,256

Board of directors, executives and advisors

For the year ending 31 March 2022

Board of Directors	**Non-executives**	
	R Gregory	Group Chair
	A Daniel	
	R Finn	
	N Hopkins	
	R Cartwright	(appointed 1 November 2021)
	H Fridell	(appointed 1 November 2021, resigned 30 June 2022)
	M Dunn	(appointed 1 January 2022)
	G Kitchen	
	G Waddell	Senior Independent Director
	L Lackey	(resigned 30 September 2021)
	Executives	
	D Cowans	Group Chief Executive (resigned 1 December 2021)
	G Reed	Group Chief Executive (appointed 1 December 2021)
	D Marriott-Lavery	Group Director Affordable Housing (resigned 6 August 2022)
	S Black	Group Director Development
	T Weightman	Group Director Assets and Investments
	A Winstanley	Group Finance Director
Company Secretary	C Martin	
Registered Office	305 Gray's Inn Road, London WC1X 8QR	
Banker	Barclays Bank Plc, 38 Fishergate, Preston PR1 2AD	
Registered Auditor	KPMG LLP, 15 Canada Square, London E14 5GL	
Registration of the Company	The Company is registered under the Housing and Regeneration Act 2008 (Number L4236) and incorporated under the Companies Act 2006 (Number 03777037). It is also affiliated to the National Housing Federation.	

Places for People

Places for People
305 Gray's Inn Road
London WC1X 8QR
Tel. 020 7843 3820
www.placesforpeople.co.uk

© Places for People 2022