Plymouth Community Homes Ltd
Consolidated Financial Statements
Year End March 2019

Plymouth
Community Homes

Contents

2018/19 at a glance

Turnover

2018/19
2017/18

£80.2m

Last year £69.3m

+16%

A+

Credit rating

G1

Governance

V1

Viability

Housing assets

+3%

£504.3m

Operating surplus*

2018/19
2017/18

£11.7m

Last year £12.3m

-5%

Operating cash flow

+32%

£29.1m

Last year £22m

Net debt

+4%

£99m

Last year £94m

Surplus before tax**

2018/19
2017/18

£8.4m

Last year £7.5m

+11%

Overall resident satisfaction

90%

Managed homes

14,314

+77

Last year 14,237

EBITDA operating margin

28%

Target
>25%

EBITDA- MRI interest cover

308%

Target
>150%

Debt/ EBITDA MRI

4

Target
< 15

For comparator purposes, in 2018 excludes impact of cladding provision and cancellation of hedge, in 2019 excludes receipt of towers grant.

*** Operating surplus before adjustment : 2018/19 £16.2m, 2017/18 £7.8m**
**** Surplus / (deficit) before tax before adjustment : 2018/19 £12.9m, 2017/18 (£35.4m)**

Introduction by the Chief Executive

It's been a year of significant wins for Plymouth Community Homes resulting in renewed investment into our existing properties and growth through our development programme, alongside our continued commitment to provide excellent services to residents.

This began with news that the Ministry for Housing, Communities and Local Government would fund £11.8m fire safety works needed at the three Mount Wise Towers. This work is well underway – the cladding has been removed and replacement works have begun. We continue to work closely with residents to minimise disruption, including sourcing a weather proof translucent wrap for each Tower to let in the daylight during the works. We've highlighted the grant amounts in the accounts and adjusted our key value for money metrics so a like-for-like comparison can be made to previous years' financial performance.

Next was the fantastic double announcement that the Regulator upgraded us to V1 for viability (the top grading) and S&P Global (formerly Standard and Poors) gave us an A+ credit rating. Our financial security has enabled us to restart our block works programme with the completion of structural and estate improvements on 13 low rise buildings. Our block at Westeria Terrace in Beacon Park was nominated for Residential Project of the Year at the Painting and Decorating Awards.

In the course of our survey work, we found that one of our blocks, whilst safe, needs substantial investment to keep it weather proof. The cost is significant so we have had to treat this building as impaired, writing its current value of £1.1m down to nil. This can be seen in our financial results for the year where our underlying operating surplus on a comparable basis to last year (excluding the Towers works) was £600,000 lower at £11.7m. Our operating margin was down by 5% to 15% but our EBITDA-MRI interest cover remained very strong at 308%. Gearing remained low with debt per home considerably below £8,000.

Therefore our capacity to manage significant increased investment remains and we will continue with our planned block works. This will be in the context of a new Stock Condition Survey completing in the autumn which will refresh our stock investment plans for the next 30 years.

The refinancing of our debt has begun to pay off with our interest costs now significantly lower and the additional funds providing support to our development programme.

Whilst we completed 216 homes in the year we only added £1.5m to our drawn debt due to grant received ahead of schedule and some schemes, such as our open market joint venture, being delayed through the planning process. We developed 67 Shared Ownership homes in the year and sold 65, generating income of over £4.8m, some £3.3m higher than last year. In future we aim to develop at least 200 homes a year in Plymouth and the wider travel to work area (predominantly the PL post code) This strategy has already seen us deliver our first homes outside the city boundary.

We continue to work closely with Plymouth City Council to help deliver our shared objective of building more homes. They have given £1m for the latest phase of North Prospect regeneration and offered a further £1m towards the final phase. We are hopeful, with the announced Government intentions on funding affordable housing, that financial support for North Prospect will be fully committed in the near future. However, Government funding is linked to the comprehensive spending review due in the autumn and could be affected by Brexit and could have a wider impact on our services so we have put in place a £1m contingency fund in our budgets.

Surpluses from our Energy and Manufacturing subsidiaries are reinvested in PCH homes and services. PCH Manufacturing won a regional award for its training and apprenticeship scheme at Made in the South West Awards and made a strong financial contribution to PCH. PCH Energy generated over £1m gross income for the first time whilst reducing fuel poverty for our tenants.

The solar panels owned and managed by PCH Energy also form part of our environmental strategy, along with our recycling centre and seeking to build greener homes. Our eco-friendly Passivhaus scheme achieved the Winner of Winners Award from Constructing Excellence.

We know that some of our residents face increasing uncertainty as we move towards Brexit and Universal Credit continues to roll out. We continue to support them to maintain their tenancies, which resulted in very few evictions at 39 and record low levels of current tenant arrears at 1.16% at the year end. We also continue to improve services for our residents through our digital transformation including a focus on mobile working, automating our processes, improving our data quality and developing the MyPCH tenant self-service portal.

Finally, with the return to rent increases of CPI +1% in 2020, the certainty of a growing income will allow us to build more homes for future generations whilst remaining confident that PCH social rents will continue to be some of the lowest in the country.

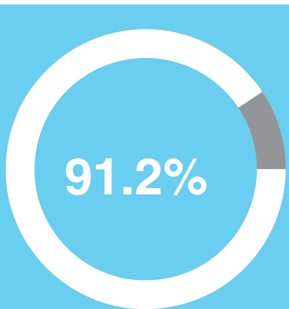
Highlights for the year ending March 2019

Here we summarise our key achievements for 2018/19:

- More than 9 out of 10 tenants reported that they were very or fairly satisfied with PCH as their landlord in our latest customer satisfaction survey.
- We launched a new initiative called New Home, New You which aims to support new tenants to make positive changes to their lifestyle when moving home.
- PCH Manufacturing won an award for the Best Apprentice and Training Scheme in the Made in the South West awards and narrowly missed out on winning the top prize nationally.

- We achieved our lowest ever current tenant rent arrears at £669k or 1.16% of the £56m rent due for payment in the year.
- We worked with Homes England to secure £11.8m of grant funding from the Ministry of Housing, Communities and Local Government to fund the removal and replacement of cladding at Mount Wise Towers.
- Turnover for the year was higher despite being in the final year of 1% rent reductions, ensuring our ability to maintain investment in social housing.
- We achieved an A+ credit rating from S&P Global, reflecting our excellent financial standing.
- The Regulator of Social Housing judged us as V1 for viability.

- We built 216 new homes for social rent or shared ownership and started to acquire new homes outside of the Plymouth boundary.
- 65 shared ownership properties were sold, enabling people to part own their own home at an affordable cost.
- We won a national Secured by Design award for our crime prevention work as part of the North Prospect regeneration programme.
- We won project of the year and the Winner of Winners award from Constructing Excellence for our 72-unit eco-friendly Passivhaus development.
- The solar panels installed on 2,300 homes have saved residents over £1.7m in energy costs since they were installed and brought over £4m gross income.
- Our Regeneration planned programme improved 1,001 homes, including 101 bathroom upgrades, 130 kitchen upgrades, 122 new heating installations, 578 homes had new windows and 251 major disabled adaptations.
- Major works completed in year include the refurbishment of Torridge Way, completion of the sprinkler system installation at Mount Wise Towers and the replacement of windows at Kinnaird Crescent.



Residents satisfied

98.3%

Repairs completed within our service standards

£673,000

invested in our communities

Strategic report

Our strategy

We are a leading, growing, independent housing association with a clear social purpose, providing homes and services people want and can afford.

This is who we are and what we do – and we can only achieve this with strong financial performance.

Our strategy is to deliver excellent homes and services for residents whilst building more homes for the people of Plymouth and the surrounding areas.

Our purpose, themes, objectives and organisational values can be seen in the diagram below:

Accompanying our strategic objectives, we have a set of deliverables for each of our themes of People, Pounds and Place.

By accomplishing our key deliverables, we will achieve our strategic objectives of building more homes for the people of Plymouth and the surrounding area, delivering excellent quality housing and neighbourhood services and sustainably growing our business through core and non-core activities.

For further reading about our ambitions, the full 2017-2022 Strategic Business Plan can be accessed on our website.

Over 3,000 people are signed up to MyPCH online self service customer portal.

Business review

Legal and administrative details

Registered Office: Plumer House, Tailyour Road, Plymouth, PL6 5DH

Legal Status: Plymouth Community Homes Ltd is a registered society under the Co-operative and Community Benefit Societies Act 2014 (which consolidates the Industrial and Provident Societies Acts) and is registered with the Financial Conduct Authority (registration 30637R) and the Regulator of Social Housing (registration L4543).

At the time of signing these financial statements Plymouth Community Homes Ltd has three wholly owned subsidiaries:

- Plymouth Community Homes Manufacturing Services Ltd (PCHMS), company number 07001677
- Plymouth Community Homes Regeneration Company Ltd (PCHR), company number 7272688
- Plymouth Community Homes Energy Ltd (PCHE), company number 8028170.

All three subsidiaries are incorporated under the Companies Act 2006.

At a glance our key financial outcomes for the year are:

	2018/19 £m	Difference from 2017/18 %
Turnover	**80.2**	**16%**
Reported operating surplus	**16.2**	**107%**
Impact of grant	(4.5)	200%
Operating surplus excluding impact of cladding	**11.7**	**-5%**
Reported surplus before tax	**12.9**	**136%**
Impact of grant / provision for cladding removal	(4.5)	200%
Buyout of forward fix rate swap	0	100%
Surplus before tax excluding impact of cladding	**8.4**	**11%**
Operating cash flow	**29.1**	**32%**
Housing assets	**504.3**	**3%**
Net debt	**99**	**4%**

Turnover increased by £10.9m, including a £3.3m increase in the sales of shared ownership homes and £2.5m increase in land sales. Also included in turnover is £4.5m of Government grant for the removal of cladding from the Mount Wise Towers.

We increased our turnover to over £80m

The reported operating surplus of £16.2m is 107% higher than the 2017/18 amount of £7.8m. However there was a cost of £4.5m for the removal of the cladding in the 2017/18 statement of accounts and £4.5m of grant income to fund the cladding removal costs in the 2018/19 accounts. Adjusting the results for both of these entries gives a comparable underlying operating surplus of £11.7m in 2018/19 and £12.3m in 2017/18, a reduction of £600,000 or 5%.

The critical difference is an impairment cost in 2018/19 of £1.1m in relation to a residential block which is subject to further investigations before refurbishments options are agreed. The increase in turnover is matched by similar increases in costs for the shared ownership and land sales.

The cash generated from operating activities has increased by 32% to £29.1m in 2018/19 from £22m in 2017/18. This is primary due to the movement in working capital, specifically a reduction in the value of unsold shared ownership homes and other stock, reflecting the success in our shared ownership sales programme in 2018/19.

Our reported surplus before tax of £12.9m is an improvement of £48m from 2017/18 when our re-financing exercise resulted in £38m cost to buy out fixed-price legacy financing arrangements. Once again adjusting for the respective income and expenditure relating to the cladding and the £38m refinancing cost, the underlying surplus before tax has increased by 11% to £8.4m from £7.5m in 2017/18. This improvement is mainly as a result of reduced financing costs.

The Board has approved the financial strategy aims of maintaining an operating margin above 25%, interest cover above 150% and net debt below 15 times EBITDA – MRI.

Measure	2018/19 Result	2017/18 Result	Target
EBITDA operating margin	28%	36%	>25%
EBITDA – MRI Interest cover	308%	342%	>150%
Debt / EBITDA MRI	7	5	<15

The ratios above exclude the £4.5m grant received in 2018/19 and the £4.5m provision for the costs in 2017/18 relating to the removal of the cladding at the Mount Wise Towers costs and the £38m hedge buy out costs in 2017/18. The ratios have been adjusted throughout this report for these distorting issues so that we are able to measure the underlying financial performance.

Our financial results have exceeded the financial strategy targets. This can be attributed to operating efficiency and strong financial management.

The Management Teams and Board use a variety of management information and performance indicators, both financial and non-financial, which are spread through the report, to assist with the effective management of the Association's activities.

Financial and operational performance

Statement of Comprehensive Income - 5 Year Comparison

	Group March 2019 £'000	Group March 2018 £'000	Group March 2017 £'000	Group March 2016 £'000	Group March 2015 £'000
Turnover	80,178	69,307	66,444	66,841	62,904
Costs	(64,547)	(60,134)	(54,039)	(58,099)	(63,482)
Gain / (Loss) on disposal of properties not developed for outright sale	527	(1,363)	(1,515)	(1,782)	(1,113)
Operating surplus	**16,158**	**7,810**	**10,890**	**6,960**	**(1,691)**
Surplus / (Deficit) on sales of fixed assets	92	29	46	60	30
Net interest payable	(4,109)	(5,230)	(5,240)	(3,366)	(4,639)
Cost of cancellation of interest rate hedge	-	(38,380)	-	-	-
Change in value of investment property	730	411	(7)	(889)	629
Surplus / (Deficit) for the year before Tax	**12,871**	**(35,360)**	**5,689**	**2,765**	**(5,671)**
Tax	(7)	(150)	-	32	(41)
Surplus / (Deficit) for the year after Tax	12,864	(35,510)	5,689	2,797	(5,712)
Actuarial gain / loss on pension scheme	392	5,461	(17,932)	10,478	(10,232)
Total Surplus / (Deficit) after actuarial adjustments	**13,256**	**(30,049)**	**(12,243)**	**13,275**	**(15,944)**

Statement of Financial Position - 5 Year Comparison

	Group March 2019 £'000	Group March 2018 £'000	Group March 2017 £'000	Group March 2016 £'000	Group March 2015 £'000
Fixed assets - Housing	504,274	488,302	472,424	468,721	456,306
Tangible assets - Other	37,010	36,626	36,315	27,495	28,561
Total fixed assets	**541,284**	**524,928**	**508,739**	**496,216**	**484,867**
Net amount receivable after more than one year	1,517	-	-	-	
Cash	13,442	15,927	12,186	14,467	9,460
Other Current Assets	23,791	15,742	10,264	10,242	9,614
Current Liabilities	(17,914)	(18,691)	(17,110)	(13,800)	(13,399)
Net current assets	19,319	12,978	5,340	10,909	5,675
Creditors falling due > 1 year					
Of which Bank loans					
Total Housing Loans	(111,108)	(109,794)	(59,479)	(62,880)	(60,986)
Grant Funding	(37,770)	(26,176)	(24,516)	(21,323)	(11,673)
Pension liability	(30,075)	(28,043)	(30,890)	(11,485)	(19,721)
Total	**(178,953)**	**(164,013)**	**(114,885)**	**(95,688)**	**(92,380)**
Provision for removal of Tower cladding	(511)	(4,495)			
Net assets / Reserves	**382,655**	**369,398**	**399,194**	**411,437**	**398,162**
Homes in management	14,314	14,237	14,183	14,285	14,336
Ave Staff employed (full time equivalent)	624	593	568	602	645

Turnover

Group	2018/19 £'000	2017/18 £'000	2016/17 £'000
Turnover	80,178	69,307	66,444
% of income from social housing lettings	82%	86%	90%
Increase/(decrease) in turnover	16%	4%	-1%

Turnover for the year to 31 March 2019 increased by 16% to £80.2m (March 2018: increase of 4% to £69.3m). The increase of 16% was as a result of:

• a grant of £4.5m for the removal of cladding on the Mount Wise Towers being included in turnover in 2018/19 (March 2018 nil)

• shared ownership sales of £4.8m (March 2018 £1.5m)

• land sales of £2.7m (March 2018 £0.2m)

Social housing lettings income increased to £61.3m (March 2018: £59.7m), despite being the penultimate year of the 1% annual rent reductions, as a result of:

• affordable rent premium on homes converted to affordable rent increasing by 22% to £3.3m (March 2018 £2.7m)

• rents from new-build properties of £1.8m (March 2018: £1.1m)

Despite the increase in rental income, social housing lettings share of turnover decreased from 86% to 82%, mainly as a result of the increases in turnover detailed above.

Our social rents continue to be some of the lowest in England and this presents us with a challenge. In order to maintain existing homes to a very high standard and invest in new homes for rent and shared ownership we have to find other ways to generate income. We also believe that charging below-market rents provides a social dividend because it helps those on low incomes have a good quality, secure home.

The social rent for a three-bedroom PCH home is almost £60 less per month than other Plymouth-based registered providers. Compared to the private rented sector, our rents are almost 60% cheaper. PCH continues to be the main provider of social housing with 62.5% of Plymouth's social rental market.

The table below shows the PCH General Needs average social rents compared to other social landlords and the private sector in Plymouth, and national general needs social rent averages.

	PCH social rent 2017/18	Plymouth social rent 2017/18	National rent 2017/18	Plymouth private rent 2019	Local housing allowance maximum
One bedroom	£290	£323	£387	£488	£420
Two bedroom	£331	£377	£429	£690	£530
Three bedroom	£355	£413	£459	£830	£630
Four bedroom	£395	£463	£545	£972	£790
Five bedroom	£477	£599	£608	£1,137	£790

As part of our development agreements with Homes England, we have a programme to convert socially-rented homes to affordable rent when they become vacant. This means we can charge up to 80% of market-rent with the income from the additional rent being ring-fenced for development. As at 31 March 2019 we had converted over 2,600 homes to affordable rent at an average of £458 per month and this is on-target with our development funding bids. This compares to £358 for a general needs property let at social rent.

In April 2019 our social and affordable rents reduced by 1% in line with the Welfare Reform and Work Act 2016. From April 2020 a revised Rent Standard will come into effect permitting Registered Providers to increase their rents by CPI +1%.

91.8% of residents are happy their rent is value for money

Value for money Indicators - Income management

	2019/20 Target	Benchmark Quartile	March 2019	March 2018	March 2017
Rent collected as a % of rent due	100%	2nd	100.97%	100.75%	101.44%
Current tenant rent arrears as a % annual debit	2%	1st	1.16%	1.28%	1.28%
Occupancy rate	99.2%	1st	99.5%	99.4%	99.7%
Average number of days to re-let routine voids	20	2nd	22.71	17.38	18.12
Rent lost during the year due to voids as a %	0.8%	1st	0.49%	0.42%	0.39%

The number of tenants known to be receiving Universal Credit has increased from 665 at 31 March 2018 to around 2,000 as at 31 March 2019. The move to Universal Credit increases the risk of higher rent arrears. it is important to support residents to sustain their tenancies and this keeps occupancy rates high. The number of evictions in the year was 39, of which 22 were for rent arrears.

Shared Ownership and Land Sales

The number of shared ownership sales in the 2018/19 was 65 taking our total shared ownership properties to 207. The cost of these sales increased to £4.7m 2018/19 from £1.4m in 2019 however the overall return on sales reduced to 2.1% 2018/19 (2.6% 2017/18).

Shared Ownership and land sales	2018/19 £'000	2017/18 £'000	2016/17 £'000
Shared Ownership Sales	4,828	1,487	1,023
Cost of Sales	(4,725)	(1,447)	(894)
Surplus	102	40	129

In addition to shared ownership sales there were land sales to developers in North Prospect to provide open market homes which generated £2.7m income (2017/18 £0.2m) which had a net book value of £2.2m (March 2018 nil).

Other social housing and commercial income

Year to 31 March 2019	Turnover £'000	Costs £'000	Profit £'000
PCH Manufacturing Services	2,488	(2,256)	232
PCH Energy	1,058	(878)	180
PCH Regeneration	14,744	(14,115)	629

The income and costs from PCH Manufacturing Services and PCH Energy are consolidated into the group figures. PCH Energy's income increased to £1.1m (2018: £1.0m). PCH Manufacturing Services increased turnover to £2.5m (2018: £2.2m).

The majority of turnover and costs of PCH Regeneration do not add to the consolidated group figures as they predominantly arise from intercompany transactions. The profit made by our subsidiaries is gift aided to PCH Ltd unless otherwise agreed by the Board.

Cost of sales

Year to 31 March 2019	2018/19 £'000	2018/19 £'000	2018/19 £'000
Shared Ownership	(4,725)	(1,447)	(894)
Land Sales	(2,207)	-	-
External Sales	(1,294)	(1,603)	(729)
Total Cost of Sales	**(8,226)**	**(3,050)**	**(1,623)**

Cost of Sales increased from £3.1m in 2017/18 to £8.2m in 2018/19 reflecting the higher shared ownership and land sales. The remaining costs of sales relates to external sales by our subsidiaries.

Operating costs

Operating costs reduced by 1.3% from £57m in 2017/18 to £56m in 2018/19. Underlying costs, excluding the provision for the Towers cladding from 2017/18, have increased by £3.7m or 7%.

Group	2018/19 £'000	2017/18 £'000	2016/17 £'000
Costs	56,321	57,084	52,416
% Increase/(decrease)	(1%)	9%	(5%)
Costs without towers provision	56,321	52,589	52,416
% Increase/(decrease)	7%	0%	(5%)

Over the last three years running costs have increased, with the headline social housing cost per unit increasing from £3,229 in March 2018 to £3,610 in March 2019. The 12% increase in 2019 is mainly due to a higher volume of responsive, void and cyclical repairs (£1.2m), the impairment of a single residential block (£1.1m), increased planned maintenance programmes reflecting a higher level of major repairs, as well as additional spend across the organisation to support our ongoing digital transformation plans.

In July 2018 the repairs management system was replaced. This had an impact across the organisation as teams fully embedded the new system and implemented new ways of working. Digital and IT revenue costs are generally higher than average as the business evolves to support our vision, including moves onto cloud-based solutions and away from capital replacements. The overall increase in running costs is within budget and we are confident our digital transformation initiatives will deliver the expected improved service delivery and ways of working. We also gave all staff a 2% pay rise in 2018/19 reflecting cost of living pressures that have built up following a 1% increase in 2017/18 and a pay freeze in 2016/17.

The management cost per unit has increased from £577 to £638 over three years as we increase the support given to sustaining tenancies. The target reflects continued support in sustaining tenancies during Universal Credit implementation.

Repair maintenance costs per unit increased during the year, which was mainly as a result of a higher number of tenancy terminations (11% more compared to 2017/18). In addition short-term disruption to productivity, caused by the implementation of the repairs system and difficulties in recruiting, led to an unusually high sub-contractor usage. The increase in the Headline Social Housing Cost per unit also reflects a higher level of planned major works.

Following a series of delays in starting the block refurbishment programme in prior years, there was significant progress made in 2018/19 which is reflected in the higher major repairs costs per unit (note: 2017/18 comparison excluded the £4.5m provision for the removal of cladding).

94.7% of residents are satisfied with the outcome of their ASB complaint

Value For Money Indicators - Operating efficiencies

	Target	Benchmark Quartile	March 2019	March 2018	March 2017
Headline Social Housing cost per unit*	£3,890	4th	£3,610	£3,229	£3,316
Management cost per unit	£730	1st	£638	£622	£577
Maintenance cost per unit	£820	1st	£814	£730	£678
Major repairs cost per unit	£1,700	4th	£1,512	£1,245*	£1,483
Service charge cost per unit	£340	2nd	£325	£294	£294
Other social housing cost per unit	£300	4th	£321	£338	£284
Ratio of response to planned maintenance*	50%	2nd	54%	59%	46%
% repairs completed within published timeframes	99%	__	98.29%	99.74%	99.82%
Average number of days sickness per FTE	8	1st	8.09	7.71	9.38
Overheads as a % of adjusted turnover**	11%	2nd	10.6%	11.25%	11.52%

* 2018 costs exclude £4.5m for towers cladding replacement. If included the headline cost would be £3,546 and major repairs £1,561

**2019 turnover excludes towers grant of £4.495m. If this was included then the ratio would be 10%

Major works remains at 4th quartile reflecting that we still have a considerable programme to complete, including a block refurbishment to a level above the minimum Decent Homes Standard. Costs have increased for the year ending 2019 as we re-commenced our extensive major works programme once we received confirmation of grant to remove and replace the cladding on the Mount Wise Towers.

The largest element of the other social housing cost per unit remains the non-cash pension charge adjustment at £1.7m in 2018/19 (£1.8m 2017/18).

We have seen a reduction in the overhead as a percentage of adjusted turnover as a result of the higher turnover for the Group. This indicator continues to be influenced by our low rents; we estimate that if PCH rents were at similar levels to other housing associations in Plymouth our overhead costs as a percentage of turnover would be close to being in the lowest 25%. The target is based on maintaining our digital programme.

Most of the other costs per unit indicators are in the upper quartiles reflecting a tightly managed operating performance. This is illustrated by strong performance measures on repairs and arrears and a tightly managed absence process.

Management and maintenance costs per unit remain in top performance quartile.

Value for money Indicators - Outcomes delivered

	Target	Benchmark Quartile	March 2019	March 2018	March 2017
Customer satisfaction with services (STAR)	94%	2nd	91.2%	91.2%	90.5%
% residents satisfied with the repairs service (transactional)	95%	_ _	96.22%	97.10%	97.23%
% residents satisfied with the outcome of their anti-social behaviour complaint	90%	1st	94.75%	91.73%	89.9%
% homes with a valid gas safety check	100%	1st	100%	99.99%	99.98%
% reinvestment in new and existing stock	8%	3rd	6.3%	8%	7%
£s invested in communities £000's	£800	1st	£673	£712	£714

Costs are only one aspect of looking at value for money and we place a strong emphasis on quality and customer satisfaction.

Overall resident satisfaction with PCH as a landlord is above 90% and this demonstrates we are successfully delivering our core social purpose. Nevertheless the Regulator also has a tightly defined measure of investment in communities. Whilst we spent a substantial figure of over £670,000 in community development this does not fully reflect all of our efforts including of our work to manage tenancies, support those in debt, deal with anti-social behaviour and invest in home improvements which contribute to sustaining communities but are not included in the definition. The 2018/ 2019 amount is lower than previous years as a result of staff vacancies and reducing tenant training costs. The target is based on the 2019/20 budget.

The target for reinvestment in new and existing stock reflects our plans to continue to develop new homes and our major repairs programme.

100% of our homes had a valid gas safety certificate.

Value for money Indicators - Operating margin

	Target	2019	2018	2017
Operating surplus, exc sales of fixed assets* £'000	8,000	11,131	13,673	12,405
Operating margin*	14%	15%	20%	19%
Operating margin (Social Housing Lettings)*	12%	14%	18%	17%
Operating surplus, exc sales of fixed assets* (EBITDA) £000'S	-	21,202	25,232	25,193
Operating Margin - (EBITDA)*	>25%	28%	36%	38%

* Adjusted for £4.5m of expenditure in 2018, and £4.5m of income in 2019 in respect of the removal of the cladding on Mount Wise Towers. Prior to these adjustments (and still excluding sale of fixed assets) the operating surplis was £15.6m in 2018/19 and £9.2m in 2017/18; the operating margin was 19% in 2018/2019 and 13% in 2017/18, the operating margin from social housing lettings was 20% in 2018/19 and 10% in 2017/18. The EBITDA operating margin is not adjusted.

The operating surplus for the year, excluding the grant and provision for costs of the removal of the cladding on the Mount Wise Towers of £4.5m, decreased by 19% to £11.1m from £13.7m. This is mainly due to a higher volume of responsive, void and cyclical repairs (£1.2m), the impairment of a single residential block (£1.1m), as well as additional spend across the organisation to support our ongoing digital transformation plans.

The operating margin (operating surplus as a percentage of turnover) on a similar basis reduced from 20% in 2017/18 to 15% in 2018/19. The average for the sector, from the 2018 Global Accounts, was 28%. Using the EBITDA measure the surplus was £22.4m (2018: £25.3), and the EBITDA operating margin has reduced to 28% from 36% in 2017/18. The reduction in the operating margin is as a result of an increase in operating costs as previously set out.

The operating margin is lower than others predominantly because of our low rents and high depreciation charges of over £10m which are an adjusting factor for the EBITDA margin. The operating margin from social housing is low for similar reasons. Cost control remains tight and there would be a financial benefit if there were a change to Government policy which would allow us to converge rents to the levels that other housing associations charge in Plymouth.

Sale of properties not developed for outright sale

There was a net gain on sale of properties not developed for outright sale (mainly RTB) of £527k in 2019 following a net loss of £1.4m in 2018, a swing of £1.9m. This is as a result of a milestone in RTB disposals being reached under the term of the stock transfer agreement, resulting in the share paid across to Plymouth City Council reducing from 100% to 50% of net sales.

Other fixed asset sales

Sales of other fixed assets such as vehicles increased to £92k (2018: £29k).

Interest payable and similar charges

Interest payable and similar charges decreased to £4.2m (2017/2018: £43.6m) primarily due to the £38.4m cost of cancelling the forward fixed interest rate swap with RBS in June 2017. Excluding this one-off cancellation amount the costs were £5.3m in 2018. These total interest figures comprise, as well as interest, non-utilisation fees, amortisation of arrangement fees, legal and professional charges, and pension interest expense and are net of interest capitalised upon development schemes in the year.

During the year loans increased to £112m at the end of the year from an opening level of £110.5m. The average level of borrowings during the year was £111.6m (2017/2018: £102.9m).

We built 216 new homes for rent or Shared Ownership.

Value for money indicators - Interest cover

	Target	2019	2018	2017
EBITDA Interest cover*	>250%	497%	444%	452%
Interest cover (EBITDA MRI) Group*	>150%	308%	342%	316%
Interest Cover (EBITDA MRI) Association*	>150%	287%	281%	359%

*Adjusted for £4.5m of expenditure in 2018 and £4.5m of grant income in 2019 in respect of the removal of cladding on Mount Wise Towers and the £38m hedge buy out cost in 2017/18. Prior to these adjustments in 2017/18 the group EBITDA-MRI interest cover was 34%, the Association EBITDA - MRI interest cover was 26% and the EBITDA interest cover was 57%. No other metrics were adjusted. The underlying result is a strong financial performance reflecting the low gearing of the association and the effectiveness of debt management.

Group cash flow

The cash generated from operating activities has increased by 32% to £29.1m in 2018/19 from £22m in 2017/18. This is primarily due to the movement in working capital, specifically a reduction in the value of unsold shared ownership homes and other stock. The value of land identified for sale has reduced from £2.2m in March 2018 to £51k in March 2019, and the value of unsold shared ownership stock has reduced from £6.3m in March 2018 to £2.3m in March 2019, reflecting the success in our shared ownership sales programme in 2018/19. During the year £1.5m of loans were drawn down, (2017/18:£47.0m, this prior year drawing was much higher as a result of refinancing the organisation). We received government grants of £4.4m which were used towards the building of new properties.

Housing properties

PCH continued with its substantial investment in its homes. During the year, £32m was spent on improving and acquiring housing properties and £1m was spent on other fixed assets.

We developed 216 homes during the year and the net addition to the total stock was 103.

Including both capital and revenue expenditure, PCH spent £16.4m improving its existing properties. The work carried out is significantly above the minimum required to maintain the decent homes standard, and is delivered in conjunction with feedback and consultation with residents.

Strategic asset management is a core element of our business. We have over 14,000 socially rented homes which are our main focus but we also have over 200 shops, over 2,300 properties with solar panels, over 3,500 garage and parking spaces and we own a large office building.

All of our homes were improved to a standard above the minimum decent homes requirements as part of a large-scale investment programme which took place between 2009 and 2015. Our current asset management strategy is to ensure we maintain this standard.

Over 750 new homes built so far as part of North Prospect Regeneration

Business assets

We own our headquarters building and the shop where our city centre office is based. We also purchase our fleet of vehicles and IT equipment outright. We have an additional three leased premises - Prince Rock Depot used by Manufacturing and Environmental Services plus two small industrial units, one of which is used for our repair stores and the other is a PCH recycling centre used by our Environmental Services team.

The main business asset is the headquarters building, Plumer House. PCH occupies part of the building and, to make best use of the asset, the remaining space is leased to other organisations. During the year we generated a surplus of £493k, including service charges, for leasing this space

Our business strategy is focussed on increasing digitalisation of services and our investment in IT was £0.6m in capital and more on revenue as we implemented a new mobile system for the management and planning of repairs. This is part of a planned programme of work which will see similar levels of investment over the next three years.

During the year we carried out a review of our vehicle fleet. This remains in very good condition so we decided to extend the life of our vehicles from seven years to 10 years which reduces capital replacement costs.

Social-commercial assets

These are our shops, community spaces, solar panels and manufacturing equipment. They are used to bring income into PCH which is then used to deliver services for residents and build more homes. Our shops aren't just there to bring us an income - many of them are home to vital community services such as post offices and grocery stores.

At the Beacon centre in North Prospect we have commercial lettings, including a nursery, library and grocery store. In addition, the Beacon centre also has space for community activities, with footfall expected to grow in the coming years.

We have previously invested £9.9m in installing solar panels to some of our homes which over their lifecycle have a positive net present value and bring in a financial return through feed in tariffs. Residents can use the electricity generated free of charge and reduce their household costs. There are currently no plans for further investment.

The manufacturing equipment is owned by PCH and is used as a vertical supply chain to provide windows, doors, signs and much more to our homes, as well as being used to manufacture goods sold to clients.

Plumer House is fully let and bringing in an annual income in excess of £400,000

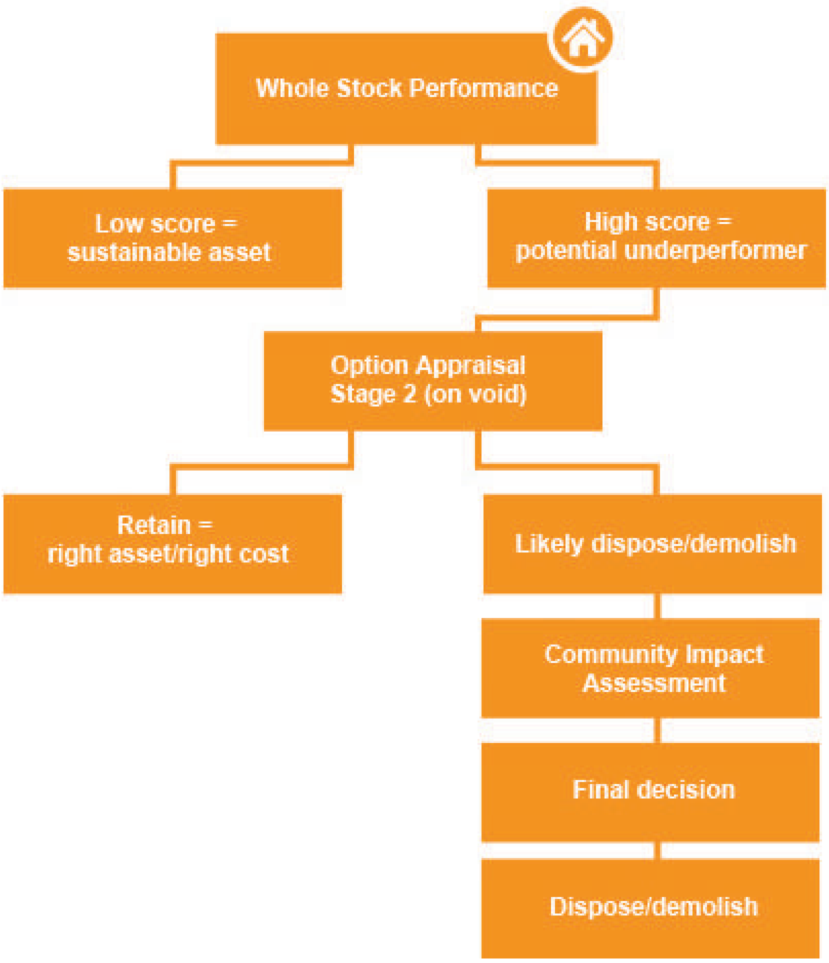
Strategic asset management

Whilst our policy is to maintain homes to a high standard, sometimes it costs more to maintain a property than the rental return. Where we identify properties that could fall into this bracket, these assets are subject to an evaluation process taking social, financial and environmental features into account. If the evaluation determines that PCH should consider disposal, this is considered by an internal multidisciplinary panel for a final decision.

During the financial year ending 31 March 2019, we disposed of 8 social housing units resulting in a gain of £527k. In addition, to reflect the need for ongoing investigatory work and resulting options appraisal, we accounted for a £1.1m impairment of a residential block. The options appraisal and subsequent decision are expected to be made in 2019/20.

The process is shown in the diagram below:

Asset evaluation process



We continue to focus on improving the energy efficiency of our block accommodation and improve the surrounding areas by investing in the external environment around the homes.

We have set a budget of £17.1m on major works and improvements to our existing properties of which £6m is for refurbishing the building and communal areas in some of our blocks of flats over the coming year. Other works include delivering our programmes of planned maintenance, fire compliance and roof replacement works as well as some kitchen and bathroom replacements. We are also delivering other smaller projects to ensure we continue to maintain our homes at the Decent Homes Standard.

Following the tragic fire at Grenfell Tower, we have a programme of exceptional fire-safety works to undertake. Residents' safety is paramount. Removing and replacing the over-cladding system to three tower blocks commenced in Spring 2019. This work is estimated at £11.8m and the Government is providing a grant to cover the costs of the removal and replacement of cladding.

During the year we completed the installation of fire sprinkler systems to each flat within the Mount Wise Towers.

We are investing £17.1m into existing properties

Value for money Indicators - Effective asset management

	Target	March 2019	March 2018	March 2017
Return on capital employed*	2%	2.1%	1.98%	2.12%
Operating surplus - £'000	8,000	11,658	12,310	10,890
Total assets less current liabilities £m	570	562	538	514

* adjusted for £4.5m of expenditure in 2018, and £4.5m of income in 2019 in respect of the removal of the cladding on Mount Wise Towers and £38m hedge buy out costs in 2018. Prior to these adjustments the Return on Capital Employed was 2.9% in 2018/19 and 1.45% in 2017/18, the operating surplus £16.2m in 2018/19 and £7.8m in 2017/18.

Return on capital employed (ROCE) remains low which is to be expected for a housing association focussed on the provision of social and affordable housing. As reported in the section on turnover, we regard our low rents as providing a social dividend with social rents on average at 60% of market rents and affordable rents at 80% of market rents.

As the ROCE is a calculation of the operating surplus divided by the asset value it is self-evident that with low rents the return will be very low. The size of the development programme and the focus on affordable rents will only marginally add rental income and proportionately add more to asset costs and so will not increase the ROCE. In fact with the following year seeing a further 1% cut in rents, even with more conversions from social to affordable rents, there will not be an increase in the ROCE.

Gearing stands at 19%

Value for money indicators - Development (capacity)

	Target	March 2019	March 2018	March 2017
Gearing	<40%	19%	19%	10%
Net debt per home £	<13,500	£6,994	£6,718	£4,508

Although the ROCE is low we remain a very low-geared association given our relatively low level of debt to asset values this gives assurance that we have capacity to take on more debt to support our planned development programme.

The Board approved a Business Plan with an assumption of developing 200 homes a year for the next 15 years.

A scenario of 300 homes demonstrated that we have the financial capacity to undertaken a more ambitious programme. Our net debt per unit at less than £7,000 is considerably lower than our most restrictive gearing covenant.

Value For Money Indicators - Development (supply)

	Target	Benchmark Quartile	March 2019	March 2018	March 2017
New supply delivered (social housing)	215	- -	216	124	60
New supply delivered as a % of homes owned (Social Housing)	1.5%	2nd	1.5%	0.87%	0.42%
New supply delivered - number of non-social housing homes	- -	- -	0	0	0
New supply delivered as a % of stock non-social housing homes	- -	- -	0%	0%	0%

Between stock transfer in 2009 and March 2019 PCH has built 675 new homes, 473 for rent and 202 for shared ownership. During 2018/19 we took handover of 216 new affordable homes, 149 for rent and 67 for shared ownership.

The regeneration of the North Prospect estate was a promise when we transferred and to date we have built 398 new homes and an impressive community facility known as The Beacon which contains a library, shops, business offices and community meeting space.

During 2018/19 we took ownership of our first homes in the Plymouth travel to work area as part of our ambition to expand. We now have 13 units at the Trevethan Meadows development in Liskeard in Cornwall and 11 units at the Briar Tor development in Yelverton in West Devon.

We also completed our highly efficient Passivhaus scheme of 72 units and made significant progress with a second scheme in the Southway area. Looking ahead, the PCH development portfolio comprises of programmes to deliver new homes in the Plymouth and wider development area. In North Prospect, the penultimate phase is on-site and will deliver 143 new homes over three years. Land assembly for the final phase will complete before the end of December 2019 and will deliver 196 homes by March 2024.

We are also progressing with a five year programme to acquire 508 new homes through Section 106 agreements and direct purchased land developments. Currently we have achieved 275 homes across 10 schemes.

Building new social housing requires a financial subsidy in order to make it viable. The funding for our current build programmes consists of a mixture of government grants, subsidy from Plymouth City Council, additional income from temporarily re-letting social rented homes at higher affordable rent levels, internal cost savings made, budget out-performance, cross-subsidy from market sale homes, and a very limited number of disposals of existing homes which are either unpopular with residents, have very high maintenance costs, or both.

We achieved £4.8m in Shared Ownership sales.

Capital structure and treasury policy

Capital structure

At 31 March 2019 the organisation had £80m of variable rate bank facilities being a £45m Term facility provided by Royal Bank of Scotland (RBS), expiring 2027, and a £35m Revolving Credit Facility (RCF) provided by Barclays which expires 2023 having been extended by one year in 2018/19. These facilities provide the flexibility we require for the large costs of our development and major works programmes.

In addition to these shorter term facilities we have longer term fixed rate financing of £90m being £30m of European Investment Bank funding sourced through The Housing Finance Corporation (THFC) and three £20m Private Placements (PPs) sourced through Barings.

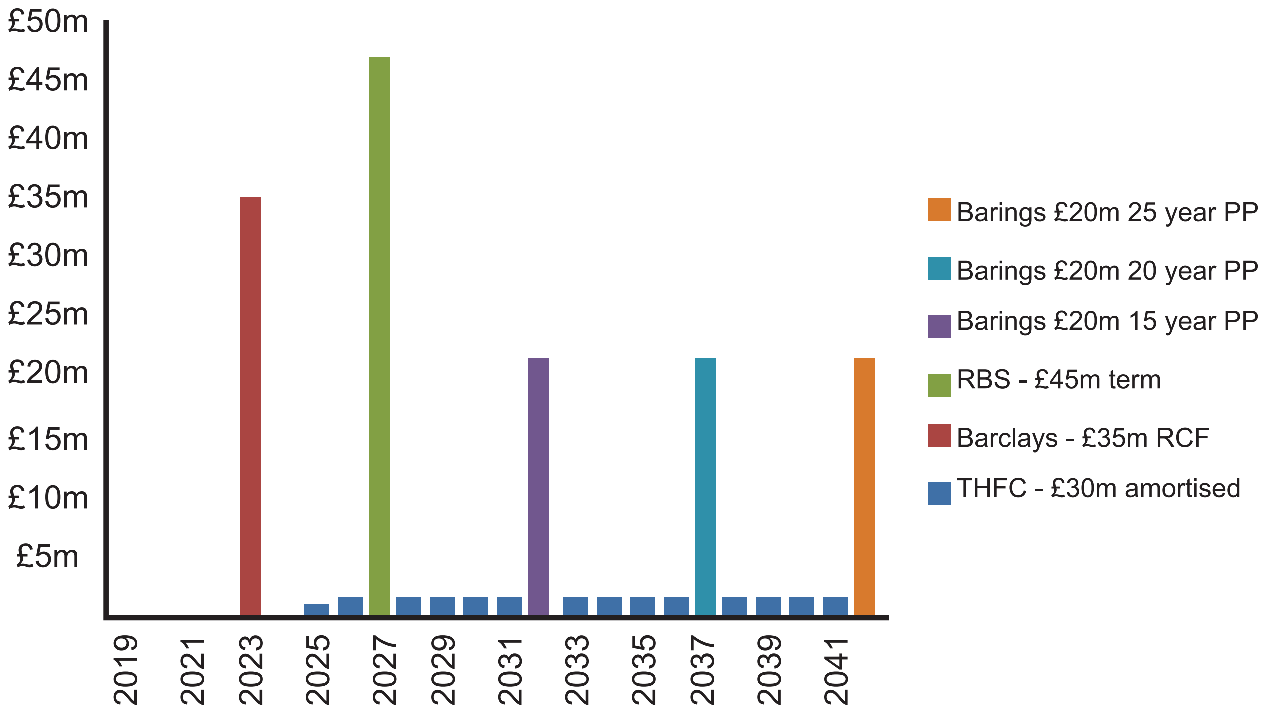
We are also a founding shareholder of MORhomes which is a new borrowing vehicle for housing associations that raised £250m with its first issue which completed in February 2019.

All borrowing agreements give us the flexibility to obtain additional funding without requiring the consent of existing lenders.

This is a suitable funding structure to support our expansion and to which we expect to add as we continue to build new homes and improve existing homes. The following chart shows the expiry profile of these facilities.

Repayment profile of current facilities

The period quoted for each private placement is its original length



The maturity profile of the current capital structure spreads out the future refinancing risk, being the requirement to replace expiring funding with new funding. Existing main facilities end at well-spaced intervals. The £30m THFC loan is repaid steadily through the period in line with the original loan agreement.

	March 2019	March 2018	March 2017
Net debt / turnover x	1.2	1.4	1.0
Net debt / EBITDA x	4	4	3
Net debt per home	£6,994	£6,718	£4,508
Gearing	19%	19%	10%

A key measure of our ability to support these loans is the level of security of the housing stock that either is or can be put in charge to secure them. The £170m facility is fully secured and there are a further 5,825 homes available for charging in the future giving confidence in the ability to raise future funding. This capacity is reflected in the low gearing and low level of debt per home.

The Group has relatively low operating margins however because debt multiples of turnover and revenue cash generation are both low there remains a strong ability to meet additional costs of debt.

	Valuation date	Rented homes no.	Valuation £m	Facility £m	Drawn £m
RBS	June 2017	2,182	53	45	12.5
Barclays	June 2017	1,779	66	35	9.5
THFC	March 2018	1,632	51	30	30
Barings	June 2017	2,880	80	60	60
Total		**8,473**	**250**	**170**	**112**
Unallocated/ Unencumbered		5,825	144	-	-
Total		**4,298**	**395**	**170**	**112**
Gross debt per unit					**£7,833**

The valuations are at Existing Use Value – Social Housing (EUV-SH) Basis 1 which assumes that the properties will be re-let as social housing upon void. Additional homes were put into charge with THFC in March 2018. The £51m valuation has been reduced by the £1m impairment of one of our blocks.

In March 2016 a whole stock valuation was undertaken. At this date the housing stock was valued at £661m on the basis that voids are sold on the open market with vacant possession as they arise, with an open market valuation of £1.2 billion.

Treasury management

PCH operates a centralised treasury management function. Its primary duties are to manage liquidity, funding, investment and financial risk including that from interest rate volatility.

Treasury policies are approved by the PCH Board with the latest addition to the Policy being the Board-approved golden rules to provide a risk management framework for planning and performance.

Golden rules

Area	Rule	At 31st March 2019
Cash on Hand	Higher of £5m or 3 months' cashflow	£13.4m cash balance Compliant
Liquidity	Ready to draw facilities (with security in place) for at least 18 months Maintain a forecast minimum of 10% of bank loan facilities undrawn - currently £80m so £8m	Compliant More than > 2 years facilities with over 10% bank facilities undrawn
	No development contracts may be entered into unless sufficient funding is in place to maintain these liquidity rules when the development contract cashflows are included.	Compliant Funding is in place to meet all contracts entered into and schemes approved by the Board as at 31 March 2019
Interest	Interest Cover and forecast Interest Cover for the next five years is to exceed the tightest covenant by a margin of at least 10%	Compliant
Gearing	Maintain a minimum of 5% headroom above the tightest covenant over the next five years	Compliant Gross debt is £112m Housing assets are £505m

All of the rules were met during the year and are met in future business plan projections on the assumption that additional funds can be raised in a timely manner.

Interest rate strategy

Our policy is to have a mix of fixed and variable rate debt with the split being agreed by the Board each year. With £90m of fixed funding, being 80% of drawn funds at 31 March 2019, the Board has continued with the policy of drawing down all bank debt on variable rates taking advantage of the current very low rates.

The £60m Private Placement has been drawn at fixed rates of c. 3.3% and the £30m EIB / THFC at c.2.9%. The average all in rate for variable debt during the year including payment of commitment fees was 3.7%.

The weighted average cost of debt was 3.3% (2018: 3.7%); these percentages exclude the pension interest expense and arrangement fees and do not net off the interest capitalised upon development schemes as these amounts are both independent of the level of debt. The amount of facility non-utilisation costs incurred during the year was £0.3m (2018: £0.4m) and the actual cash interest paid during the year was £3.6m (2018: £3.5m).

Cash investment strategy

Surplus cash is invested according to policies approved by the Board keeping to the golden rules and with the preservation of capital value as the primary objective.

The organisation's target cash holding is set at the higher of £5m or three months' expected cash spend, although higher cash levels may be held in anticipation of significant capital expenditure or in periods of higher risk in the financial markets.

At the year-end, cash holdings were £13.4m (2018: £15.9m). Funds are deposited with a limited list of approved banks, whose ratings are monitored regularly, and may also be invested in approved Money Market Funds. In addition to these holdings, a cash balance of £0.6m (2018: £0.4m) is held within a "sinking fund" controlled by THFC as security for the EIB loan. This can be accessed in the future by substituting existing unencumbered housing properties for this cash.

Liquidity strategy

The policy requires balance sheet cash holdings as explained above. This means having in place facilities for at least 18 months future funding with headroom of 10% (currently £8m) on banking facilities and sufficient facilities to cover all committed development schemes.

At 31 March 2019 facilities were sufficient to cover over two years of future financing needs with projected undrawn bank debt of £52m in March 2021.

Counterparty

PCH has approved lending and investment counterparties and monitors counterparty risks based upon independent credit intelligence supported by our Treasury Advisors.

Share capital

During the year five shares were issued and eight were cancelled, leaving a balance in the share capital of the company of £42 (2018: £45).

Net debt per home stands at just £6,994 - well below accepted level

Managing our risks

Risk management principles

The Golden Rules are used as a financial risk management framework. There is an additional rule to those set out in Treasury Management, section C, relating to the sales risk of open market and shared ownership sales.

Firstly the level of committed and planned open market and shared ownership sales must not exceed 15% of the residential property market. This is a planning measure; if sales happen earlier or at higher values than expected so resulting in their exceeding 15% of gross turnover this does not constitute a breach of the Rule as earlier or higher value sales achieved both serve to reduce future sales risk.

Golden rule

Area	Rule	2018/19 Actual
Sales risk	Shared ownership and open market sales as a percentage of turnover should not be more than 15%	6%

We also monitor the value of unsold stock which is completed and available for sale against the current year's gross turnover with increasingly severe action trigger points at the levels of 5%, 10% and 15%. The highest level results in a presumption that no new development schemes will be entered into.

Unsold stock as a percentage of gross turnover at 31 March 2019: 3%.

As part of the corporate planning processes, the risks that may prevent the Association achieving its objectives are considered and reviewed six-weekly by the Executive Management Team (EMT), quarterly by Audit & Risk Committee (ARC), and biannually at scheduled meetings of the Board as well as at the biannual Board Away Day Risk Workshops.

The risks are recorded and assessed in terms of their impact and probability with major risks being reported together with action taken to manage the risks, including assessments of key controls, levels of assurance and the outcome of the action.

Risk appetite

The Board has also defined its risk appetite as follows:

Averse	Avoidance of risk and uncertainty
Cautious	Potential for safe delivery options which have a low degree of risk and may only have limited potential for reward
Open/ Optimistic	Prepared to consider all potential delivery options and choose the one that is most likely to result in successful delivery of an acceptable level of reward and value for money
Significant	Willing to be innovative and choose options offering potentially higher business rewards (despite greater inherent risk).

Currently the risk appetite across all activities is balanced between cautious and open/optimistic with no significant risks being taken but avoiding being unduly risk averse.

Financial stress testing

There is a formal process of stress testing against strategic risks to which the thirty year financial plan is subject in order to demonstrate the Group's ability to both withstand and to react to particular adverse risks; both individually and in combination. The risks essentially divide into being either a decrease in income or increase in costs but their incidence can vary between an immediate short term impact and something that steadily worsens over time so are modelled as real world scenarios.

The modelling focussed on testing the business against:

- Breach of funding covenants;
- running out of cash;
- running out of security (given the high levels of unencumbered assets available for security this is not a critical risk area).

This was looked at from the immediacy of a breach of covenant and loss of cash and then the testing was raised to the point at which viability could no longer be maintained in any circumstance other than through merger with another association.

Four main scenarios were tested, both individually and in combination:

- Further rent reductions;
- Adverse differential inflation – maintenance and repairs costs rising faster than expected;
- The impacts of Welfare Reform;
- Interest rate rise and housing market collapse.

The scenarios act as proxies for different scenarios with similar financial impacts and are considered to cover the Bank of England stress tests and results from Brexit.

There was an additional supplementary scenario of a large exceptional cost of whatever cause.

The actions available to reduce the impact of all the above scenarios are to:

- Reduce the programme of building improvement down to a steady state level;
- To temporarily freeze internal management costs;
- Stop or delay development schemes.

In summary, the Group could withstand low impact shocks, mitigate against moderate shocks, but would have to take more severe action for a high level of adverse impact.

Annually the Board receives a report on how the Group would practically implement the mitigating actions in the case of risk crystallisation such as cancelling contracts, selling assets, reviewing staffing resources etc.

If the risks crystallise to such an extent that all of the mitigating actions have to be carried out then the ultimate action would be to merge with another association. The Board annually sets out its approach to mergers which can be summed up as sticking to our values and being clear and accountable for any decisions.

Value for money and benchmarking

Central to delivering our business strategy is value for money. This means using our money and other resources on the right things, at the right cost and at the right time so that we get the right outcome. Our Value for Money Strategy sets out the principles for how we will achieve value for money in the delivery of our strategic objectives. It is based on the following actions:

How we assess VFM

Achieving VFM is a key driver of the way we do business and is assessed in two simple yet effective ways:

Have we done what we said we would in our Strategic Business Plan?

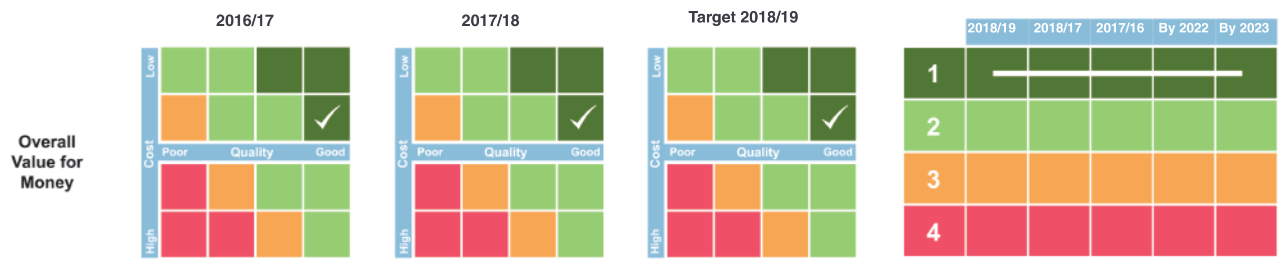
How does our financial and operational performance compare to other similar landlords?

Performance against objectives is measured monthly at operational level and reported to Board on a quarterly basis.

We participate in HouseMark, Vantage and Sector Scorecard benchmarking annually, and we also use the Regulator's Global Accounts of Registered Providers as an additional source of performance comparison.

Our main source of benchmarking is from HouseMark, using a peer group of LSVT landlords with more than 7500 units. More recently we have complemented HouseMark benchmarks with data from the Sector Scorecard and the Global Accounts by comparing ourselves to all Registered Providers.

Overall value for money score



We believe that our overall value for money score is medium cost and high quality. This is evidenced through our strong financial capacity to build more homes, our operational performance which is consistently achieving challenging targets and customer satisfaction scores.

Sector scorecard and regulatory metrics (marked ⭐)

Business Health	Development (Capacity and Supply)	Outcomes Delivered	Effective Asset Management	Operating Efficiencies
Operating Margin **14.7%** **[19.5%]** ⭐	Units Developed **216**	Customer Satisfaction with Services **91.2%**	Return on Capital Employed (ROCE) **2.1%** **[2.9%]** ⭐	Headline social housing cost per unit **£3,610** ⭐
Operating Margin (Social Lettings) **14.3%** **[20.1%]** ⭐	Units Developed as % Units Owned **1.5%** ⭐	Reinvestment in new and existing stock **6.3%** ⭐	Occupancy rate **99.5%**	Rent collected as % rent due **100.97%**
EBITDA-MRI Interest Cover **308%** ⭐	Gearing **19.4%** ⭐	£ invested in communities **£673k**	Ratio of response repairs to planned maintenance **0.54**	Overheads as % adjusted turnover **10.7%** **[10.1%]**

The table above shows our 2018/19 Sector Scorecard results, incorporating the Regulator's metrics which are starred. We have adjusted the figures to reflect the underlying position excluding the grant of £4.495m for Mount Wise Towers. Where this is different to the strict calculation of the Regulators metrics we have included the unadjusted figures in square brackets.

The metrics show that we have a strong balance sheet with low debt and high assets giving a low gearing. Interest cover is high due to strong cash generation and low financing costs but operating margins are at the lower end for the sector due to our low rents. Operating efficiency is good and our strong social values are reflected in top quartile customer satisfaction and a healthy investment in communities. We continue to play our part in new development which is one of the areas we are focussed on increasing in the coming years.

More detailed commentary is given on the metrics in appropriate sections of the main body of the report.

We achieved our lowest ever rent arrears at 1.16%

We have built 675 new homes since 2009

Group structure and corporate governance

Profile of Plymouth Community Homes Ltd

Plymouth Community Homes (the ‘Association’ or ‘PCH’) is a leading, growing, independent housing association with a clear social purpose, providing homes and services people want and can afford.

We (‘the Group’) has a clear corporate structure with the Association being the parent company of three subsidiary companies. It is the principal asset owning company and all debt sits with the Association.

The Association Board is ultimately responsible for the control of the Group, which includes approving the overall strategies and policies, and for monitoring performance against targets, within a clearly defined framework of delegation and system of control.

The three subsidiaries allow us to trade in a for-profit context whilst reducing the risks associated with such activities.

Plymouth Community Homes Ltd (PCH)
Charitable RP

Plymouth Community Homes Manufacturing Services Ltd (PCHMS)

Non-charitable limited by guarantee company

Plymouth Community Homes Regeneration Company Ltd (PCHR)

Non-charitable limited company

Plymouth Community Homes Energy Ltd (PCHE)

Non-charitable limited company

Subsidiary companies

The three subsidiary companies are registered with Companies House and are for-profit organisations. They are not registered with the Regulator for Social Housing (RSH). Surplus funds generated by these companies are usually Gift Aided to Plymouth Community Homes to support its work.

The PCHMS Board contains a mixture of PCH Board members and members of the Executive Management Team. The PCHR and PCHE Boards would contain members of the Executive only, due to the operational nature of those Boards' business. This will be reviewed during 2019/20.

Plymouth Community Homes Manufacturing Services Ltd (PCHMS)

The principal activity of this company is the sale of windows, doors, joinery and signs outside the PCH Group.

The key objective of the company is to grow its trading in a sustainable way, maintain product quality and workforce skills, achieve a high level of customer satisfaction and offer a value for money portfolio of products and services.

PCHMS is a company limited by guarantee, and has four company directors, consisting of three PCH Board members and one member of the Executive. This Board met six times during 2018/19.

Plymouth Community Homes Regeneration Company Ltd (PCHR)

This subsidiary oversees the new-build design and build work for PCH. The company also owns four residential properties which are let at market rent. The profits of the company are paid to PCH under Gift Aid.

PCHR is a company limited by shares, and has four company directors, consisting of the Executive Management Team. This Board met five times during 2018/19. The Board composition is to be reviewed during 2019/20.

Plymouth Community Homes Energy Ltd (PCHE)

The principal activity of this subsidiary is to install and manage photovoltaic panels, under a license agreement, on properties owned by PCH Ltd.

Photovoltaic cells are installed on 2,369 properties. The company receives the Feed in Tariff and Export Tariff from the panels and sells electricity generated to PCH, which is then passed on free to tenants during the day.

PCHE is a company limited by shares, and has four company directors, consisting of the Executive Management Team. This Board met twice during 2018/19.

The Plymouth Community Homes Ltd Board

The Board members holding office during the period 1 April 2018 to 31 March 2019 are listed in note 9 (Board members and Executive Directors).

The Board consists of members from a wide variety of backgrounds with a broad range of skills and knowledge. There are no members of the Executive on the PCH Board.

The principal obligations of the Board are:

- To determine the vision and ensure that its achievement underpins all strategic planning and decision making.
- To ensure that PCH keeps within the law and complies with all necessary regulatory requirements.
- To maintain overall control through:
    - strong governance arrangements
    - clear and appropriate levels of delegated authority and systems of control
    - agreed frameworks for strategic planning, risk management, policy making, performance management and review

Individual Board members must uphold the highest standards of probity including:

- having no financial interest either personally or through a related party in any contract or transaction of the Association, except as permitted under the Association's rules
- acting only in the interests of the Association (or its subsidiaries) whilst undertaking its business

Committee structure

Reporting to the Board are:

The Audit and Risk Committee:	It convened four times during 2018/19, addressing internal and external audit issues, and ensuring compliance with systems of internal control. It advises the Board on risk management policies and processes. This Committee is also responsible for approving governance policies relating to staff and information management, and ensuring that health and safety is delivered and monitored regularly.
The Customer Focus Committee:	It convened four times during 2018/19 and is tasked with monitoring compliance with the consumer related standards in the RSH's Regulatory Framework, approving service delivery related policies and monitoring the implementation of customer service related strategies and the implementation of the stock investment programme.
The Development Committee:	It convened three times during 2018/19 and is tasked with overseeing the implementation of the PCH development strategy and programme, including the approval of development contracts
The Remuneration Panel	It convened once during 2018/19 and is tasked with reviewing the salaries of the Executive Management Team and ensuring that Board member pay is reviewed in line with the agreed Pay and Performance policy.

Board skills, recruitment and training

The Board is drawn from a wide background and its members are selected to ensure that they bring relevant experience, skills and understanding to the discussions and decision making process of the Board.

On an annual basis, the Board reviews the effectiveness of governance arrangements within the Association. The Board's skills matrix is regularly updated and is used as a basis for the Board's succession planning process which aids compliance with the NHF Code of Governance 2015 which the association has adopted and the Governance and Financial Viability regulatory standard.

The Board was aware that in June 2018 two members had served the maximum nine years as they remained on the Board until September 2018 they exceeded the maximum length of office permitted by the Code of Governance. Whilst this was compliant with our rules it created a non-material breach of the code, which with this exception, PCH continues to comply with.

The Board approved process ensured the successful recruitment of new members with the required skills and experience to reflect the Boards' developing business needs. This included the appointment of a co-optee to the Development Committee. The PCH Board also reviewed membership of the committees and the PCHMS Board which resulted in a number of changes which are detailed in note 37.

Two tenants continue to be co-opted to the Customer Focus Committee as part of the process of succession planning for the existing tenant board members.

Board members are paid for their services, with pay levels confirmed following an independent benchmarking exercise. Board pay is accompanied by clear expectations of individuals and collective Board member performance.

Plymouth City Council's share in Plymouth Community Homes was removed on 15 May 2018 in compliance with the Regulation of Social Housing (Influence of Local Authorities) (England) Regulations 2017.

These Regulations also require that no more than 24% of the total Board membership may be Local Authority officers. PCH complies with this requirement.

Executive Management Team

The Chief Executive and the Executive Management Team (EMT) of the Association and subsidiaries are responsible for the day to day operations and the subsequent monitoring and reporting of performance to the Board and its committees. Details of the Directors are given in Note 9: Board members and Executive Directors.

Regulation

The Regulator for Social Housing (RSH) has assessed our compliance with its Governance and Financial Viability Standard. This is expressed as grading G1 to G4 for governance and V1 to V4 for viability.

The latest regulatory judgement for the Association, following the annual Stability Check, was published in January 2019 and states:

G1: The Provider meets our governance requirements.

V1: The provider meets our viability requirements. It has the financial capacity to deal with a wide range of adverse scenarios.

This judgement upgrades PCH's previous assessment in January 2018 moving the Financial Viability regulatory judgement from V2 to V1.

The regulatory judgement detailed the following:

· *"Based on evidence gained from a Stability Check, the regulator has assurance that PCH's financial plans are consistent with, and support, its financial strategy. The provider has an adequately funded business plan, sufficient security in place, and is forecast to continue to meet its financial covenants under a wide range of adverse scenarios.*

· *Our previous assessment of PCH, which was published in January 2018, concluded that whilst its financial position had improved in a number of respects, the introduction of a programme of development for outright sale represented a degree of risk. PCH's latest plans reflect further strengthening of its financial position, due in part to a major refinancing exercise which has taken place during the last financial year. As a result, PCH's plans are now less reliant upon sales receipts and demonstrate greater financial capacity to manage risks.*

· *The regulator's assessment of PCH's compliance with the governance elements of the Governance and Financial Viability Standard remains unchanged. On the basis of the stability check, the Regulator has concluded that there is no evidence to indicate a change to our current governance grading."*

Regulatory compliance statement

After consideration of reports by the Executive and other third parties, the Board certifies that to the best of its knowledge the Association complies with the RSH Governance and Financial Viability Standards in all material respects.

Board report

Statement of Board's responsibilities in respect of the Board's report and the financial statements

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board has elected to prepare the financial statements in accordance with UK Accounting Standards including FRS102, which is the Financial Reporting Standard applicable in the UK.

The financial statements are required by law to give a true and fair view of the state of affairs of the group and the association and of the income and expenditure of the group and the association for that period.

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

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

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2018. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

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

The Board's report on internal controls assurance

The Board is responsible for the Group's systems of internal control and for reviewing their effectiveness. The Group's systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material mis-statements or loss.

A robust process for managing, evaluating, mapping and monitoring the significant risks faced by the Group is in place. This is continually being developed and is regularly reviewed by both the Audit and Risk Committee and the Board.

We have robust financial planning and monitoring systems and have established financial indicators which we use as a means to evaluate the risk to our business as we continue to change the way we work. This helps us to make good investment decisions and continue to keep within our financial covenants with the lenders as the business moves forward.

There is an Anti-Fraud, Bribery and Corruption Policy covering prevention, detection and reporting and the recovery of assets. This is also supported by a Whistleblowing Policy. We have registered with the Financial Conduct Authority in compliance with the Anti-Money Laundering Regulations.

The Audit and Risk Committee has reviewed the Fraud Register and can advise that there were no material incidents of fraud recorded during the year to 31 March 2019 and up to the date of signing these financial statements.

The Board exercises internal control through a framework, which comprises:

- Board overview of plans, finances and key policies
- Operational reports on key business drivers
- Performance information
- Risk management strategy and policy
- Assurance framework
- Compliance with quality management systems
- The Executive's management assurance and Members' review
- Internal audit
- External audit
- Health and safety audits
- Reports to regulators and funders

The Audit and Risk Committee reviews reports received from management and from internal and external auditors and will make regular reports to the Board on the extent to which internal controls continue to take account of the major risks facing the Group. A formal process exists for the reporting and correction of significant control weaknesses.

The Board has received the Executive's annual report and has conducted its annual review of the effectiveness of the system of internal control. Account has been taken of any changes needed to develop and maintain the effectiveness of the risk management and control process.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Association. This process has been in place throughout the year under review, up to the date of the Annual Report.

We achieved V1 viability rating, G1 governance rating and A+ credit rating

Going concern

The Group and Association have sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the directors believe that the Association is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Group and Association have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Internal audit annual report

Mazars LLP completed 11 planned reviews during the year, including two compliance reviews and one follow up review. These identified 0 high, 6 medium and 25 low risk findings to improve controls.

Mazars confirmed:

“In our opinion, Plymouth Community Homes has in place an appropriate framework for identifying, evaluating and managing the significant risks faced by the Association.

In respect of the areas of activity which we reviewed, and subject to the weaknesses identified and reported in our internal audit reports, Plymouth Community Homes has an effective and reliable framework of internal control and effective risk management and governance processes which provides reasonable assurance regarding the effective and efficient achievement of the Association’s objectives.

No instances of actual or suspected fraud have been encountered during our audit work”

Disclosure of information to auditor

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

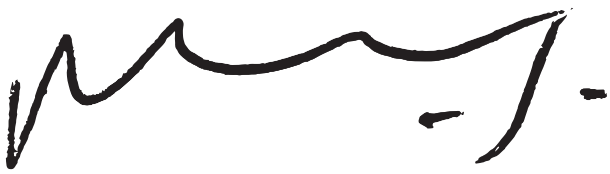
Auditor

Following a competitive tendering exercise, KPMG LLP was reappointed as external auditor of the Association at the Annual General Meeting in September 2014.
The appointment was for the audit of the five years ending March 2015 to 2019. A new tendering exercise will be undertaken for audit of the next five years.

Statement of compliance

In preparing this Operating and Financial Review and Board report, the Board has followed the principles set out in the 2014 Statement of Recommended Practice: Accounting by Registered Social Housing Providers (SORP).

By order of the Board



Nick Lewis, Chair   30 July 2019

Plymouth Community Homes is registered with the Financial Conduct Authority (registration 30637R) and the Regulator for Social Housing (registration L4543).

92% of residents are happy with the quality of their home.

Independent auditor’s report

Opinion

We have audited the financial statements of Plymouth Community Homes Limited for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, group cash flow statement, association cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

• give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of the Group’s and the Association’s affairs as at 31 March 2019 and of the income and expenditure of the Group and the Association for the year then ended; and

• comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 and the Association 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

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors such as the valuation of investment properties, valuation of housing properties, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the association’s future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the association’s future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible future implications for an association and this is particularly the case in relation

Going concern

The association’s Board have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Association or to cease their operations, and as they have concluded that the Group and the
Association’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 are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors’ conclusions, we considered the inherent risks to the group’s business model, including the impact of Brexit, and analysed how those risks might affect the group and association’s financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor’s report is not a guarantee that the Group or the Association will continue in operation.

Other information

The association’s Board are responsible for the other information, which comprises the Strategic Report, Group Structure and Corporate Governance, Board Report and the Statement on Internal Controls. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or 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.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

In our opinion the financial statements:

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

Board's responsibilities

As more fully explained in their statement set out on page 44, the association's Board is responsible for the preparation of financial statements which 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 the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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.

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

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and, in respect of the reporting on corporate governance, on terms that have been agreed.

Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it in an auditor's report and, in respect of the reporting on corporate governance, those matters we have agreed to state to it in our report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.

Harry Mears,
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
Plym House
Plymouth, PL6 8LT

16 August 2019

We improved our pre-tax operating surplus (excluding grants for cladding removal) by 11% to £8.4m.

Statement of comprehensive income for the year ended 31 March 2019

Continuing Activities	Note	Group 2019 £'000	Group 2018 £'000	Association 2019 £'000	Association 2018 £'000
Turnover	3	80,178	69,307	77,360	66,323
Cost of sales	3	(8,226)	(3,050)	(7,048)	(1,550)
Operating costs	3	(56,321)	(57,084)	(55,141)	(55,835)
(Loss)/Gain on sale of properties not developed for outright sale	10	527	(1,363)	527	(1,363)
Operating surplus / (deficit)	3	**16,158**	**7,810**	**15,698**	**7,575**
Gain of sale of fixed assets	5	92	29	125	50
Interest receivable	11	46	32	42	29
Interest payable and similar charges	12	(4,155)	(5,262)	(4,155)	(5,262)
Cost of cancellation of interest rate hedge		-	(38,380)	-	(38,380)
Change in value of investment property	15	730	411	730	411
Gift aid receivable		-	-	1,050	1,376
Surplus / (deficit) before taxation		**12,871**	**(35,360)**	**13,490**	**(34,201)**
Tax	13	(7)	(150)	10	(150)
Surplus / (deficit) for the year		**12,864**	**(35,510)**	**13,500**	**(34,351)**
Other Comprehensive Income					
Opening defined pension liability on SHPS	26	(1,862)	-	(1,862)	
Movement on the pension liabilities	26	2,254	5,461	2,254	5,461
Total (Deficit)/surplus recognised for the year		**13,256**	**(30,049)**	**13,892**	**(28,890)**

Chair: **30 July 2019**

Vice Chair: **30 July 2019**

Secretary **30 July 2019**

Statement of financial position at 31 March 2019

	Note	Group 2019 £'000	Group 2018 £'000	Association 2019 £'000	Association 2018 £'000
Fixed Assets					
Tangible assets					
Housing Properties	14	504,274	488,302	509,139	492,556
Other tangible assets	14	20,155	20,516	12,550	12,395
Investments in subsidiary	15	-	-	9,400	9,400
Investments	15	95	80	95	80
Commercial Property	15	16,760	16,030	16,760	16,030
		541,284	524,928	547,944	530,461
Assets : amounts receivable after more than one year					
Development debtor		8,617	9,642	8,617	9,642
Due For Land Sale		1,517	-	-	-
	19	10,134	9,642	8,617	9,642
Current assets					
Shared ownership completed properties	17	-	-	-	-
Shared ownership properties in progress	17	2,383	6,284	2,383	6,284
Development Land held for sale		51	2,207	51	2,207
Stock	18	1,300	991	1,218	920
Debtors	19	20,057	6,260	22,400	7,333
Cash at bank and short term deposits	20	13,442	15,927	9,255	11,296
		37,233	31,669	35,307	28,040
Creditors : amounts falling due within one year	21	(17,914)	(18,691)	(16,639)	(16,739)
Net current assets		19,319	12,978	18,668	11,301
Creditors : amounts falling due after more than one year					
Loans	22	(111,108)	(109,794)	(111,108)	(109,794)
Grant funding	22	(37,662)	(25,595)	(37,662)	(25,595)
Development creditor	19	(8,617)	(9,642)	(8,617)	(9,642)
Disposal proceeds fund	22	-	(429)	-	(429)
RCGF	22	(108)	(152)	(108)	(152)
Pension liability SHPS	27	(2,185)	-	(2,185)	-
Pension liability LGPS	26	(27,890)	(28,043)	(27,890)	(28,043)
		(187,570)	**(173,655)**	**(187,570)**	**(173,655)**
Provision: Removal of Tower Cladding	24	**(512)**	**(4,495)**	(512)	**(4,495)**
Net assets		**382,655**	**369,398**	**387,147**	**373,254**

Statement of financial position at 31 March 2019

	Note	Group 2019 £'000	Group 2018 £'000	Association 2019 £'000	Association 2018 £'000
Capital and reserves					
Share capital		-	-	-	-
Restricted reserves		61	361	61	361
Designated reserves		226	215	226	215
Revenue reserve		136,281	116,142	140,773	119,998
Revaluation reserve		276,162	280,723	276,162	280,723
Pension fund reserve SHPS	27	(2,185)	-	(2,185)	-
Pension fund reserve LGPS	26	(27,890)	(28,043)	(27,890)	(28,043)
Total Funds		**382,655**	**369,398**	**387,147**	**373,254**

The financial statements and related notes on pages 51 to 104 were approved by the Board on 30 July 2019 and were signed on its behalf by:

Chair: **30 July 2019**

Vice Chair **30 July 2019**

Secretary **30 July 2019**

63.4% of residents would recommend us to friends and family

Statement of changes in equity

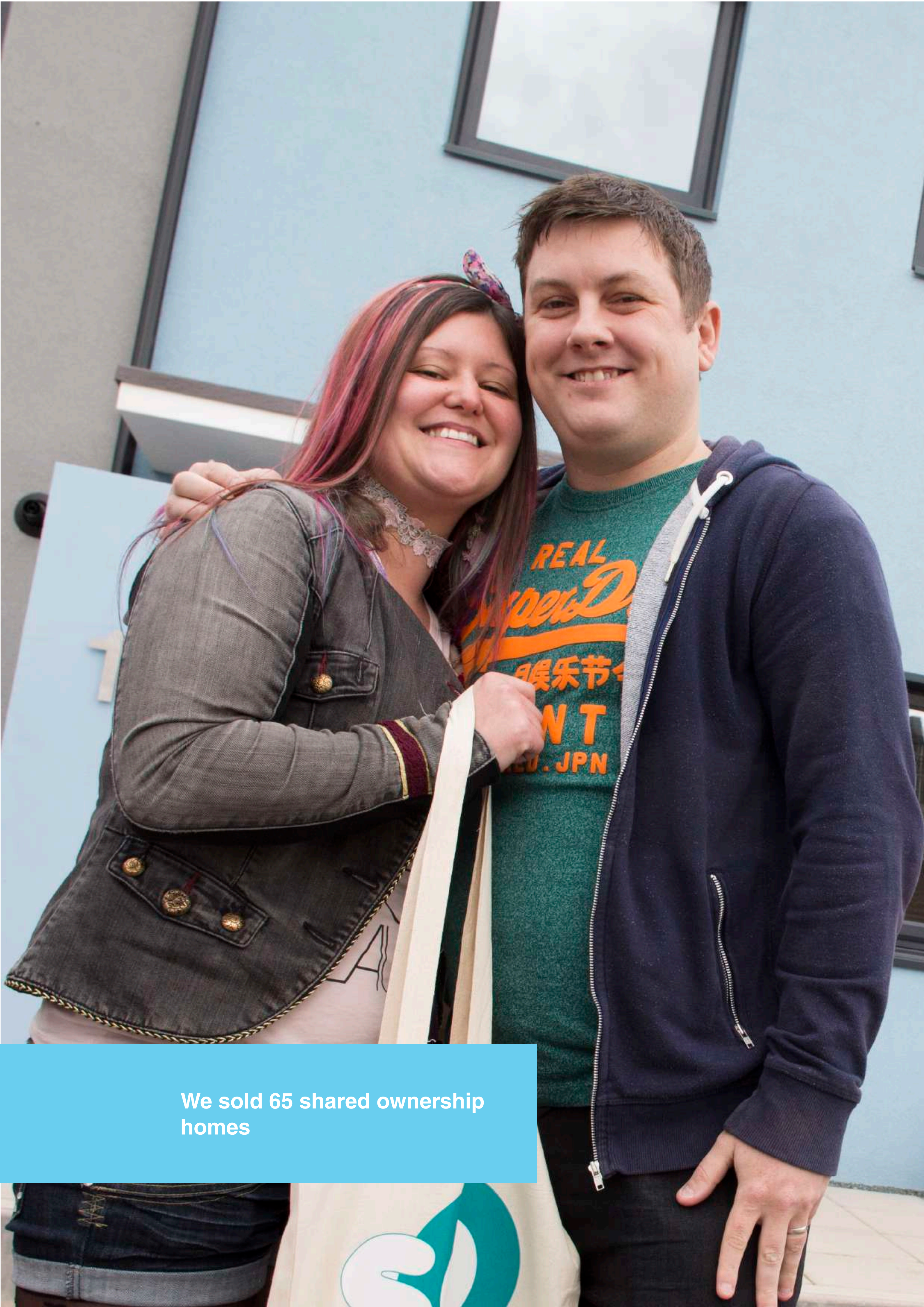
Group	Restricted Reserve	Restricted Reserve	Designated Reserve	Revaluation Reserve	Revaluation Reserve	Revenue Reserve	Pension Fund Reserve	Pension Fund Reserve	Total Equity
	Sundry Property Sales	Brock House	Sundry Property Sales	Housing	Commercial				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2018	181	180	215	266,731	13,992	116,143	-	(28,043)	369,399
Total comprehensive income for the period	-	-	-	-	-	15,288	(160)	(2,264)	12,864
Actuarial Losses	-	-	-	-	-	-	(2,025)	2,417	392
Cash Receipt	151	-	151	-	-	(302)	-	-	-
Reserves transfer	(332)	-	(140)	-	-	472	-	-	-
Reserves transfer	-	(119)	-	-	-	119	-	-	-
Reserves transfer	-	-	-	(5,291)	-	5,291	-	-	-
Reserves transfer	-	-	-	-	730	(730)	-	-	-
Balance at 31 March 2019	-	61	226	261,440	14,722	136,281	(2,185)	(27,890)	382,655

Association	Restricted Reserve	Restricted Reserve	Designated Reserve	Revaluation Reserve	Revaluation Reserve	Revenue Reserve	Pension Fund Reserve	Pension Fund Reserve	Total Equity
	Sundry Property Sales	Brock House	Sundry Property Sales	Housing	Commercial		SHPS	LGPS	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2018	181	180	215	266,731	13,992	119,999	-	(28,043)	373,255
Total comprehensive income	-	-	-	-	-	15,924	(160)	(2,264)	13,500
Actuarial Losses	-	-	-	-	-	-	(2,025)	2,417	392
Cash Receipt	151	-	151	-	-	(302)			-
Reserves transfer	(332)	-	(140)	-	-	472	-	-	-
Reserves transfer	-	(119)	-	-	-	119	-	-	-
Reserves transfer	-	-	-	(5,291)	-	5,291	-	-	-
Reserves transfer	-	-	-	-	730	(730)	-	-	-
Balance at 31 March 2019	-	61	226	261,440	14,722	140,773	(2,185)	(27,890)	387,147

Statement of cash flows for year ended 31 March 2019

Group	2019 £'000	2018 £'000
Cashflows from operating activities		
Surplus/(Defict) for the year	12,864	(35,360)
Corporation tax	(16)	(150)
Depreciation	13,389	16,765
Interest receivable	(46)	(32)
Interest payable	4,155	43,642
(Gain)/Loss on sale of housing properties	(527)	1,363
Surplus on sale of other FA	(92)	(29)
Change in FV of investment properties	(730)	(411)
Decrease/(Increase) in stock	5,748	(5,411)
(Increase) / decrease in debtors	(3,503)	(5)
Increase / (decrease) in creditors	1,461	667
Difference between pension charge and cash contributions	1,656	1,760
Grant amortised	(5,210)	(754)
Net cash from operating activities	**29,149**	**22,045**
Cashflows from investing activities		
Grants Received and land proceeds	5,463	2,406
Additions to housing properties	(30,111)	(39,005)
Non-cash provision for cladding		4,495
Cash paid for removal of cladding	(3,983)	-
Sale of housing properties	4,044	11,056
Acquisitions of other fixed assets	(1,358)	(1,901)
Sale of other fixed assets	169	112
Payment to PCC	(3,584)	(3,521)
Net cash from investing activities	**(29,360)**	**(26,358)**
Cash flows from financing activities		
Interest received	46	32
Interest paid	(3,609)	(3,473)
Cost of cancellation of interest rate hedge		(38,380)
Loans Received / (Repaid)	1,500	47,000
Movement on investments	(211)	2,875
Net cash from financing activities	**(2,274)**	**8,054**
Net (decrease)/increase in cash and cash equivalents	**(2,485)**	**3,741**
Cash at beginning of year	15,927	12,186
Net (decrease)/increase	(2,485)	3,741
Cash at end of year	**13,442**	**15,927**

Association	2019 £'000	2018 £'000
Cashflows from operating activities		
Surplus/(deficit) for the year	13,500	(34,201)
Corporation tax	-	(150)
Depreciation	12,937	16,281
Interest receivable	(42)	(29)
Interest payable	4,155	43,642
(Gain)/Loss on sale of housing properties	(527)	1,363
Surplus on sale of other FA	(125)	(50)
Change in FV of investment properties	(730)	(411)
Gift Aid	(1,050)	(1,376)
Decrease/(increase) in stock	5,759	(5,340)
(Increase)/decrease in debtors	(3,999)	50
Increase / (decrease) in creditors	2,122	(27)
Difference between pension charge and cash contributions	1,656	1,760
Grant amortised	(5,210)	(754)
Net cash from operating activities	**28,446**	**20,758**
Cashflows from investing activities		
Grants Received and land proceeds	4,990	2,514
Additions to housing properties	(30,722)	(40,301)
Non-cash provision for cladding	-	4,495
Cash paid for removal of cladding	(3,983)	-
Sale of housing properties	4,517	10,948
Acquisitions of other fixed assets	(1,348)	(1,901)
Sale of other fixed assets	128	108
Payment to PCC	(3,584)	(3,521)
Net cash from investing activities	**(30,002)**	**(27,658)**
Cash flows from financing activities		
Interest received	42	29
Interest paid	(3,609)	(3,473)
Cost of cancellation of interest rate hedge	-	(38,380)
Loans Received /(Repaid)	1,500	47,000
Movement on investments	(211)	2,774
Gift Aid received	1,793	931
Net cash from financing activities	**(485)**	**8,881**
Net (decrease)/increasein cash and cash equivalents	**(2,041)**	**1,981**
Cash at beginning of year	11,296	9,315
Net (decrease)/increase in year	(2,041)	1,981
Cash at end of year	**9,255**	**11,296**



We sold 65 shared ownership homes

Notes to the financial statements

1. Principal accounting policies

The financial statements of the Group and Association are prepared in accordance with Financial Reporting Standard 102, the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102), and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Basis of consolidation

The consolidated financial statements include the financial statements of the Association (Plymouth Community Homes Ltd) and its subsidiary undertakings, Plymouth Community Homes Manufacturing Services Ltd, Plymouth Community Homes Regeneration Company Ltd and Plymouth Community Homes Energy Ltd.

All entities are registered in England.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- Fair value or revaluation as deemed cost – The fair value at 1 April 2014 has been used as deemed cost for housing assets.
- For leases commenced before 1 April 2014 the Association continued to account for lease incentives under previous UK GAAP.

Key estimates and judgements

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 35.

FRS 102

In accordance with Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments of FRS 102 that deal with recognising, de-recognising, measuring and disclosing financial instruments, the Group has chosen to apply the requirements of FRS 102 Sections 11 and 12 and the presentation requirements, as appropriate, of 11.38A or 12.25B as permitted by paragraph 11.2(b) and 12.2(b).

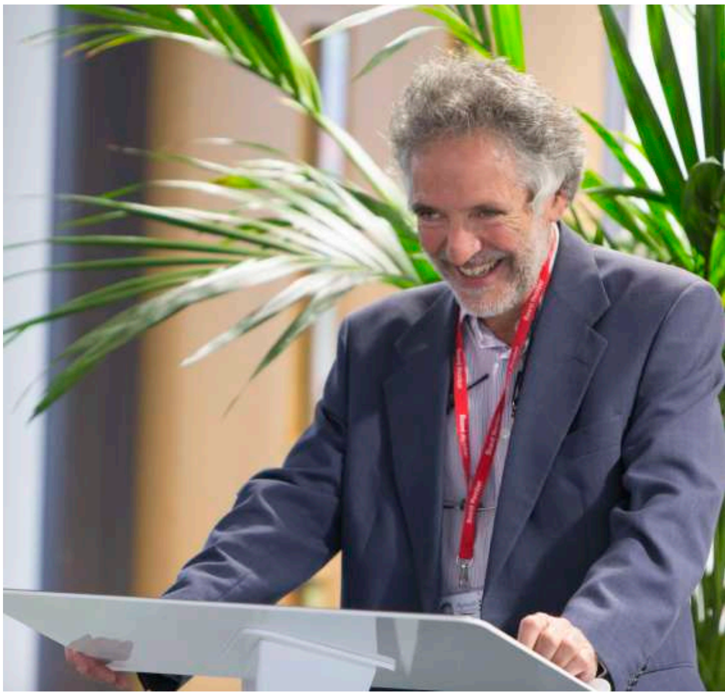
Principal accounting policies (continued)

Measurement convention

The financial statements are prepared on the historical cost basis except that investment properties are stated at their fair value as are pensions and non-basic financial instruments.

Going concern

The Association and Group have sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Board believes that the Association and Group are well placed to manage their business risks successfully. The Board has a reasonable expectation that the Association and Group have adequate resources to continue in operational existence for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing these financial statements.



Basic financial instruments

Tenant arrears, trade and other debtors

Tenant arrears, trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Bank loans classified as basic financial instruments

Bank loans are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Association's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Tangible fixed assets

Tangible fixed assets, excluding Housing Properties are stated at cost less accumulated depreciation and accumulated impairment losses. Housing properties, except new build, were revalued to fair value on the 1 April 2014 and this value treated as deemed cost thereafter. New build housing properties are shown at cost.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Association assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Housing properties

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses, or cost (for new build properties and components added since 1 April 2014). Cost includes the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period, and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties. Shared ownership properties are included in housing properties at cost related to the percentage of equity retained, less any provisions needed for impairment or depreciation.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:

Category	Years
Structure of Building	80
Kitchens	20
Bathrooms	30
Heating Systems	15
Windows	30
Cladding	25
Roofs:	15-80
Flat roofs – felt	15
Pitched roofs - Concrete	55
Pitched roofs – Slate	80
Guttering	30
Lifts	25
Alarm Systems	3
Photovoltaic Panels	20-25
Flooring	10
Capitalised Salaries	20
Tower Heat Sensors	10

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Association expects to consume an asset's future economic benefits.

Non component works to existing properties

The amount of expenditure incurred which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the income and expenditure account in the period in which it is incurred.

Interest capitalised

Interest on borrowings is capitalised to housing properties during the course of construction up to the date of completion of each scheme. The interest capitalised is either on borrowings specifically taken to finance a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised. For the year ending 31 March 2019, interest has been capitalised at an average rate of 3.3% (2018: 3.5%) that reflects the weighted average effective interest rate on the Group's borrowings required to finance housing property developments.

Other fixed assets

Other tangible assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

The principal annual rates used for other assets are:

Category	Years
Plant & Machinery	**5**
Motor Vehicles	**5 - 7**
Office and estate equipment and furniture	**5**
Computer equipment	**5**
Freehold Office Properties	**50**

Intangible assets

Software is held at cost less any accumulated depreciation. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful life of the asset which is assumed to be five years.

Grants

Social Housing Grant

Social Housing Grant (SHG) is initially recognised as a long term liability, specifically as deferred grant income, and released through the income and expenditure as turnover income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

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

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

Other Government Grants

Other Government grant is initially recognised as a long term liability, and released through the income and expenditure over the life of the structure of housing properties. This is the accrual method applicable to social landlords accounting for housing properties at cost.

On transition to FRS 102, an election was taken to treat fair value as deemed cost for housing properties. As a result the performance method for accounting for grant was applied. At 1 April 2014 the government grant in respect of those items was therefore taken to revenue reserves.

Non-Government Grants

Non-government grants are recognised through income and expenditure in the year in which the terms of the grant are met.

Investment property

Investment properties are;

- commercial properties (shops) which are held either to earn rental income or for capital appreciation or for both.

- The part of Plumer House that is let to tenants to earn rental income.

Investment properties are recognised initially at cost. Subsequent to initial recognition:

- investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and

- no depreciation is provided in respect of investment properties applying the fair value model.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the turnover policy.

Properties held for sale and work in progress

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress up to the point of practical completion of the development scheme. Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Impairment excluding investment properties

Financial assets (including trade and other debtors)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Association's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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

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

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Association pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees. The Group participates in the SHPS defined contribution scheme.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The cost of providing retirement pensions and related benefits is accounted for in accordance with FRS 102 - 'Retirement Benefits'.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using a projected unit method and discounted at the rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income/charges. Actuarial gains and losses are recognised in the consolidated statement of total recognised surpluses and deficits. The pension scheme's surpluses to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

The Group participates in two defined benefit plans as set out below:

Devon County Council Local Government Pension Scheme

The LGPS scheme is administered by Devon County Council and is independent of the Group's finances. Contributions are paid to the scheme in accordance with the recommendations of an independent actuary to enable the scheme to meet the benefits accruing in respect of current and future service. Details of the LGPS scheme can be found on page 87, note 26.

Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group.

SHPS is a multi-employer scheme which provides benefits to non-associated employers. The scheme is classified as a defined benefit scheme. At 31 March 2018 it was not possible for the Association to obtain sufficient information to account for the liability on a full FRS 102 valuation basis so it was accounted for as a defined contribution scheme where the net present value of the deficit contributions were recognised in the accounts as creditors falling within and more than one year.

As a result of additional information, SHPS is now able to split the pension liability by employer which has resulted in the scheme liability being accounted for adopting a full FRS 102 valuation at 31 March 2019. In accordance with FRED 71, no restatement of prior year figures has been made in these accounts. Details of the SHPS scheme can be found on page 92, note 27.

Provisions

A provision is recognised in the balance sheet when the Association has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date. The value of provisions is re-assessed each year in light of estimated future income and costs as appropriate.

Turnover

Turnover represents rental and service charge income receivable (net of void losses), fees receivable, proceeds from first tranche sales of low-cost home ownership and from properties developed for open market sales, and amortisation of Social Housing Grant (SHG) under the accrual model. Rental income is recognised on the execution of tenancy agreements. Proceeds on sales are recognised on practical completions. Other income is recognised as receivable on the delivery of services provided.

Expenses

Cost of sales

Cost of sales represents the costs including capitalised interest and direct overheads incurred in the development of the properties, and marketing, and other incidental costs incurred in the sale of the properties.

Operating lease

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

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and interest payable

Interest payable and similar charges include interest payable and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of Housing Properties that take a substantial time to be prepared for use are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The Association is liable for Corporation Tax on non-charitable income, such as overage earned on developments. The subsidiary companies are liable for Corporation Tax. The charge for taxation is based on the profit/loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting.

2. Social housing - Lettings group and association

Group & Association	2019 General Needs £'000	2019 Supported Housing £'000	2019 Shared Ownership £'000	2019 Total £'000	2018 Total £'000
Rents	48,930	6,678	345	55,954	55,349
Service Charges	3,164	873	42	4,079	3,715
Net Rents receivable	**52,094**	**7,551**	**387**	**60,033**	**59,064**
British Gas Funding Release	577	82	-	659	706
Plymouth City Council funding	703	-	-	703	
Cladding Removal Government Funding	4,495			4,495	
Total Income from Lettings	**57,869**	**7,633**	**387**	**65,890**	**59,770**
Expenditure on lettings					
Management	(8,064)	(1,046)	(17)	(9,127)	(8,844)
Services	(3,607)	(993)	(42)	(4,642)	(4,183)
Response Repairs	(10,442)	(1,202)	-	(11,644)	(10,384)
Cyclical & Planned Maintenance	(4,884)	(303)	-	(5,187)	(4,851)
Major Repairs	(7,358)	(67)	-	(7,425)	(7,053)
VAT Recovered	120	17	-	137	98
Bad debts	(163)	(23)	-	(186)	(252)
Depreciation Housing Properties	(9,235)	(1,327)	(74)	(10,636)	(14,960)
Depreciation Other	(1,088)	(70)	-	(1,158)	(1,424)
Impairment of Housing Properties	(1,106)	-	-	(1,106)	-
Pension charges	(1,449)	(207)	-	(1,656)	(1,760)
Total Expenditure on lettings	**(47,276)**	**(5,223)**	**(133)**	**(52,632)**	**(53,613)**
Operating Surplus / (Deficit) on lettings	**10,593**	**2,411**	**254**	**13,258**	**6,157**
Void loss	**(287)**	**(35)**	**-**	**(322)**	**(247)**

3. Social housing

Group	2019 Turnover	2019 Cost of Sales	2019 Operating Costs	2019 Surplus on Sale of properties	2019 Operating (Deficit) / Surplus	2018 Turnover	2018 Cost of Sales	2018 Operating Costs	2018 Surplus on Sale of properties	2018 Operating (Deficit) / Surplus
Social Housing Lettings	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General Needs	57,869	-	(47,276)	-	10,593	51,980	-	(48,922)	-	3,058
Supported Housing	7,633	-	(5,223)	-	2,411	7,518		(4,649)	-	2,869
Low Cost Home Ownership	387	-	(133)	-	254	272		(42)	-	230
	65,890	**-**	**(52,632)**	**-**	**13,258**	**59,770**	**-**	**(53,613)**	**-**	**6,157**
Other Social Housing Activities										
Shared Ownership Sales	4,828	(4,725)	-	-	102	1,487	(1,447)	-	-	40
Development not Capitalised	-	-	(654)	-	(654)	-	-	(526)	-	(526)
Community Involvement	-	-	(673)	-	(673)	-	-	(712)	-	(712)
Garage Lettings	1,389	-	(345)	-	1,044	1,403	-	(304)	-	1,099
Social Housing Grant release	56	-	-	-	56	48	-	-	-	48
Proceeds from Land Sales	2,742	(2,207)	-	-	535	186	-	-	-	186
Other	358	-	(248)	-	111	292	-	(183)	-	109
Surplus/(Deficit) on Sale of properties not developed for outright sale	-	-	-	527	527	-	-	-	(1,363)	(1,363)
	9,373	**(6,932)**	**(1,919)**	**527**	**1,049**	**3,416**	**(1,447)**	**(1,725)**	**(1,363)**	**(1,119)**
Non-Social Housing Activities										
Commercial Properties	1,990	-	(590)	-	1,400	1,761	-	(497)	-	1,264
External Sales	2,925	(1,294)	(1,180)	-	451	4,360	(1,603)	(1,249)	-	1,508
	4,915	**(1,294)**	**(1,770)**	**-**	**1,851**	**6,121**	**(1,603)**	**(1,746)**	**-**	**2,772**
Total Year ended 31 March 2019	**80,178**	**(8,226)**	**(56,321)**	**527**	**16,158**	**69,307**	**(3,050)**	**(57,084)**	**(1,363)**	**7,810**

Association	2019 Turnover	2019 Cost of Sales	2019 Operating Costs	2019 Surplus on Sale of properties	2019 Operating (Deficit) / Surplus	2018 Turnover	2018 Cost of Sales	2018 Operating Costs	2018 Surplus on Sale of properties	2018 Operating (Deficit) / Surplus
Social Housing Lettings	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General Needs	57,869	-	(47,276)	-	10,593	51,980	-	(48,922)	-	3,058
Supported Housing	7,633	-	(5,223)	-	2,411	7,518	-	(4,649)	-	2,869
Low cost home ownership	387	-	(133)	-	254	272	-	(42)	-	230
	65,890	**-**	**(52,632)**	**-**	**13,258**	**59,770**	**-**	**(53,613)**	**-**	**6,157**
Other Social Housing activities										
Shared Ownership Sales	4,828	(4,725)	-	-	102	1,487	(1,447)	-	-	40
Development not Capitalised	-	-	(654)	-	(654)	-	-	(526)	-	(526)
Community Investment	-	-	(673)	-	(673)	-	-	(712)	-	(712)
Garage Lettings	1,389	-	(345)	-	1,044	1,403	-	(304)	-	1,099
Social Housing Grant release	57	-	-	-	57	48	-	-	-	48
Proceeds from Land Sales	2,742	(2,207)	-	-	535	186	-	-	-	186
Other	358	-	(248)	-	111	292	-	(183)	-	109
Surplus/(Deficit) on Sale of properties not developed for outright sale	-	-	-	527	527	-	-	-	(1,363)	(1,363)
	9,373	**(6,932)**	**(1,919)**	**527**	**1,049**	**3,416**	**(1,447)**	**(1,725)**	**(1,363)**	**(1,119)**
Non-Social Housing Activities										
Commercial Properties	1,990	-	(590)	-	1,400	1,761	-	(497)	-	1,264
External Sales	107	(116)	-	-	(9)	1,376	(103)	-	-	1,273
	2,097	**(116)**	**(590)**	**-**	**1,390**	**3,137**	**(103)**	**(497)**	**-**	**2,537**
Total Year ended 31 March 2019	**77,360**	**(7,048)**	**(55,141)**	**527**	**15,698**	**66,323**	**(1,550)**	**(55,835)**	**(1,363)**	**7,575**

4. Housing stock

	Group 2019 No.	Group 2018 No.	Association 2019 No.	Association 2018 No.
Under development at end of period:				
Housing accommodation	232	340	232	340
Shared ownership	105	201	105	201
	337	541	337	541
Units owned and managed				
General Needs	12,185	12,147	12,185	12,147
Supported housing	1,786	1,780	1,786	1,780
Unavailable for letting	120	151	120	151
Social Housing Rental Accommodation	**14,091**	**14,078**	**14,091**	**14,078**
Other / temp Housing	6	9	4	5
Shared ownership	207	140	207	140
Total Social Housing Units Managed and Owned	**14,304**	**14,227**	**14,302**	**14,223**
Non Social Housing Units	10	10	10	10
Long leaseholders	1,647	1,621	1,647	1,621
Total	**15,961**	**15,858**	**15,959**	**15,854**

5. Expenses and auditor's remuneration

	Group 2019 £'000	Group 2018 £'000
Depreciation and Impairment on housing properties	11,746	10,636
Depreciation on other fixed assets	1,675	1,424
Restructuring costs expensed as included in administrative expenses	21	112
Gain / (Loss) on sale of housing properties	527	(1,363)
Surplus on sale of other fixed assets	92	29
Change in fair value of investments	730	411
Operating lease charges	357	532
External Auditors Remuneration (exclusive of VAT)		
Audit of these financial statements	31	29
Audit of financial statements of subsidiaries	14	13
Tax compliance	5	5
Other tax advisory services	6	11
Other assurance services	11	8
	68	**66**
Internal Audit related assurance services	**42**	**20**

6. Staff numbers

	Group 2019 No.	Group 2018 No.
The average number of persons employed during the period (full time equivalents of 37 hours) was:	**609**	**585**
Full Time Equivalents at 31 March	**624**	**593**

7. Staff costs

	2019 £'000	2018 £'000
Wages and salaries	17,220	16,209
Social security costs	1,611	1,527
Other pension costs	1,722	1,729
Past service cost adjustment (note 25)	-	-
Restructure costs	21	112
TOTAL	**20,574**	**19,577**

8. Full time equivalent Staff

The full time equivalent number of staff who received remuneration of £60,000 and above:

	2019 No.	2018 No.
£60,001 to £70,000	5	4
£70,001 to £80,000	3	6
£80,001 to £90,000	2	1
£90,001 to £100,000	-	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	-	-
£130,001 to £140,000	1	1
£140,001 to £150,000	1	1
£150,001 to £160,000	1	1
£160,001 to £170,000	-	-
£170,001 to £180,000	-	-
£180,001 to £190,000	1	1

Remuneration in this instance is defined as basic salary, car allowance, benefits in kind and employers pension contributions.contributions.

9. Board members and executive directors

The emoluments of the Board members were as follows :

	2019 £	2018 £
Nicholas Lewis (Chair) From 1 October 2017	15,000	8,417
Elaine Pellow until 12 September 2018	2,460	10,250
Nigel Pitt (Vice Chair) until 4 September 2018	5,625	7,500
Simon Ashby	7,500	7,500
Susan Dann until 12 September 2018	2,177	5,131
Maureen Alderson	550	5,500
Graham Stirling	7,500	7,500
Katie McBride (Vice Chair from 4 September 2018)	7,500	7,500
Nigel Churchill until 4 June 2018	978	5,500
Christina Tuohy	5,500	5,500
Graham Clayton	5,500	5,500
Anthony MacGregor until 9 May 2017	-	591
Debbie Roche	5,500	5,500
Madeline Bridgeman from 1 August 2018	3,667	-
Lavinia Porfir from 12 September 2018	3,040	-
Elizabeth Nicolls from 12 September 2018	3,040	-
Richard Connelly from 21 January 2019	392	-

The emoluments of the Executive Management Team were as follows:

	2019 Basic Salary & Car Allowance £'000	2019 Employer Pension Contributions £'000	2019 Total £'000	2018 Total £'000
John Clark (Chief Executive)	173	14	187	182
Nicholas Jackson	143	11	154	151
Gillian Martin	127	18	145	142
Susan Shaw	127	10	137	134

The Chief Executive, John Clark, is a member of SHPS and there are no additional pension arrangements in place.

The aggregate emoluments paid to or receivable by Executive Directors:

	2019 £0,000	2018 £0,000
Group and Association		
Basic Salary	570	558
Employers Pension	53	51
	623	609

10. Surplus/(Deficit) on disposal housing properties

	Group 2019 £'000	Group 2018 £'000	Association 2019 £'000	Association 2018 £'000
Right to Buy sales	3,327	4,760	3,327	4,760
Right to Acquire	468	325	468	325
Open Market sales	496	566	496	566
Shared Ownership Staircasing	-	365	-	365
Cost of Sales	(124)	(123)	(124)	(123)
Net Book Value of Components removed on Disposal	(2,376)	(3,548)	(2,376)	(3,548)
PCC Share under the clawback	(1,264)	(3,584)	(1,264)	(3,584)
Transfer to RGCF	-	(108)	-	(108)
RCGF Accrual adjustment	-	(16)	-	(16)
Transfer to Disposal Proceeds Fund	-	-	-	-
TOTAL	**527**	**(1,363)**	**527**	**(1,363)**

11. Other interest receivable and similar income

	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
Bank interest receivable	46	32	42	29
Total Interest Received and similar income	**46**	**32**	**42**	**29**

12. Interest payable and similar charges

	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
Interest	3,371	3,416	3,371	3,416
Non utilisation fee	304	367	304	367
Amortisation of arrangement fees	45	846	45	846
Interest capitalised	(333)	(427)	(333)	(427)
Legal, Professional & Bank Fees	-	206	-	206
Net interest expense on net defined pension benefit liabiliites	768	854	768	854
Total other interest payable and similar charges	**4,155**	**5,262**	**4,155**	**5,262**

13. Tax on surplus on ordinary activities for the period

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Group 2019 £'000	Group 2018 £'000	Association 2019 £'000	Association 2018 £'000
Current Tax				
Current tax on income for the period	16	150	-	150
Adjustment in respect of prior periods	(9)	-	(10)	-
Total current tax charge/(credit)	7	150	(10)	150
Deferred Tax				
Origination and reversal of timing differences	-	-	-	-
Change in tax rate	-	-	-	-
Total deferred tax	-	-	-	-
Total tax charge/(credit)	7	150	(10)	150

Reconciliation of effective tax rate

	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
Surplus/(deficit) for the year	**12,871**	**(35,360)**	**13,490**	**(34,201)**
Less tax credit	**-**	**-**	**-**	**-**
Surplus/(deficit) excluding taxation	**12,871**	**(35,360)**	**13,490**	**(34,201)**
Tax using the UK corporation tax rate of 19% (2018: 19%)	2,445	-	2,563	-
Effect of capital allowances	-	-	-	-
Tax exempt revenues	(2,429)	-	(2,563)	-
Tax on non charitable earnings	-	150	-	150
Total tax expense included in profit and loss	**16**	**150**	**-**	**150**

The main rate of corporation tax was reduced from 19% from 1 April 2017. A further reduction to 17% from 1 April 2020 was substantively entacted on 6 September 2016. This will reduce any future current tax charge accordingly.

14. Housing Fixed Assets: Group

	Housing Property General Needs £'000	Completed Leasehold Shared Ownership Property £'000	Development Property Under Construction £'000	Shared Ownership Property under Construction £'000	Total Housing Properties £'000
Cost					
At 1 April 2018	478,127	7,404	47,405	6,090	**539,026**
Additions	9,015	-	22,980	-	**31,995**
Completed properties	9,995	-	(9,995)	-	**-**
Completed SO properties	-	5,613	-	(5,613)	**-**
Reclassifications	-	-	(4,455)	2,904	**(1,551)**
Disposals	(3,002)	-	-	-	**(3,002)**
At 31 March 2019	**494,135**	**13,017**	**55,935**	**3,381**	**566,468**
Depreciation					
At 1 April 2018	(50,345)	(379)	-	-	**(50,724)**
Depreciation Charge for period	(11,672)	(74)	-	-	**(11,746)**
Disposals	276	-	-	-	**276**
At 31 March 2019	**(61,741)**	**(453)**	**-**	**-**	**(62,194)**
Net book value at 31 March 2019	**432,394**	**12,563**	**55,935**	**3,381**	**504,274**
Net Book Value at 1 April 2018	**427,782**	**7,025**	**47,405**	**6,090**	**488,302**

All Fixed Assets: Group

	Total Housing Properties £'000	Freehold Offices £'000	Vehicles £'000	Equipment & Furniture £'000	Computers & Software £'000	Photovoltaic Panels £'000	Total Assets £'000
Cost							
At 1 April 2018	**539,026**	**10,252**	**2,784**	**2,430**	**6,026**	**9,848**	**570,366**
Additions	31,995	252	287	227	582	10	**33,353**
Reclassifications	(1,551)	-	-	-	-	-	**(1,551)**
Disposals	(3,002)	-	(272)	-	-	(57)	**(3,331)**
At 31 March 2019	**566,468**	**10,504**	**2,799**	**2,657**	**6,608**	**9,801**	**598,837**
Depreciation							
At 1 April 2018	**(50,724)**	**(952)**	**(1,962)**	**(1,935)**	**(4,248)**	**(1,726)**	**(61,547)**
Charge for period	(11,746)	(219)	(225)	(168)	(579)	(484)	**(13,421)**
Disposals	276	-	270	-	-	14	**560**
At 31 March 2019	**(62,194)**	**(1,171)**	**(1,917)**	**(2,103)**	**(4,827)**	**(2,196)**	**(74,408)**
Net book value at 31 March 2019	**504,274**	**9,333**	**882**	**554**	**1,781**	**7,605**	**524,429**
Net Book Value at 1 April 2018	**488,302**	**9,300**	**822**	**495**	**1,778**	**8,122**	**508,819**

Housing Fixed Assets: Association

	Housing Property General Needs £'000	Completed Leasehold Shared Ownership Property £'000	Development Property Under Construction £'000	Shared Ownership Property under Construction	Total Housing Properties £'000
Cost					
At 1 April 2018	478,127	7,640	51,229	6,284	543,280
Additions	9,015	-	23,591	-	32,606
Completed properties	9,995	-	(9,995)	-	-
Completed SO properties	-	5,613	-	(5,613)	-
Reclassifications	-	-	(4,455)	2,904	(1,551)
Disposals	(3,002)	-	-	-	(3,002)
At 31 March 2019	**494,135**	**13,253**	**60,370**	**3,575**	**571,333**
Depreciation					
At 1 April 2018	(50,345)	(379)	-	-	(50,724)
Depreciation Charge for period	(11,672)	(74)	-	-	(11,746)
Disposals	276	-	-	-	276
At 31 March 2019	**(61,741)**	**(453)**	**-**	**-**	**(62,194)**
Net book value at 31 March 2019	**432,394**	**12,799**	**60,370**	**3,575**	**509,139**
Net Book Value at 1 April 2018	**427,782**	**7,261**	**51,229**	**6,284**	**492,556**

All Fixed Assets: Association

	Total Housing Properties £'000	Freehold Offices £'000	Vehicles £'000	Equipment & Furniture £'000	Computers & Software £'000	Total Assets £'000
Cost						
At 1 April 2018	543,280	10,252	2,784	2,430	6,026	564,772
Additions	32,606	252	287	227	582	33,954
Reclassifications	(1,551)	-	-	-	-	(1,551)
Disposals	(3,002)	-	(272)	-	-	(3,274)
At 31 March 2019	**571,333**	**10,504**	**2,799**	**2,657**	**6,608**	**593,901**
Depreciation						
At 1 April 2018	(50,724)	(952)	(1,962)	(1,935)	(4,248)	(59,821)
Charge for period	(11,746)	(219)	(225)	(168)	(579)	(12,937)
Disposals	276	-	270	-	-	546
At 31 March 2019	**(62,194)**	**(1,171)**	**(1,917)**	**(2,103)**	**(4,827)**	**(72,212)**
Net book value at 31 March 2019	509,139	9,333	882	554	1,781	521,689
Net Book Value at 1 April 2018	**492,556**	**9,300**	**822**	**495**	**1,778**	**504,951**

Fixed Assets continued

The total expenditure on works to existing housing properties during the year to 31 March 2019 for the Group and Association was as follows:

	2019 £'000	2018 £'000
Revenue	7,425	7,053
Capital	9,015	10,287
Total	**16,440**	**17,340**

In addition, £3,398m was spent on removing cladding from Mount Wise Towers and set against the provision, see note 24.

The capitalised work consists of;	2019 Group £'000	2018 Group £'000
Works to existing properties	9,015	5,792
Tower block cladding removal	-	4,495
Total	9,015	10,287

Interest of £332,907 (2018: £426,808) was capitalised (both Group and Association). Interest is capitalised at the rate of 1.64% (2018: 1.63%) during the development period.

Cumulative interest of £1,385,685 (2018: £1,052,778) has been capitalised to 31 March 2019. This was incurred on new build housing developments.

Net book value of property assets by tenure:

All property assets are freehold. The housing and commercial properties were disclosed at deemed cost with effect from 1April 2014 on transition to FRS 102. New additions since April 2014 are disclosed at cost. Office premises are included at cost.

Housing property valuation for security purposes:

Completed housing properties were last valued as at 31 March 2017 by Bruton Knowles, Chartered Surveyors, on Basis 1: the Existing Use Value – Social Housing ('EUV-SH') assuming homes are re-let at a social rent and under the loan agreement.

Valuation Basis 1 was £354,972,000.

The properties were revalued at 31 May 2017 as part of the refinancing exercise with a value of £372,642,000.

15. Fixed asset investment

	Group			Association				
	Investment in commercial property	Other investments	Total Group	Shares in group undertakings	Loan to group undertakings	Investment in commercial property	Other investments	Total Association
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost (or valuation)								
At beginning of year	16,030	80	16,110	9,300	100	16,030	80	25,510
Additions	-	15	15	-	-	-	15	15
Transfer from fixed assets	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Revaluation	730	-	730	-	-	730	-	730
At end of year	**16,760**	**95**	**16,855**	**9,300**	**100**	**16,760**	**95**	**26,255**
Net book value								
At 31 March 2019	**16,760**	**95**	**16,855**	**9,300**	**100**	**16,760**	**95**	**26,255**
At 31 March 2018	16,030	80	16,110	9,300	-	16,030	80	25,510

The commercial properties were valued, on a valuation basis of 'Market Value', at £16,760,000 at 31 March 2019 (31 March 2018: £16,030,000) by Bruton Knowles.

PCH holds the following other investments :

£60,000 in Plymouth Energy Community, an independent 'not-for-profit' co-operative. Its work focuses on three goals for Plymouth residents: reducing energy bills and fuel poverty, improving energy efficiency and generating green energy.

£30,000 in MorHomes, an aggregator, owned by Housing Associations and facilitated by JCRA for the sector with the purpose of obtaining lower cost finance.

£5,000 in Nudge Community Builders, a community benefit society, which restores unused buildings.

The 'loan to group undertakings' is provided to Plymouth Community Homes Regeneration Company Ltd to part fund their Joint Venture with Halsall Homes at Tamerton Foliot. Interest is charged at 4%. The loan is repayable on or before 2 January 2021.

16. Investments in subsidiaries

The company has the following investments in subsidiaries and jointly-controlled entities:

	Cost of Investment £'000	Aggregate of capital and reserves £'000	Profit or loss for the year after tax £'000	Country of Incorporation	Class of shares held	Ownership 2019 %	Ownership 2018 %
PCH Manufacturing Services Limited	-	266	216	England	Limited by Guarntee	100%	100%
PCH Regeneration Limited	100	-	629	England	Ordinary	100%	100%
PCH Energy Limited	9,300	9,407	180	England	Ordinary	100%	100%

All investments in subsidiaries are held at fair value.

17. Properties held for sale

	Group 2019 £'000	Group 2018 £'000	Association 2019 £'000	Association 2018 £'000
Completed	-	-	-	-
In the course of construction	2,383	6,284	2,383	6,284
	2,383	**6,284**	**2,383**	**6,284**

18. Stock

	Group 2019 £'000	Group 2018 £'000	Association 2019 £'000	Association 2018 £'000
Raw materials	1,077	736	**1,077**	**736**
Work in progress	223	255	**141**	**184**
	1,300	**991**	**1,218**	**920**

19. Debtors

	Group 2019 £'000	Group 2018 £'000	Association 2019 £'000	Association 2018 £'000
Amounts falling due after one year				
Development debtor (VAT Shelter)	8,617	9,642	8,617	9,642
Trade debtors	1,517	-	-	-
	10,134	**9,642**	**8,617**	**9,642**
Amounts falling due within one year				
Trade debtors	1,383	1,217	180	264
Current tenant rent arrears	669	755	669	755
Current tenant non rent arrears	688	669	688	669
Less provision for doubtful debts	(764)	(805)	(764)	(805)
Former tenant rent arrears	942	935	942	935
Former tenant non rent arrears	702	577	702	577
Less provision for doubtful debts	(1,644)	(1,512)	(1,644)	(1,512)
Prepayments and accrued income	3,425	1,789	3,424	1,789
Intercompany debtors	-	-	3,838	2,268
VAT	336	100	316	71
Other debtors	898	924	627	711
Development debtor	1,580	1,611	1,580	1,611
Homes England grant receivable	11,842	-	11,842	-
	20,057	**6,260**	**22,400**	**7,333**

Amounts due from Group undertakings are trading balances repayable on demand and are non-interest bearing. The development debtor above is offset by a development creditor of the same value resulted in a net nil balance.

20. Cash, cash at bank and short term deposits

	Group 2019 £'000	Group 2018 £'000	Association 2019 £'000	Association 2018 £'000
Cash at bank and in hand	13,442	15,997	9,255	11,296
Bank overdrafts	-	-	-	-
Cash and cash equivalents per cash flow and statements	13,422	15,997	9,255	11,296

21. Creditors amounts falling due within one year

	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
Trade creditors	3,460	3,613	1,701	1,535
Amounts owed to group undertakings	-	-	1,486	2,026
Taxation and social security	422	411	422	411
Corporation tax	16	150		150
Pension contributions	219	206	219	206
VAT	-	-	-	-
Rent received in advance	3,023	2,794	3,023	2,794
Other creditors	775	575	764	570
Accruals and deferred income	7,215	8,613	6,240	6,718
Development creditor	1,580	1,611	1,580	1,611
Grant funding	746	718	746	718
Disposal Proceeds Fund	429	-	429	-
Recycled Capital Grant Fund	29	-	29	-
	17,914	**18,691**	**16,639**	**16,739**

Amounts owed to Group undertakings are trading balances repayable on demand and are non-interest bearing.

22. Creditors: amounts falling after more than one year

	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
Bank loans				
- Due in five years or more	112,000	110,500	112,000	110,500
- Deferred loan costs	(256)	(266)	(256)	(266)
- THFC Holding account	(636)	(440)	(636)	(440)
Total housing loans	**111,108**	**109,794**	**111,108**	**109,794**
Disposal Proceeds Fund	-	429	-	429
Recycled Capital Grant Fund	108	152	108	152
Grant Funding	37,662	25,595	37,662	25,595
	148,878	**135,970**	**148,878**	**135,970**

23. Disposal proceeds fund and recycled capital grant funds

Disposal proceeds fund	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
At beginning of the year	429	429	429	429
Allocated in year	-	-	-	-
Movement in year	-	-	-	-
At end of the year	**429**	**429**	**429**	**429**
Disclosed as				
Creditor < 1 year	429	-	429	-
Creditor > 1 year	-	429	-	429
	429	**429**	**429**	**429**

Recycled capital grant fund	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
At beginning of the year	152	44	152	44
Allocated during year	(14)	-	(14)	-
Transferred to fund during year	-	108	-	108
At end of the year	**138**	**152**	**138**	**152**
Disclosed as:				
Creditors < 1 year	29	-	29	-
Creditors > 1 year	108	152	108	152
	138	**152**	**138**	**152**

None of the balances above are repayable to the Homes and Communities Agency in the next 12 months.

Disposal proceeds fund and recycled capital grant funds continued

Social housing grant	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
At beginning of the year	13,581	11,222	13,581	11,222
Additions	5,281	2,431	5,281	2,431
Amortised within the consolidated statement of comprehensive income	(57)	(38)	(57)	(48)
Transfer from Recycled Capital Grant Fund	15	-	15	-
Disposals	-	(24)	-	(24)
At end of the year	**18,821**	**13,581**	**18,821**	**13.581**
Recognised in:				
Creditors: amounts falling due within one year	186	51	186	51
Creditors: amounts falling due after one year	18,635	13,530	18,635	13,530
	18,821	**13,581**	**18,821**	**13,581**

British Gas Grant	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
At beginning of the year	12,732	13,439	12,732	13,439
Additions	-	-	-	-
Amortised within the consolidated statement of comprehensive income	(554)	(559)	(554)	(559)
Disposals	(105)	(148)	(105)	(148)
At end of the year	**12,073**	**12,732**	**12,073**	**12,732**
Recognised in:				
Creditors: amounts falling due within one year	560	667	560	667
Creditors: amounts falling due after one year	11,513	12,065	11,513	12,065
	12,073	**12,732**	**12,073**	**12,732**

Disposal proceeds fund and recycled capital grant funds continued

Homes England grant	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
At beginning of the year	-	-	-	-
Additions	11,842	-	11,842	-
Amortised within the consolidated statement of comprehensive income	(4,495)	-	(4,495)	-
Disposals	-	-	-	-
At end of the year	**7,347**	**-**	**7,347**	**-**
Recognised in:				
Creditors: amounts falling due within one year	-	-	-	-
Creditors: amounts falling due after one year	7,347	-	7,347	-
	7,347	**-**	**7,347**	**-**

Disabled adaptations grant	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
At beginning of the year	-	-	-	-
Additions	146	-	146	-
Amortised within the consolidated statement of comprehensive income	-	-	-	-
Disposals	-	-	-	-
At end of the year	**146**	**-**	**146**	**-**
Recognised in:				
Creditors: amounts falling due within one year	-	-	-	-
Creditors: amounts falling due after one year	146	-	146	-

Warmer Homes grant	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
At beginning of the year	-	-	-	-
Additions	20	-	20	-
Amortised within the consolidated statement of comprehensive income	-	-	-	-
Disposals	-	-	-	-
At end of the year	**20**	**-**	**20**	**-**
Recognised in:				
Creditors: amounts falling due within one year	-	-	-	-
Creditors: amounts falling due after one year	20	-	20	-

Disposal proceeds fund and recycled capital grant funds continued

Total grant	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
Creditors: amounts failing due within one year	746	718	746	718
Creditors: amounts failing due after one year	37,661	25,595	37,661	25,595
	38,407	**26,313**	**38,407**	**26,313**

Government grants received to date	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
Social Housing Grant	19,039	13,758	19,039	13,758
British Gas Grant	14,650	14,650	14,650	14,650
Homes England Towers Grant	11,842		11,842	0
Disabled Adaptations Grant	146		146	0
Warmer Homes Grant	20		20	0
Total Received	**45,697**	**28,408**	**45,697**	**28,408**
The grant is recognised in:				
Revenue Reserve	7,290	2,095	7,290	2,095
Creditors: amounts falling due within one year	746	718	746	718
Creditors: amounts falling due after one year	37,662	25,595	37,662	25,595
	45,697	**28,408**	**45,697**	**28,408**

24. Provision: removal of tower cladding

	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
At beginning of the year	4,495	-	4,495	-
Provided during the year	-	4,495	-	4,495
Charges during the year	(3,983)	-	(3,983)	-
At end of the year	**512**	**4,495**	**512**	**4,495**

The provision is for the removal of the cladding on the Mount Wise Towers blocks and is based on a report by Quantity Surveyors, contracted by us to manage the removal and replacement of the cladding. The provision is for the removal cost only.

25. Interest-bearing loans and borrowings

The loan and borrowing facilities are held at amortised cost. All facilities are fully secured by fixed charges over the organisation's properties except the THFC loan where additional cash security has temporarily been posted. The facilities each have different covenants but all include a requirement to cover their interest costs, either from those properties in charge to them or at a whole-organisation level, and to have sufficient properties charged as security.

	2019 £'000	2018 £'000
Due in less than five years	9,500	8,000
Due in five years or more	102,500	102,500
Deferred loan costs	(266)	(266)
THFC holding account	(636)	(440)
	111,108	109,794

26. Devon County Council pension scheme

Devon County Council is the Administering Authority to the Devon County Council Pension Fund ("the Fund"). The Local Government Pension Scheme ("LGPS") provides pension benefits to employees of Plymouth Community Homes Ltd ("the employer"). The staff working for Plymouth Community Homes Manufacturing Services Ltd are employed by Plymouth Community Homes Ltd (or on dual contracts). The staff working for Plymouth Community Homes Regeneration Company Ltd and Plymouth Community Homes Energy Ltd are employed by Plymouth Community Homes and their costs of employment are charged to those companies. All pension costs are therefore included in these notes.

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings.

Group and Association net pension liability:	31 March 2019 £'000	31 March 2018 £'000
Present value of funded defined benefit obligations	(103,738)	(100,346)
Fair value of plan assets	75,848	72,303
Net pension liability	(27,890)	**(28,043)**

Devon County Council pension scheme continued

Reconciliation of opening & closing balances of the present value of the defined benefit obligation

	31 March 2019 £'000	31 March 2018 £'000
Defined benefit obligation at 1 April	100,346	100,701
Current service cost	2,415	2,683
Interest cost	2,594	2,804
Actuarial losses/(gains)	5,563	(4,547)
Change in demographic assumptions	(5,860)	-
Estimated benefits paid net of transfers in	(1,891)	(1,930)
Past service costs, including curtailments	138	181
Contributions by scheme participants	433	454
Defined benefit obligation at 31 March	**103,738**	**100,346**

Reconciliation of opening & closing balances of the fair value of fund assets

	31 March 2019 £'000	31 March 2018 £'000
Fair value of scheme assets at 1 April	72,303	69,811
Interest on assets	1,875	1,950
Return on assets less interest	2,120	914
Other actuarial gains	-	-
Administration expenses	(51)	(37)
Contributions by employer (including unfunded)	1,059	1,141
Contributions by scheme participants	433	454
Estimated benefits paid net of transfers in (including unfunded)	(1,891)	(1,930)
Fair value of scheme assets at 31 March	**75,848**	**72,303**

The total return on the fund assets for the year to 31 March 2019 is £3,995,000.

Expense recognised in the profit and loss account

	31 March 2019 £'000	31 March 2018 £'000
Service cost	2,553	2,864
Net interest on the defined liability (asset)	719	854
Administration expenses	51	37
Total	**3,323**	**3,755**

Devon County Council pension scheme continued

The total loss recognised in the consolidated statement of total recognised gains and losses in respect of actuarial gain is £2,417,000 (2018: loss £5,461,000).

The estimated asset allocation for Plymouth Community Homes as at 31 March 2019 is as follows:

Employer asset share - bid Value	31 March 2019 £'000	31 March 2018 £'000
Equities	12,600	15,501
Gilts	2,604	2,271
Overseas Equities	32,620	26,759
Property	6,704	6,728
Infrastructure	2,786	2,593
Cash	1,213	1,766
Target Return Portfolio	10,738	10,798
Other Bonds	1,334	1,478
Alternative assets	4,006	3,928
Private equity	1,243	481
Total	**75,848**	**72,303**

Expected return on assets

For accounting years beginning on or after 1 April 2013, the expected return and the interest cost has been replaced with a single net interest cost, which effectively sets the expected return equal to the discount rate.

Assumptions as at	31 March 2019 % p.a.	31 March 2018 %p.a.
Assumptions as at		
Discount rate	2.45%	2.60%
Pension Increases	2.40%	2.30%
Salary Increases	3.90%	3.80%
RPI Increases	3.40%	3.30%
CPI Increases	2.40%	2.30%

These assumptions are set with reference to market conditions at 31 March 2019.

Our estimate of the duration of the Employer's liabilities is 23 years.

Devon County Council pension scheme continued

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the previous accounting date.

The post retirement mortality tables adopted are the S2PA tables with a multiplier of 90%. These base tables are then projected using the CMI 2018 Model, allowing for a long-term rate of improvement of 1.5% p.a.

Although the post retirement mortality tables adopted are consistent with the previous accounting date, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model, CMI_2018, which was released in March 2019. We have adopted the default smoothing parameter of 7.0 and have not applied an additional initial rate, while continuing to adopt a long term improvement rate of 1.5% p.a. At the last accounting date, the CMI_2015 Model was adopted.

The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 22.4 years (male), 24.4 years (female)
- Future retiree upon reaching 65: 24.1 years (male), 26.2 years (female)

We have also assumed that:

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age;
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

Devon County Council pension scheme continued

Financial assumptions

The history of the plans for the current and prior periods is as follows:

Balance sheet as at	31 March 2019	31 March 2018	31 March 2017
Present value of scheme liabilities	(103,738)	(100,346)	(100,701)
Fair value of scheme assets	75,848	72,303	69,811
Deficit	**(27,890)**	**(28,043)**	**(30,890)**

The Group expects to contribute approximately £1m to the LGPS defined benefit plan in the next financial year.

Guaranteed minimum pensions equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of Guaranteed Minimum Pensions between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities.

The Group has reviewed the impact of Guaranteed Minimum Pension's equalisation in respect of its Local Government Pension Scheme and considered the valuation assumption of the actuary. The actuary valuation assumption advised that the fund will pay limited increases for members that have reached state pension age by 6th April 2016, with the government providing the remainder of the inflationary increase. For members that reach state pension age after this date, is has been assumed that the Fund will be required to pay the entire inflationary increase. Therefore it is not believed that any further adjustments are required to the present value of obligations.

In December 2018 the Court of Appeal ruled that 'transitional arrangements' protection in respect of benefit changes to the Judicial and Fire Fighter Pension scheme amounted to unlawful discrimination ('McCloud case'). Due to similar pension reforms to the LGPS in benefits the judgement is expected to be applicable to the LGPS.

The directors have considered the potential impact on the group and associations defined benefit liability as at 31 March 2019. No additional liability has been recognised given the profile of the scheme members and assuming a very cautious outcome on the LGPS scheme liability (gross obligation: £103,738m) the directors are satisfied that when fully accounted in the financial statements the impact will not be material to the Group or Association Financial Statements as at 31 March 2019.

27. Social housing pension scheme

SHPS is a multi-employer scheme which provides benefits to non-associated employers. The scheme is classified as a defined benefit scheme. At 31 March 2018 it was not possible for the Association to obtain sufficient information to account for the liability on a full FRS 102 valuation basis so it was accounted for as a defined contribution scheme where the net present value of the deficit contributions were recognised in the accounts as creditors falling within and more than one year.

As a result of additional information, SHPS is now able to split the pension liability by employer which has resulted in the scheme liability being accounted for adopting a full FRS 102 valuation at 31 March 2019. In accordance with FRED 71, no restatement of prior year figures has been made in these accounts, with the opening liability of £1.862m being recognised as a movement in other comprehensive income in the year. A reconciliation between the liability at 31 March 2018 and the provision

Group	**31 March 2019 £'000**	**31 March 2018 £'000**
Present value of funded defined benefit obligations	(8,485)	(7,410)
Fair value of plan assets	6,300	5,548
Net Pension Liability	(2,185)	(1,862)

Reconciliation of opening & closing balances of the present value of the defined benefit obligation

	31 March 2019 £'000	**31 March 2018 £'000**
Defined benefit obligation at 1 April	7,410	
Current service cost	440	
Expenses	12	
Interest cost	198	
Contributions by scheme participants	125	
Actuarial (gains)/losses due to scheme experience	(257)	
Actuarial (gains)/losses due to changes in demographic assumptions	21	
Actuarial (gains)/losses due to changes in financial assumptions	654	
Benefits	(118)	
Defined benefit obligation at 31 March	8,485	–

Social housing pension scheme continued

Reconciliation of opening & closing balances of the fair value of fund assets

	31 March 2019 £'000	31 March 2018 £'000
Fair value of scheme assets at 1 April	5,548	
Interest on assets	149	
Experience on plan assets (excl amounts included in interest income) gain (loss)		
Contributions by the employer	255	
Contributions by plan participants	341	
Benefits paid and expenses	125	
Assets acquired in a business combination	(118)	
Assets distributed on settlements	-	
Exchange rate changes	-	
Fair value of scheme assets at 31 March	**6,300**	–

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £404,000.

Expense recognised in the profit and loss account

	31 March 2019 £'000	31 March 2018 £'000
Current service cost	440	
Expenses	12	
Net interest expense	49	
Total	**501**	–

The total loss recognised in the consolidated statement of total recognised gains and losses in respect of actuarial gain is £163,000, for the year ended 31 March 2019, and £1,862,000 to record the liability at 31 March 2018.

Social housing pension scheme continued

The estimated asset allocation for Plymouth Community Homes as at 31 March 2019 is as follows:

Employer Asset Share - Bid Value	Assets at 31 March 2019 £'000	Assets at 31 March 2018 £'000
Absolute Return	545	678
Alternative Risk Premia	363	210
Corporate Bond Fund	294	228
Credit Relative Fund	115	-
Distressed Opportunities	115	54
Emerging Markets Debt	217	224
Fund of Hedge Funds	28	183
Global Equity	1,060	1,096
Infrastructure	330	142
Insurance-Linked Securities	181	146
Liability Driven Investment	2,304	2,021
Long Lease Property	93	-
Net Current Assets	12	5
Over 15 Year Gilts	-	-
Private Debt	85	49
Property	142	255
Risk Sharing	190	51
Secured Income	226	206
Total Expected Return on Assets	**6,300**	**5,548**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

For accounting years beginning on or after 1 April 2013, the expected return and the interest cost has been replaced with a single net interest cost, which effectively sets the expected return equal to the discount rate.

Assumptions as at	31 March 2019 % p.a.	31 March 2018 %p.a.
Discount rate	2.40%	2.60%
RPI Increases	3.19%	3.08%
CPI Increases	2.19%	2.08%
Salary Growth	3.19%	3.08%
Allowance for commutation of pension cash at retirement	75% of maximum allowance	75% of maximum allowance

These assumptions are set with reference to market conditions at 31 March 2019.

Our estimate of the duration of the Employer's liabilities is 23 years.

Social housing pension scheme continued

The mortality assumptions adopted at 31 March 2019 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2019	21.8
Female retiring in 2019	23.5
Male retiring in 2039	23.2
Female retiring in 2039	24.7

Financial assumptions

The history of the plans for the current and prior periods is as follows:

Balance sheet as at	31 March 2019 £'000	31 March 2018 £'000
Present value of scheme liabilities	(8,485)	(7,410)
Fair value of scheme assets	6,300	5,548
Deficit	**(2,185)**	**(1,862)**

The SHPS liability is disclosed in the Balance Sheet as follows	31 March 2019 £'000	31 March 2018 £'000
Movement on Balance Sheet Liability		
Recognition of SHPS Opening Liability at 1 April	(1,862)	-
Pension Charges	(111)	-
Net Interest Expense	(49)	-
Return on Assets	255	-
Actuarial loss	(418)	-
Liability at 31 March	(2,185)	-

Guaranteed minimum pensions equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of Guaranteed Minimum Pensions between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. As the period concerned was before the establishment of Plymouth Community Homes, there was no obligation to the SHPS pension fund. The SHPS's actuary has confirmed that there is no impact to the SHPS pension fund due to Guaranteed Minimum Pension equalisation.

28. Share Capital

Ordinary shares of £1 each. Allotted, called up and fully paid.

	2019 No.	2018 No.
At 1 April	45	44
Issued during the year	5	4
Cancelled during the year	(8)	(3)
At 31 March	**42**	**45**

29. Operating Leases

	2019		2018	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Less than one year	-	189	-	22
Between one and five years	414	9	422	441
More than five years	-	-	161	-
	414	**198**	**583**	**463**

30. Leases as lessor

	2019 £'000	2018 £'000
Less than one year	243	130
Between one and five years	2,379	2,471
More than five years	3,309	4,046
TOTAL	**5,931**	**6,647**

Leases relate to the length of commercial tenancies for shops and offices.

31. Commitments

	2019 Group £'000	2018 Group £'000	2019 Association £'000	2018 Association £'000
The Company contractual commitments to purchase tangible fixed assets at the year-end were	38,675	17,786	38,675	17,786
The Company has expenditure authorised by the Board but has not yet been contracted for of	14,273	30,370	14,273	30,370
TOTAL	**52,948**	**48,156**	**52,948**	**48,156**

32. Contingencies

Social Housing Grant of £19,038,000 (2018: £13,758,000) has been received. Should the related properties be sold and the grant not reinvested in new properties this amount could be repayable to the Homes & Communities Agency.

33. Related party transactions

The Board members who served during the period and are also tenants have a standard tenancy agreement and are required to fulfil the same obligations and receive the same benefit as other tenants.

Two Board members are nominees of Plymouth City Council (PCC), both serving councillors. All transactions with PCC during the year were conducted at arm's length and on normal commercial terms.

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Plymouth Community Homes is a member of the following defined benefit schemes: Social Housing Pension Scheme and Devon County Council Local Government Pension Scheme. Details of transactions with the schemes are disclosed in note 26 and 27.

All trading transactions between Plymouth Community Homes and its non-regulated subsidiaries are charged at the cost of providing the service between the subsidiaries. Recharges are determined by an appropriate allocation depending on the nature of the cost, such as headcount, floor space and services.

The value of transactions between PCH Ltd and its subsidiaries was as follows:

PCH Manufacturing Services Ltd: costs incurred by PCH Manufacturing: £2,247,630 (2018: £2,117,504). PCH Manufacturing Services received £508,838 from PCH Ltd in respect of block refurbishment works awarded as an external contractor.

PCH Regeneration Company Ltd: service charge from PCH Ltd to PCH Regeneration: £314,000 (2018: £304,139); lease of properties from PCH Ltd to PCH Regeneration: £1,263 (2018: £1,263); design & build work invoiced from PCH Regeneration to PCH Ltd: £12,701,117 (2018: £28,054,121).

PCH Energy Ltd: service charge from PCH Ltd to PCH Energy : £38,216 (2018: £38,413); charge from PCH Ltd to PCH Energy for lease of roofs : £106,830 (2018: £106,785). Charge from PCH Energy to PCH Ltd for electricity: £109,779 (2018: £97,970).

The intercompany debtor and creditor balances as at 31 March are disclosed in Note 19 and Note 21.

34. Subsequent Events

There are no subsequent events to report.

We grew our stock by 77 units

35. Accounting estimates and judgements

Key sources of estimation uncertainty

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See Note 14 for the carrying amount of the property plant and equipment, and Note 1 for the useful economic lives for each class of assets.

Impairment of debtors

The company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including, the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 19 for the net carrying amount of the debtors and associated impairment provision.

Pensions

FRS 102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected inflation rates, employee turnover, expected return on plan assets and discount rates. Substantial changes in the assumed development of any one of these variables may significantly change the company's retirement benefit obligation and pension assets.

Valuation of housing properties

The company tests annually whether there are any impairment triggers that would require the company to undertake a full impairment review of housing properties under FRS 102. No such triggers have been identified in the year.

Provision for tower block cladding removal

The provision in the accounts for the removal of the cladding on the Mount Wise Towers blocks has been calculated based on information and estimates contained in a report supplied by a firm of Quantity Surveyors, contracted by us, to manage the project to remove and replace the cladding. The provision is for the remainder of the removal cost.

Critical accounting judgements in applying the Company's accounting policies

There are no such judgements in either the current or prior year.

36. Status

Registered Office: Plumer House, Tailyour Road, Plymouth PL6 5DH.

Plymouth Community Homes Group

At the time of signing these financial statements Plymouth Community Homes had three wholly owned subsidiaries - Plymouth Community Homes Manufacturing Services Ltd (company number 07001677), Plymouth Community Homes Regeneration Company Ltd (company number 7272688) and Plymouth Community Homes Energy Ltd (company number 8028170). All three subsidiaries are incorporated under the Companies Act 2006.

Plymouth Community Homes Manufacturing Services Ltd sells manufactured goods to third parties. Plymouth Community Homes Regeneration Company Ltd oversees the design and build work for redevelopment projects. Plymouth Community Homes Energy Ltd oversees the installation of photovoltaic panels on properties owned by Plymouth Community Homes Ltd.

37. Board members, Executives and advisors

Members of the Board

Nick Lewis	Chair of Plymouth Community Homes Ltd
Nigel Pitt	Vice Chair of Plymouth Community Homes Ltd to 4 September 2018 and Chair of Development Committee
Katie McBride	Vice Chair of Plymouth Community Homes Ltd from 4 September 2018 Chair of Customer Focus Committee
Simon Ashby	Chair of Audit and Risk Committee
Graham Stirling	Chair of Plymouth Community Homes Manufacturing Services Board
Maureen Alderson	
Tina Tuohy	Plymouth City Council Nominee
Graham Clayton	
Nigel Churchill	Plymouth City Council Nominee to 4 June 2018
Debbie Roche	Tenant Board Member
Elaine Pellow	Tenant Board Member to 12 September 2018
Susan Dann	Independent Board Member to 12 September 2018
Maddi Bridgeman	Plymouth City Council Nominee from 31 July 2018
Lavinia Porfir	Tenant Board Member from 12 September 2018
Liz Nicholls	Independent Board Member from 12 September 2018

Directors of Plymouth Community Homes Manufacturing Services Ltd:

Graham Stirling	Chair
Nigel Churchill	Vice Chair from 2 August 2016 to 4 June 2018
Nicholas Jackson	
Susan Shaw	to 27 November 2018
Simon Ashby	Vice Chair from 27 November 2018
Maddi Bridgeman	from 31 July 2018

Directors of Plymouth Community Homes Regeneration Company Ltd:

John Clark	Chair
Susan Shaw	
Gillian Martin	
Nicholas Jackson	

Directors of Plymouth Community Homes Energy Ltd

John Clark	Chair
Susan Shaw	
Gillian Martin	
Nicholas Jackson	

Audit and Risk Committee

Simon Ashby	Chair
Maureen Alderson	Vice Chair
Katie McBride	to 27 November 2018
Graham Clayton	
Debbie Roche	
Susan Dann	to 12 September 2018
Liz Nicolls	from 27 November 2018

Customer Focus Committee

Katie McBride	Chair
Sue Dann	Vice Chair to 12 September 2018
Elaine Pellow	to 12 September 2018
Tina Tuohy	
Nigel Pitt	
Lavinia Porfir	from 12 September 2018 as Board Member and Co-optee from 4 May 2017 to 12 September 2018
Liz Nicolls	from 12 September 2018
Jane Filby	Co-optee to May 2019
Ember Wolffire	Co-optee
Kelly Wilding	Co-optee from 12 September 2018

Development Committee:

Nigel Pitt	Chair
Graham Stirling	Vice Chair
Nigel Churchill	to 4 June 2018
Debbie Roche	
Nick Lewis	to 27 November 2018
Maddi Bridgeman	from 31 July 2018
Katie McBride	from 27 November 2018
Richard Connelly	Co-optee from 21 January 2019

Remuneration Panel

Nigel Pitt	Chair to September 2018
Susan Dann	to 4 September 2018
Nick Lewis	
Katie McBride	Chair from 4 September 2018
Debbie Roche	from 27 November 2018

Resident Scrutiny Team

Joanne Bowden
Susan Drury
Patrick Gillespie
Bridget Bimha
Chris Matthews
Mel Leonis
Christine Field
Shirley Knibb

Executive Management Team:

John Clark	Chief Executive
Nicholas Jackson	Director of Business Services and Development
Gillian Martin	Director of Corporate and Manufacturing Services
Susan Shaw	Director of Homes, Neighbourhoods and Regeneration

Company Secretary

Belinda Pascoe	Head of Governance

External auditor:

KPMG LLP
3 Longbridge Road, Plymouth
PL6 8LT

Internal auditor:

Mazars LLP
Tower Bridge House St Katharine's Way London
E1W 1DD

Tax advisor:

KPMG LLP
1 Forest Gate, Brighton Road
Crawley RH11 9PT

Principal bankers:

National Westminster Bank PLC
14 Old Town Street, Plymouth PL1 1DG

Funders:

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Housing Finance
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135 Bishopsgate, London EC2M 4UR

Barclays Bank PLC
Third Floor
3 Bedford Street
Exeter
EX1 1LX

Barings
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USA

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Security trustees:

Prudential Trustees
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Solicitors:

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Southernhay West,
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Stephens Scown Solicitors
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Treasury advisors:

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Plymouth
Community Homes