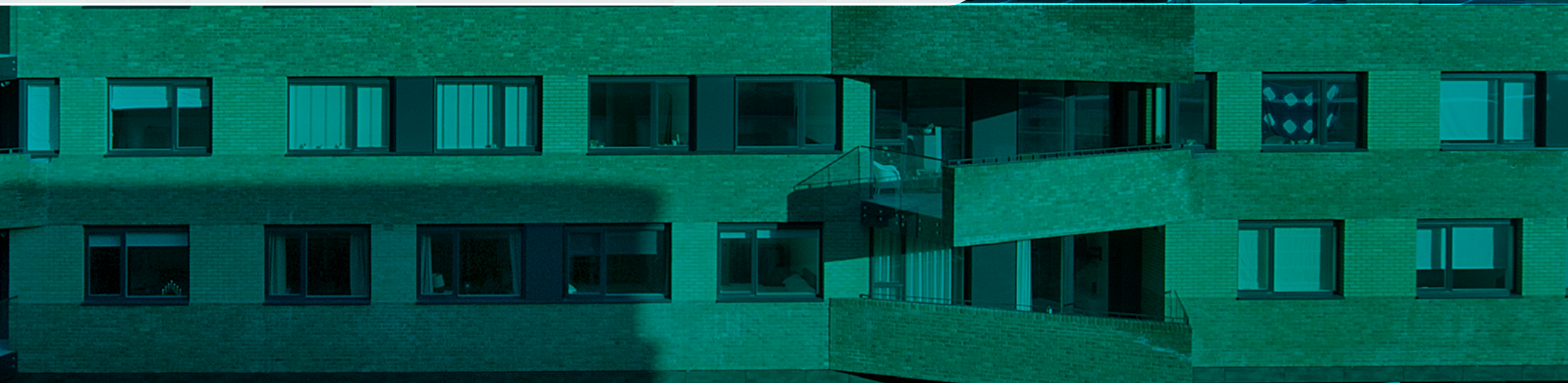


Annual report and financial statements

Year ended
31 March 2024



OUR VISION

Making London home

Our vision for Notting Hill Genesis, making London home, is our response to the housing crisis in London. We are committed to working better together to provide good quality homes to enable our residents to live their lives well.





OUR MISSION

Working
better
together
for our
residents

Our story

A home provides the basis for a stable and healthy society, but the capital's housing crisis means that for too many Londoners, a home is out of reach.

We're a not-for-profit organisation with a focus on providing quality homes at below market rents for people who would otherwise struggle to afford them. We are both a landlord and a developer, with more than 60,000 existing homes and plans to build 3,000 more over the next five years. We engage in commercial activities and any surpluses we produce support the provision of homes at below market rents across the capital.

Founded in the 1960s to address slum conditions in west London, we're now one of London's largest charitable housing associations and a leading advocate and trusted partner to local councils and government. Our aim is to give Londoners a base and community from which to achieve their potential.

Powered by £770 million of investment into our homes over the next 10 years, and guided by our Better Together strategy, we're on a mission to improve how we deliver even better quality homes, connections and places for our 130,000 existing residents. Alongside working better together for our residents, we'll also continue to build and develop new and more affordable homes, so that more people can continue to make London home.

About this report

This annual report covers Notting Hill Genesis's key activities and achievements during 2023/24. It focuses on financial performance to reassure our funders that their investments are sound. At the same time, it demonstrates the vital contribution those investments make to our residents' lives.

The report is complemented by two other annual publications, relevant both to investors and other stakeholders, including residents, our most important customers. Our environmental, social and governance report shows how we continue to provide genuine social value, including through the introduction of more sustainable practices to tackle climate change. Our customer report, Working Better Together For Our Residents, concentrates on issues that directly impact those who live in our homes and use our services. It includes our performance against tenant satisfaction measures set by the Regulator of Social Housing and other internal metrics.



All publications are available on our website at www.nhg.org.uk/publications.

G1/V2
Regulatory rating

A- (negative)
S&P rating

A (negative)
Fitch rating

£711.8m
Turnover

£(90.2)m
Deficit before tax

£863.2m
Available liquidity

1,498
FTE staff

67,636
Properties owned or managed

822
Homes completed

858
Starts on site

74.6%
Resident satisfaction with the service received

48.4%
Tenant satisfaction measure – overall perception

At a glance

Where we work

67,636

Total properties owned or under management

61,399 In London

6,237 Outside London

65,969

Properties under management
By tenure type:

General needs
34,873

Leasehold
9,906

Shared ownership
8,914

Market rent
3,487

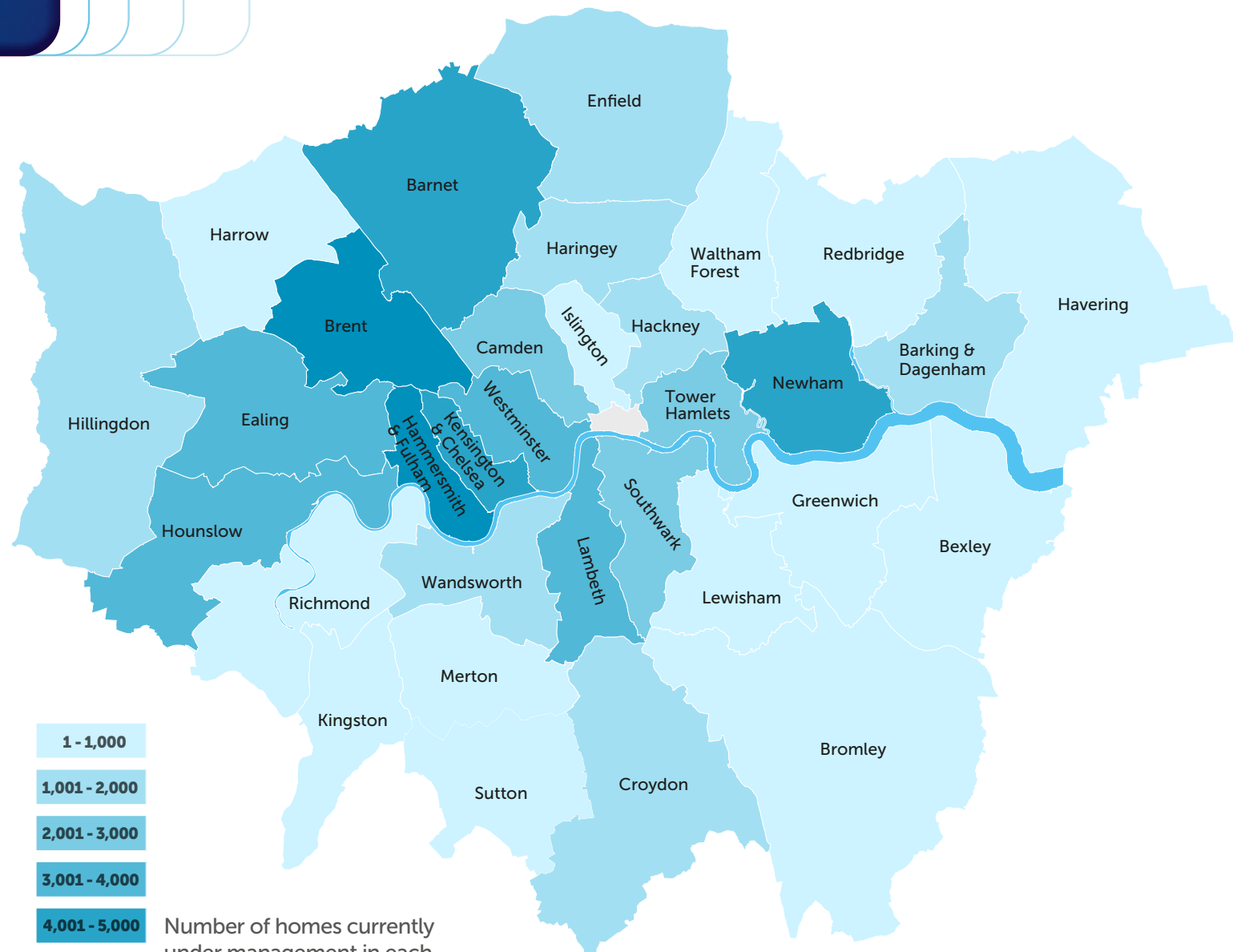
Supported Housing
3,132

Temporary housing
2,844

Key worker 1,086

Non social low cost 888

Student 839



Welcome from the chair



The 2023/24 financial year saw us lay some firm foundations to enable future improvements in line with the strategic objectives set out in our resident-focused Better Together strategy published in summer 2023. At the same time, we had to make some difficult decisions to reflect the challenging external environment in which we continue to operate.

That challenging environment is reflected in our financial year-end position, for which we posted an overall deficit of £90.2 million. Although the deficit stands in stark contrast to the healthy surpluses we have consistently made for many years, we on the group board are reassured that one-off exceptional items accounted for a significant proportion. We are confident that recognising those items now puts us in a stronger position for the future, a confidence that is being borne out by initial results for the first few months of the new financial year.

It's reassuring to see the financial landscape starting to move slowly in a more positive direction, and the election of a new government

may also provide welcome opportunities for our sector. But for the shorter-term, inflation and interest rates in particular continue to impact on our ability to make progress as fast as we – and our residents – would like. That impact is manifested especially in our programme to build much-needed new homes for Londoners. We have, reluctantly, had to temporarily reduce the programme to allow us to invest more in homes and services for the 130,000 people that we are responsible for housing.

Our decision to focus primarily on existing residents is supported by the results of the first year of tenant satisfaction measures, for which we collected data throughout 2023/24. Those measures reflect perception of our services, so differ from our transactional survey responses, but both require improvement. The new measures are a critical element in meeting the refreshed consumer standards now in place as part of an enhanced regulatory regime. As I write, we are in the middle of a routine inspection from our regulator to

assess our performance against their financial, governance and consumer standards, with the outcome expected by the end of the calendar year.

Despite the various challenges, we have much to be positive about as demonstrated by examples of progress against our strategic objectives included in this annual report. Much of that success is down to the 1,500 colleagues who work hard every day to ensure our residents are well supported in warm, safe and comfortable homes. On behalf of the group board, thank you for your continued commitment.

I am equally grateful to our many other stakeholders, including our involved residents, our shareholders and our investors. All of you play a crucial role in ensuring we can continue to deliver on our social purpose, working better together for our residents and making London home.

There have been several changes at group board and executive level over the course of 2023/24. Residents Stephen Bitti and Arike

Oke both stood down from the board and have been replaced by Emma-Louise Stewart and Symmie Swil. Both Stephen and Arike were powerful advocates for other residents, ensuring the voices of these crucial stakeholders were heard at the most senior levels. I am grateful to both for their long service and contributions.

Emma-Louise and Symmie are building on that good work with a new resident engagement model now being implemented. Together with the operational changes described by Patrick later in this document, I am confident we will improve our resident services performance.

Courtney Huggins also joined the group board during 2023/24. Previously a member of our treasury committee, Courtney brings extensive expertise in corporate finance and is a welcome addition at board level.

On the executive team, we have a new chief financial officer. Mark Smith joined us in April 2024, replacing Susan Hickey who covered the role on an interim basis from May 2023 when Abayomi

Okunola left us. Susan was a pragmatic and effective leader whose long experience in the social housing sector was invaluable as we navigated the year's financial challenges.

Finally, I want to pay tribute to John Hughes, our group director of development and sales, who stepped down at the end of September 2024 after 16 years with Notting Hill Genesis and our predecessors. John's legacy over his time with us cannot be overstated. He has led the delivery of around 18,000 new homes, helping many thousands of Londoners to have a place they can call home. His leadership in crucial regeneration projects has resulted in significant investment for less affluent communities, improving opportunities for local people and creating stronger neighbourhoods. He will be greatly missed and I wish him well for the future on behalf of the board.



Ian Ellis
Chair



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Board

Ian Ellis
(Chair)

Patrick Franco
(Chief executive)

Fred Angole

Stephen Bitti
(Resigned 21/09/23)

Elaine Bucknor

Courtney Huggins
(appointed 01/01/24)

Claire Kober OBE

Arike Oke
(Resigned 31/03/24)

Ingrid Osborne

Alex Phillips
(Senior independent director)

Richard Powell

Mark Smith
(appointed 15/04/24)

Emma-Louise Stewart
(appointed 21/09/23)

Symmie Swil
(appointed 01/04/24)

Executive board

Patrick Franco

Katie Bond

Matthew Cornwall-Jones

Susan Hickey
(appointed 18/05/23, resigned 14/04/24)

John Hughes

Abayomi Okunola
(resigned 18/05/23)

Rajiv Peter

Mark Smith
(appointed 15/04/24)

Vipul Thacker

Company secretary

Andrew Nankivell
(resigned 05/06/24)

Sara Thomson
(appointed 05/06/24)

Registered office and head office

Bruce Kenrick House
2 Killick Street
London N1 9FL

Registrations

Registered Society Number: 7746
Registered Provider Number: 4880
A charity exempt from registration.
Regulated by the Regulator of Social Housing.

Independent auditors

Crowe UK LLP
Statutory Auditors
55 Ludgate Hill
London, EC4M 7JW

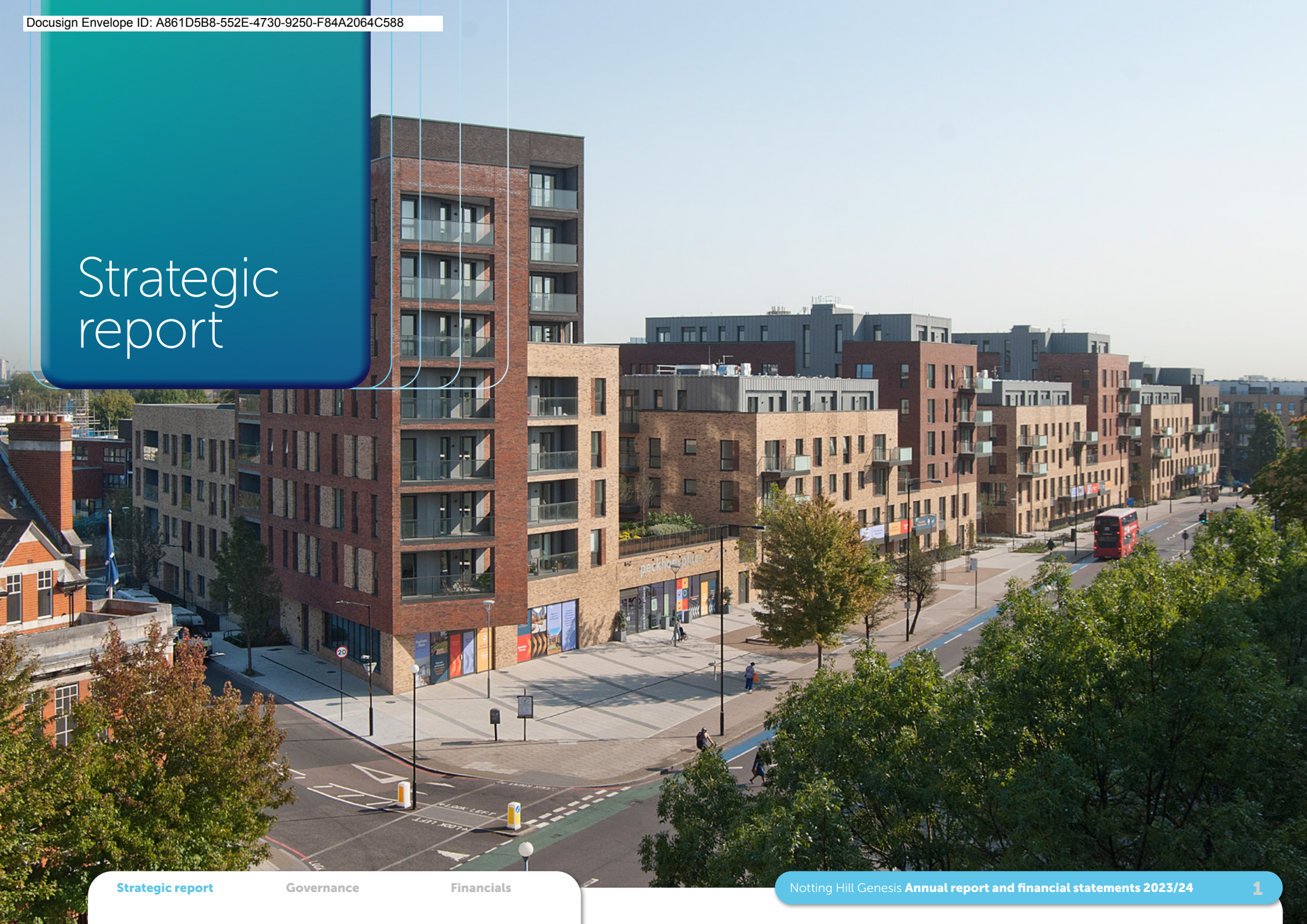
Principal solicitors

Devonshires Solicitors LLP
30 Finsbury Circus
London, EC2M 7DT

Principal bankers

Barclays Bank plc
Business Banking
Floor 28
1 Churchill Place
London, E14 5HP

Strategic report



Chief executive's introduction



My first full year as chief executive has been one of challenge, change and progress. Despite the macroeconomic environment, in particular higher interest rates and inflation, we have taken important steps to become a more resident-focused organisation and have made good progress against our Better Together strategy. Delivering for residents will take time and requires significant operational and cultural change but we have made a good start.

Our Better Together corporate strategy was formally launched in July 2023, outlining how we will improve residents' lives through better connections, homes and places. In order to achieve this ambition we needed to refocus the organisation, ensuring we had the right team structures and expertise to best deliver for our residents.

In the last year we have transformed our operations functions, which included a significant investment in a new customer experience function and dedicated teams to improve how we manage issues such as service charges, repairs and complaints. The scale of this change cannot be underestimated and I am grateful to how my colleagues

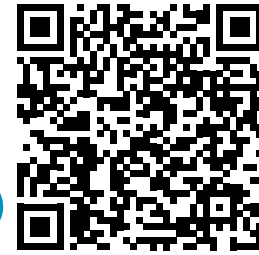
have responded. We still have a long way to go to improve resident satisfaction but I am confident these changes will, over time, deliver significant improvements.

One of our key priorities in the last year has been to reduce the number of outstanding resident issues, including damp and mould, and invest in safety and repairs. We have also spent time and resources to better understand the state of our properties. These initiatives have inevitably required significant spending not helped by a higher inflation environment. Overall, building safety costs in particular increased significantly during the year.

We recognise there is more we need to do to address the issues that matter most to our residents, which is why another priority area in 2023/24 has been to continue making considerable improvements to residents' homes. In the last year

we invested almost **£40 million** in refurbishments and upgrades, including the delivery of cyclical improvements to **2,476** homes and replacing **733** kitchens and bathrooms. I am proud that our annual level of investment is four times higher than the amount we spent five years ago and that this figure will continue rising in the years ahead. By investing to provide residents with safe, warm, comfortable homes we will not only improve resident satisfaction, but also reduce the need for costly disrepair work in the future.

Increasing the supply of affordable homes for Londoners is an important part of our mission and in 2023/24 we completed **822** new homes. This was below our target of 1,281 but considerably higher than the 459 completed the previous year. We continue to make good progress on our regeneration programmes at the Aylesbury



A day in the life of a chief executive.

Interviewed by our resident Colin Burns, pictured.

estate in Southwark, Grahame Park in Barnet and Woodberry Down in Hackney. In all three locations, we have worked closely with local authorities and other partners to ensure local people benefit from associated social and economic opportunities.

That said, challenging macroeconomic conditions, notably inflation and higher interest rates, have altered the economics of development, particularly for not-for-profit organisations like ours. In light of this we have decided to temporarily scale back the rate of development in the years ahead – to an average of 600 homes per year – which will be delivered through the regeneration schemes and other projects to which we are already committed.

This pivot is a familiar one across the sector and will provide critical financial resilience, at the same time as allowing us to increase

much-needed investment into our estate from **£500 million to £770 million** over the next 10 years.

Although we still have a long way to go to bring all our homes up to a good standard and to improve resident satisfaction, I am pleased with the progress made in the last year. We have laid the foundations for further improvement and with our priority now focused on investment in our existing estate, I am confident we can create an organisation that provides better homes and experience for our residents.

Patrick Franco
Chief executive



Overview and context

We published our Better Together corporate strategy in summer 2023, incorporating several plans published internally in the spring and early summer.

The strategy includes a new vision – making London home – and a new mission: working better together for our residents. It sets out three strategic objectives – better connections, better homes and better places – and three enabling themes, covering people, finances and value for money, and how we make best use of data, technology and digital innovation.

This strategic report and the associated financial report set out progress against the core strands and enabling themes during 2023/24 and include performance data against some key metrics.



Better connections



77.9% of homes were visited by local teams during 2023/24, an improvement from 68% in the previous year



6,303 complaints were received in 2023/24, down from 9,185 in 2022/23



£4.1m amount of outstanding benefits our advisers helped residents to claim



3,254 survey responses were collected for tenant satisfaction measures

Focusing on what matters most

We put in place the foundations for a new operating model for how we provide services to our customers during 2023/24. Designed to ensure we're focusing on what matters most to residents, the new model maintains a personalised approach, with local officers looking after the day-to-day needs of residents in specific geographical locations.

Our local officers are complemented by a central customer service centre which provides telephone and online support, including outside of normal office hours.

Customer-facing staff are supported by teams of colleagues with greater expertise in core specialisms covering complaints, service charges, legal services and repairs – all areas which cause significant frustration for residents and where we know we need to improve. Creating specialist teams is a considerable financial investment, but one we believe is necessary if our services are to reach the standard our residents expect and deserve.

All local officers are expected to carry out an annual visit to the residents in each of the homes in their patch. Those visits allow us to check homes are safe and provide an opportunity to discuss any tenancy queries or concerns. Residents can tell us about any changes to their household and discuss whether housing needs have changed. In addition, local officers can order any necessary repairs during the visit and signpost residents to available services. During 2023/24, our local teams visited residents in almost **eight out of 10** of all our homes, a significant improvement from the 68% visited during the previous 12 months.

Fixing problems fast and well

Day-to-day repairs are one of the main causes of dissatisfaction for our residents. That's why fixing problems fast and well is one of six objectives set out in our customer strategy, based on what residents told us matters most to them.

During 2023/24, we refreshed our repairs function to include a new repairs hub – a centralised support function that provides a proactive service of triage, management, oversight and jeopardy resolution for all responsive repairs.

Other specialist teams within the repairs function allow us to proactively manage our homes and better understand our stock through patch-based surveyors. They will also ensure we minimise future risk of disrepair and improve the standards of our void homes – properties that become empty when a tenancy ends – and associated performance. A dedicated focus on our supplier relationships will allow us to better manage our contracts so that we are getting the best value and service from these, learning consistently from our data and maximising commercial efficiencies.

Listening to our residents and acting in response

Resident involvement

Two residents are members of our group board, helping to ensure that customer voices are heard at the most senior level of our organisation. During this financial year, we recruited two new residents as board members. Emma-Louise

Stewart joined the group board in September 2023 and Symmie Swil in April 2024.

Over the course of the year, we consulted with residents to develop a new and improved involvement offer, aiming to bring in new voices, be more inclusive and create positive, focused spaces for collaboration between residents and staff. The changes were developed in response to resident feedback, the new consumer standards for the sector, and to help increase the representation of our residents in our engagement and involvement activities.

The new involvement offer, which was introduced on 1 April 2024, focuses on projects and activities that deliver more strategic and measurable outcomes for residents and their homes. It will support task-and-finish activities and one-off projects or consultations as well as local engagement opportunities, with groups reporting outcomes and actions to our resident forum for scrutiny and oversight. Chaired by board member Emma-Louise Stewart, who is a resident, the forum feeds into our operations committee, a sub-committee of the group board.

Resident feedback

All housing associations are now required by the Regulator of Social Housing to collect and publish a range of comparable information. Some are measured by landlords directly and others are measured by carrying out tenant perception surveys.

We collated data throughout 2023/24 against new tenant satisfaction measures (TSMs), designed to ensure customers are clear about how their landlord is performing and how that

compares with other housing associations by asking all social housing residents the same questions. We commissioned an independent survey company to carry out our TSM surveys by telephone in four phases over the course of the year, generating **3,254** different survey responses, all of which have been included in the results.

Performance against the tenant satisfaction measures is available on our website, enabling residents to scrutinise how we're doing and supporting greater transparency and openness in line with new consumer standards.

We also continued to collect feedback through 'have your say' and post-repair surveys, which focus on satisfaction with a service received, rather than perception.

We use the findings of both the tenant satisfaction measures and our transactional surveys to identify areas for improvement in future.

Learning from complaints

During 2023/24 we received **6,303** complaints, including quick fixes where issues are resolved to the resident's satisfaction without the need for a formal response. Although a decrease from the 9,185 complaints received in 2022/2023, a greater proportion of complaints this year have been dealt with at stage one (**52%** in 2023/24 compared to 40% in 2022/23) rather than as quick fixes. That increase suggests that causes of initial dissatisfaction are less easily resolved than previously. Of the 3,298 complaints logged at stage one, 555 were escalated to stage two.

The more complex nature of many complaints

meant that we met our response target for stage one complaints of 10 days for only **58.3%** of cases. For stage two cases, where our response target is 20 days, we responded in time for **42.6%** of cases.

The housing ombudsman recorded 165 cases for 2023/24 where one of our residents had asked them to advocate on their behalf to progress a complaint through our process. The ombudsman recorded a total of 446 findings against those cases, of which 260 (58.3%) were detrimental – a finding of severe maladministration, maladministration or service failure.

We were required to pay £179,664 in compensation relating to these 446 findings, a significant increase from the £27,593 paid in 2022/23.

Analysis both of complaints and ombudsman determinations has identified recurring themes and systemic issues. Those relate to delays in completing repairs and follow-up work, communication breakdown, inconsistent documentation and handover, and considering individual needs and vulnerabilities.

To address those issues, we are enhancing our customer insight and complaints function as part of our new operating model. That will allow us to conduct detailed root cause analysis and deep dives, giving us further insights into how we improve customer experiences. We also have a newly established customer journey team, who take such insights and look at improving the repairs and service charge journeys.

Further detail is available in our full complaints report for 2023/24 on our website alongside our

self-assessment of how we're performing against the housing ombudsman code of conduct.

Supporting our residents

Our tenancy sustainment team work closely with residents to help them manage their finances and pay their rent. We offer a bespoke cost-of-living support page on our website where residents can check they're claiming everything they're entitled to, alongside details about other support available and signposting to partner organisations. In 2023/24, the team started building a jobseekers list, mainly made up of younger tenants looking for apprenticeship opportunities, who can then be matched to contractors offering job opportunities.

Our benefits advisers host monthly pop-in sessions for any residents who would like to raise questions or concerns about benefits or benefit letters. During 2023/24, we estimate that our advisers supported residents to claim outstanding benefits totalling **£4.1 million**, helping them to remain in their homes.

Fair, predictable and easy-to-pay housing costs

Improving service charge processes

Our service charge app, developed by our in-house digital team, replaces clunky spreadsheets and allows local officers to set budgets and keep track of expenditure all year round, meaning they can identify and correct any anomalies in a timely manner.

At the same time, we've introduced a dedicated service charge team as part of our new operating model. One of several 'wrap-around' services, the team comprises colleagues with greater expertise in managing service charges, who will support local officers to resolve issues more quickly and effectively in future.

Despite this progress, we know we have more work to do on service charges, especially around timely billing, better communication and evidencing value for money. We are focusing on all of those during 2024/25.

Faster and more secure payments

In autumn 2023, we updated how we process payments to residents for items such as compensation or credit refunds. The new online system using NatWest Payit makes it quicker, easier and more secure for residents to receive the money they're entitled to if they have access to a mobile phone and email address.

We also introduced new software to protect card details when residents make payments through our customer service centre over the phone. The software blocks the agent from reading or hearing card details as customers input them, and stops our telephone system from recording those details.



Better homes



£40m

invested in improving existing homes in 2023/24, a fourfold increase over five years



1,000

homes fitted with Switchee devices to proactively monitor damp, mould, and fuel poverty risk



822

new homes completed in 2023/24



C

Target: all rented homes to achieve energy performance certificate (EPC) level C by 2030

Investing in existing homes

Delivering improvements

During 2023/24, we invested almost **£40 million** in improving our existing homes, not including mechanical and engineering projects. The investment is four times higher than the amount we spent five years ago, and is set to increase further. We delivered cyclical improvements to **2,476** homes and replaced **733** kitchens and bathrooms. To keep on top of future requirements, we completed **8,599** stock condition surveys, exceeding our target of 7,500 for the year.

In December 2023, we awarded 20 contractors a place on our £1.6 billion framework to support our planned investment programmes over the next 15 years. The framework covers building envelope and communal works, kitchen and bathroom replacements, and retrofit and decarbonisation, not only improving our residents' homes, but helping us meet our target for all our rented homes to achieve an energy performance certificate (EPC) **level C by 2030**.

Levelling up our homes

We tested a new approach to delivering improvements through planned programmes and cyclical work at the same time as maximising the impact of our funds during 2023/24.

Under the pilot, homes are transferred to the ownership of Springboard Two, a subsidiary registered provider under the wider Notting Hill Genesis umbrella. The transfer means that we can bring forward cyclical works so that residents benefit from upgrades and retrofit sooner than would otherwise be possible.

At Brook Green in Hammersmith, where we trialled the approach, we completed upgrades to **21** general needs homes. We worked closely with residents to consider the whole home and truly renew the properties, picking up both external and internal requirements. Work included roof renewals, windows and doors replacement and/or repairs, brick face repairs, electrical installations, and upgrades to communal areas. We've also replaced boilers, kitchens and bathrooms and ensured that homes are improved to EPC C level.

Across the financial year, our Renew moves programme continued. This programme identifies homes that are poorly performing either financially or in terms of customer experience and offers residents the opportunity to move to newly refurbished homes. In 2023/24, 38 households took part in this programme. Some of the poorly performing homes were sold and the surpluses that were generated helped to fund full internal upgrades of more than **207** homes, including 10 homes that transferred to our charitable operation, Simplicity.

Work is also underway to upgrade several different types of homes in our social housing stock to ensure they achieve EPC band C by 2025 following our successful bid for **£8.1 million** from the government's social housing decarbonisation fund (SHDF) at the end of 2022/23. Improvements are focusing mainly on better insulation and ventilation, which will also support us in our drive to reduce the risk of damp and mould (see below).

In September 2023, we were awarded **£3.6 million** under the national heat network efficiency scheme (HNES) to improve the efficiency of heat networks that serve more than **800** of our residents.

In round one of the application process, we successfully bid for capital funding for four sites to improve the reliability and efficiency of heat networks and reduce carbon emissions, bringing savings to those who live there and a more reliable heating and hot water system to their home.

At the same time, we appointed new suppliers to provide a long-term heat maintenance contract for all our sites with a district heating network managed by us. Our work to provide a more reliable and efficient supply of heating and hot water on two of those networks was recognised in national awards during the year.

Following those improvements, the number of unplanned outages of more than four hours at our metred heat network sites remains **zero**, with just one outage in total for the first quarter of 2024/25. That performance compares with 20 outages of more than four hours during 2022/23 and 14 during 2023/24.

Dealing with damp and mould

We took several actions during 2023/24 to improve how we deal with cases of damp and mould, a critical element in ensuring all our homes are warm, safe and comfortable and providing a better resident experience.

We published a stand-alone policy in spring 2023, which included feedback from residents, to emphasise our commitment to tackling this important topic and support efforts to be transparent in our approach. We also updated and enhanced resources available to customer-facing colleagues, including a checklist of what to look out for, a process map of what to do when damp and mould is identified, and a guide to

assessing severity. We completed comprehensive training for all customer-facing colleagues, and introduced a new process clearly setting out refreshed requirements for all parts of our business.

A review following a severe maladministration finding by the housing ombudsman during the year has identified several further actions around how we deal with damp and mould, which we're working through now to improve our service. That included an update of our policy to strengthen it further.

Switchee devices installed in almost **1,000** of our homes are helping us identify homes at risk of damp and mould and take proactive action. The devices offer real-time data on whether the boiler is performing efficiently so that we can spot homes that are susceptible to excessive heat loss and where residents might be experiencing fuel poverty, allowing us to offer assistance before the issue gets out of control.

Enhancing customer experience

During 2023/24, we contracted with several new suppliers to ensure the provision of good quality services and value for money. New contracts this year covered fire risk assessment remediation, electrical safety and lifts. The selection of contractors follows a rigorous procurement process to ensure quality and value for money alongside a contribution to social value in our communities compared to the value of the contract. Residents are increasingly involved in the procurement process, with around **3,899** participating during 2023/24.

We also updated our contractor code of conduct in partnership with residents to ensure people

working on our behalf in their homes adhere to the standards both we and they expect. The new code will be used to hold our contractors to account through more robust contract management, which is equally crucial to ensure value for money.

Residents feel safe in their homes

Meeting new building safety requirements

Throughout 2023/24, we have worked to ensure we comply with the Building Safety Act. We registered all of our buildings classed as higher risk with the new building safety regulator in line with the national deadline in September 2023. We have made steady progress in developing building safety cases for each of those buildings to ensure we have a full safety story for them all, from how we manage the development process, to general maintenance and compliance, to how we deal with customers and complaints.

That work has included the creation of a suite of online resources to provide access for all colleagues to a wide range of information to improve everyone's understanding of our buildings and enable a more informed and efficient approach to our operations. These 'better buildings' tools exceed the requirements of the Building Safety Act by extending beyond only those buildings classified as higher-risk. They additionally enable us to produce large amounts of information and generate reports as required by the building safety regulator to issue building assessment certificates.

In May 2023, we published a new building safety

policy, setting out our approach to ensuring our buildings are safe and meet regulatory requirements.

Building safety remediation programme

We continue to make steady progress with our remedial works programme for buildings identified as requiring further investigations or work to make them safe. Of the **158** blocks that require further work, 47 have been completed and work is underway (but not necessarily on site) on a further 111, with many close to completion. For the next phase in the programme, we will assess another 201 blocks, which are generally lower rise and lower risk and, as such, unlikely to need remediation.

Our initial estimate of **£173 million** to complete remediation work has proved robust, although our approach to how we account for that spend has been revised, as explained in the financial report section of this publication.

At the start of the programme, we agreed that we would not ask residents to pay any of the costs of fire remediation to the external wall of their blocks, or to balconies where they have been deemed to pose a risk of spreading a fire. We continue to recover our costs wherever possible from the national building safety fund or the original contractors, and have secured almost **£65 million** to date from those sources, which is additional to the £173 million net estimation mentioned above.

Complying with standard safety measures

We report performance monthly against eight standard compliance measures covering fire

risk, landlord gas safety records, domestic and communal electrical certificates, water safety risk assessments, asbestos surveys and reinspection, and passenger and domestic life statutory inspections. Our performance at the end of 2023/24 was disappointing, with us achieving target or being within tolerance for only four measures. Since then, we have made significant progress, and were compliant or within tolerance of all but two of the eight measures by the end of June 2024.

All applicable buildings have an in-date fire risk assessment and the average number of actions being completed each month has increased steadily since February 2023 when we introduced a new plan to improve our completion rate. That plan included fully recruiting to our fire risk assessment team alongside a shadow team who focus on historic actions and discrete programmes of work.

Transferring homes – a focus on London

Work continued throughout 2023/24 on our plans to focus all our activities on London, laying the groundwork to transfer remaining homes in Hertfordshire and Essex to more local or specialist providers in future. Transferring homes outside the capital is a pragmatic solution to reducing the challenges associated with managing geographically diverse services. At the same time, it means residents can be better served by more local providers with a deeper understanding of their area.

In early April 2024, we transferred **51** homes in Hertfordshire to Hightown Housing Association,

as well as four offices and one communal facility. We also transferred **36** older people's homes, a GP practice and a pharmacy to Colchester Borough Homes in Essex, supporting them to deliver a wider regeneration of the area where the properties are located.

For all transfers, we consult with affected residents in advance to let them know about the proposed changes and reassure them that those changes will make no difference to their day-to-day lives or security of tenancy. As part of the process, we set out the actual and potential advantages and disadvantages and explain how consultation responses have been taken into account in reaching a decision.

New homes

We completed **822** new homes during 2023/24, considerably higher than the 459 completed the previous year. Of the overall figure, 394 are low-cost rental homes, 152 shared ownership and London Living Rent, 177 market sale and 99 private rental. We additionally completed on two commercial units.

At **858**, starts on site exceeded our target of 321 and were better than last year's figure of 459.

Despite the generally slow market, we sold **121** homes during 2023/24, 118 for shared ownership and three as outright sales to private buyers. Together, those sales raised **£17.8 million**, achieving a **£3.4 million** surplus against budget for our sales team. For the future, we have **144** homes under offer, which will generate a potential revenue of £20.5 million and a £4 million surplus for 2024/25.



Better places



198 residents helped into employment



486 residents received training



54 residents entered apprenticeship schemes



Grahame Park project won best regeneration at the national Planning awards in June 2023



£8.1m awarded from the social housing decarbonisation fund (SHDF)



600 energy assessments and 155 individual home energy plans completed

Estates that meet our new standards

The creation of NHG Places is an important strand in delivering our aim of ensuring residents have a place they can call home and a community they can feel a part of and engaged with. Now introduced across 21 of our larger estates covering around **10,000** homes in total, the NHG Places model builds on the findings of a pilot during 2022/23, which tested out a new approach to how we manage such schemes.

The NHG Places team manage the estates in their portfolio in a holistic and tenure-blind way that meets the needs of residents and the local community. Each of the estates now has a named estate operations manager who co-ordinates issues such as communal repairs and concierges so that local officers can focus more fully on their responsibilities.

Combined with practical estate management, NHG Places is also overseeing the creation of a fresh look and feel for each estate and the transformation of spaces into thriving environments through collaboration with residents, businesses, local authorities and surrounding communities to ensure everyone's needs are met.

Creating a sense of community

We continue to make good progress on our regeneration programmes at the Aylesbury estate in Southwark, Grahame Park in Barnet and Woodberry Down in Hackney. In all three

locations, we are not only providing new homes, but working closely with local authorities and other partners to ensure local people benefit from associated social and economic opportunities.

Across the three schemes in 2023/24, we helped **198** residents into employment, **486** into training and **54** into apprenticeship schemes. A full breakdown of socio-economic interventions at each scheme is included in our environmental, social and governance report, available on our website.

Our socio-economic activities also support more cohesive communities. Our teams work with local authorities, community groups and contractors on a range of initiatives to bring neighbours together and support them to build new skills. Examples include festivals and cultural events, bike-fixing workshops, coding courses and gardening clubs, and resident artworks for hoardings and other community spaces.

Our work at Grahame Park was recognised in June 2023 when the project won the regeneration category at the national Planning awards. The awards recognise high quality work across planning and placemaking sectors that positively impact both the physical environment and the communities where they are based.

Priority areas for sustainability

Our sustainability strategy captures the views, and aspirations of residents, staff and partners. It contains more than 20 objectives that collectively describe our vision for what our homes, green

spaces and business should look like by 2030. More information is available in our environmental, social and governance report for the year, but some highlights are included below.

During 2023/24, we were awarded **£8.1 million** for the social housing decarbonisation fund (SHDF) to improve 1,002 of our least energy efficient homes to energy performance certificate (EPC) band C. We've started the first phase of the programme, and have completed **600** energy assessments and **155** individual home energy plans – setting out the specific improvements that can be made to increase EPC ratings to at least a **band C**.

This year, we also introduced our first community-based, low carbon heating project at Marcus Garvey Mews in south London. Built in the 1990s, many of the 33 homes had low levels of loft insulation and old, inefficient electrical heating. Our project, completed in partnership with contractors Equans and residents themselves, included the installation of air source heat pumps to **23** homes alongside other improvements designed to make homes warmer such as new windows, doors, and loft insulation. Solar panels have been installed, providing free electricity for appliances in homes and reducing the cost of heating.

We also measured and quantified our green spaces to help develop our approach to managing them. That work has identified **350,000** square metres of grass, **7,717** trees and **72,000** square metres of land categorised as woodland within our portfolio.

We appointed eight suppliers to our first ever decarbonisation framework. All suppliers appointed are able to provide a complete whole-house retrofit solution compliant with PAS 2035 (the government's quality mark for retrofit), combining planned maintenance improvements such as window and roof renewals with insulation improvements, and low carbon heating. Crucially, the framework will help us deliver our zero-carbon agenda, and secure future funding.





Enabling themes



86% Overall satisfaction score, higher than the 80% benchmark



58.7% females in the workforce



58.2% colleagues from a minority ethnic background in the workforce



£700k savings from moving infrastructure to the cloud in 2023/24

Our people

In June 2023, we published a new people strategy to support the delivery of the better connections, homes and places strands of Better Together.

Developed in parallel with the customer strategy that underpins Better Together, the people plan recognises that good colleagues are a vital foundation to us achieving our strategic objectives. It focuses on three broad areas for improvement – customer experience, culture and performance – delivering key workstreams on people management capability, recruitment, induction, learning, and managing performance well.

Alongside those discrete workstreams, the people strategy sets out work to ensure we continue to deliver on three key themes that are fundamental to who we are as an organisation – being a good employer, equality, diversity and inclusion, and embedding modern ways of working.

Customer experience

As outlined in the better connections section on page 4, we fundamentally restructured teams in our operations directorate during 2023/24 to ensure they are focusing on the items that matter most to residents and have the right support to do so. A second transformation programme also got underway to refresh how our finance teams work so that those people can more effectively deliver behind-the-scenes services and allow customer-facing colleagues to focus on their core activities with residents.

Recruiting people who care about customers and encouraging them to remain with us is crucial to improving our residents' overall experience of us and our services. To support that, we have put significant effort into improving our recruitment processes and materials as well as arrangements for inducting new starters into our organisation.

We started work during the year to understand which of our roles are in scope for the qualification requirements in a proposed new competence and conduct regulatory standard and to gather information about colleagues' existing professional qualifications. We continue to work alongside partners in the G15 group of London's largest housing associations and Innovate, an Ofqual regulated awarding organisation, to design new level 4 and 5 qualifications to help us meet the requirements of the new standard once implemented.

Culture

During 2023/24, we worked with colleagues at various levels and across different departments to create a list of example behaviours for each of our five core values – compassionate, dependable, empowered, inclusive and progressive. The behaviours are designed to help colleagues understand how our values can and should be visible in everything they say and do, whether dealing with residents or people we work with.

To support the culture change we need to see across our organisation, we also introduced a new bonus structure for 2023/24. Where previously the bonus payment was based

solely on financial performance against overall surplus levels, it now focuses on our operational budget and two measures relating to resident satisfaction. The changes mean that any corporate bonus now better reflects performance against measures over which more colleagues have genuine control and which have a greater impact on residents. No corporate bonus was payable for 2023/24 in line with the new rules.

Performance

Having capable and skilled people managers whose management style reflects our values and behaviours is essential to delivering our strategic objectives. During 2023/24, the majority of our people managers completed our new Better Together management development programme. Delivered by an external training provider, the programme explores what good management practice looks like and equips our managers with a range of useful models and tools to help them manage their people well. Once they have completed the programme, managers participate in action learning sets with peers from other parts of the organisation, where they practise what they've learned at the same time as breaking down inter-departmental barriers.

We additionally introduced a set of people manager standards during the year to ensure clarity and consistency. The standards reinforce what we expect of all our people managers at each stage of an employee's journey from recruitment to settling in, to day-to-day management and development opportunities. We also expect our people managers to

support colleague engagement to enhance cross-organisational working, an area where we historically score poorly in staff satisfaction surveys.

Being a good employer

A total of 1,036 colleagues completed our staff satisfaction survey in September 2023 – a return rate of **66%**, which is slightly higher than in 2022 and means we can be confident that the results are a genuine reflection of how our people feel about working for us. Our overall satisfaction score remains strong at **86%**, higher than the 80% most organisations strive for.

We were encouraged that **97%** of respondents said they understood how their work contributes to providing good quality homes that allow our residents to live their lives well. The figure is slightly higher than in 2022 and suggests that clearly setting out our aspirations in our Better Together strategy has been useful.

During 2023/24, we completed a significant exercise to review and update our corporate learning modules, both to improve their quality and to save our people time by focusing on ensuring they cover the key information our colleagues need in an engaging and meaningful way.

External programmes include the Accelerate programme run by the G15 group of large housing associations in London. Accelerate is a Chartered Management Institute (CMI) leadership development programme for ethnically diverse

managers who want to equip themselves with the skills, confidence and connections to help accelerate their careers. To develop our leaders, we additionally participate in Leadership Now, run by Unify, the G15's ethnic diversity network, and the Future of London Leaders Plus programme. For less senior colleagues, we have staff taking part in the Housing Diversity Network's mentoring scheme, which aims to help unlock talent and give mentees the confidence to take the next step in their housing career.

Equality, diversity and inclusion

We publish an annual equality, diversity and inclusion report, setting out key data, achievements and areas for improvement on this important topic.

Our five staff networks have had another successful year, delivering a more comprehensive programme with higher levels of colleague engagement than previously. Behind the scenes, they work to influence policies, procedures and change programmes to ensure that how we work is inclusive and reflects the diverse needs of our colleagues. The networks' various educational and awareness raising activities bring equality, diversity and inclusion to the forefront of our internal culture, helping staff from diverse backgrounds to feel seen and understood, and offering an essential window into the lived experience of our equally diverse residents.

In July 2024, we received external recognition when our Cultural Energie staff network won the race network colleague group award at the ethnicity in housing awards run by the G15 group of large London housing associations.

As well as meeting our legal requirement to report on our gender pay gap, we continue to publish our ethnicity pay gap each year, allowing a deeper insight into the distribution of colleagues of different ethnic backgrounds across the hierarchy of our organisation. Our snapshot at 5 April 2023 showed an improvement in five of the six components of the pay gap. The improvements partly reflect our withdrawal at the start of 2023 from the provision of extra care services as staff in those roles, which mainly fell in the lower pay quartile, were predominantly ethnically diverse women. That said, we also saw some improvement to our mean and median pay gaps that was not connected to the withdrawal from extra care services. That indicates that the initiatives we have put in place over previous years are beginning to impact the ability of women and colleagues from Black, Asian and minority ethnic backgrounds to advance in their careers with us.

Representation across quartiles is the most meaningful measure in the formal pay gap reporting, as it provides insight into the driver of the mean and median gaps. The withdrawal from extra care services in the reporting period meant we were a less female and less ethnically diverse workforce when we came to report our pay gaps in 2023 than we had been the previous year, but we remain a predominantly female **(58.7%)** and minority ethnic **(58.2%)** organisation. We have made significant progress in smoothing representation across the four pay

quartiles, reflecting greater representation of women and ethnic diversity in our more senior roles compared with 2022. Not only is this achievement a positive end in itself, but it will help pave the way for further progress. We know that when colleagues see themselves represented by those in senior roles, they feel more inspired to progress their careers with us and feel more confident and supported in doing so.

Modern ways of working

We value and respect difference and are committed to building an inclusive culture by creating an environment where colleagues can balance a successful career with commitments and interests outside of work. To that end, we continue to operate a flexible hybrid working model to foster collaboration, combined with the power of in-person interactions, with an optimal balance of at least three days a week in the office or with customers for all colleagues. Whether they are working from an office, one of our neighbourhoods or at home, we ensure our people have the right technology to carry out their work effectively.

During 2023/24, we completed a long-term programme to move all our infrastructure to the cloud and close our final data centre, resulting in savings of around **£700,000** on our operational costs. We are able to increase or decrease our cloud estate quickly and incorporate new cloud-based digital services to reflect our needs and pay only for what we use when we use it. The move also ensures we have a more secure location for our systems and applications and a streamlined and stable technical environment, allowing us to work effectively and efficiently, and

deliver a better service to our residents.

We also moved to a newer, faster network, halving our network expenses each year and providing us with increased internet bandwidth and improved network performance.

Significant work took place throughout the year to enable us to move to a new platform to manage processes for routine finance tasks and replace our current outdated systems. Once in place, the new platform will work alongside other products already in use across our organisation, and help us automate finance tasks where practical, simplifying processes and improving efficiency.

We continue to add new dashboards to Power BI, the business intelligence tool we use to collate, manage and analyse data from a variety of sources, allowing more colleagues easy access to useful information for their day-to-day work. Recent additions include reports showing progress against our planned investment programme, underlying stock condition survey information, and lifts and gas appliances that have been reported as out of service.

For WorkWise, the internal name for our My Account online housing management platform for residents, we added several new features during 2023/24. Those included an at-a-glance history of all recent interactions with specific residents and the ability to raise multiple jobs with multiple contractors at the same time, all supporting improved engagement with our customers.



Looking ahead

In June 2024, our group board approved a 30-year strategic business plan, with a focus on the next five years to 2029. One year on from the launch of Better Together, the plan reflects progress to date and the need to strike a balance between our clear social purpose and legacy as an innovative and important player in London's housing story, with the hard economic truths of the external environment and our current internal performance.

We have agreed with the group board to focus on five key areas over the next five years:

- 1**

We design our service based on customer needs, including easy-to-use technology for those that want to self-serve. This helps our colleagues focus on customers with more complex needs.
- 2**

We provide quality homes and offer a brilliant service, so that our residents truly feel like customers, and our colleagues are proud to work for Notting Hill Genesis.
- 3**

We are financially sustainable through all market cycles and reinvest surplus to build more affordable homes in London.
- 4**

We do this by doing the basics well, harnessing technology and data, to continuously improve our operations in key areas like repairs and service charges, to reduce waste and improve efficiency. If we can't offer a great service, we partner with specialist providers that can.
- 5**

We only serve customers and operate business lines where we can provide a great service, operate at scale, are financially sustainable and within our risk tolerance.

At the same time, and to ensure we can continue to invest in existing homes as necessary, we have decided to temporarily reduce our new homes programme from 2024/25. We are confident that this is a pragmatic response that will create a more sustainable development and sales business and reduce organisational debt, crucial to maintaining financial resilience. We

are also confident that delivering against the five focus areas over the next five years will enable us to return to building more new social homes in future. For now, our refreshed new homes programme will deliver an average of 600 new homes a year, ensuring that we continue to play our part in relieving London's housing shortage.

All five focus areas for the next five years build on the core strategic priorities and enabling themes set out in our original Better Together strategy. We will continue to report performance in line with that plan through our Better Together scorecard, which is presented monthly to our executive board and quarterly to our operations committee and group board.

Key performance indicators

This table provides a snapshot of some of the performance indicators which are considered regularly by the board and are used by the board and the executive team to measure performance and drive improvements.

Key performance indicator (KPI)	2023/24 Performance	2023/24 Target	2022/23 Performance	2022/23 Target	Commentary
Rent collection rate over 12 months	98.8%	100.0%	99.8%	99.9%	At the end of the year, rent collection was within tolerance of target at 98.8%.
Current tenant rent arrears	5.5%	4.7%	5.3%	5.1%	The level of tenant rent arrears increased from 5.3% in April to finish the year at 5.5%.
Occupancy rate	99.3%	98.8%	99.2%	98.6%	The occupancy rate has improved in 2023/24 and finished the year above target.
Transactional customer satisfaction	74.6%	80.0%	76.4%	75.0%	Regular transactional surveys are carried out with our residents to obtain feedback which assists us in making changes to the services we provide. Customer satisfaction finished the year below the 80% target.
Customer satisfaction – perception	48.4%	54.1%	-	-	Tenant satisfaction measures were introduced during 2023/24. This overall perception measure is in response to the question: "Taking everything into account, how satisfied or dissatisfied are you with the service provided by Notting Hill Genesis?"
Percentage of homes visited within the last 12 months	77.9%	100%	68.7%	100%	We expect all homes in our general needs, temporary housing and keyworker businesses to be visited at least once a year by their local officer.
Percentage of standard repairs that were completed in time (within 20 working days)	73.5%	86%	75.7%	86%	We additionally report performance against first-time fixes and emergency repairs made safe within 24 hours to provide a full picture of our responsive repairs activity.
Ombudsman findings of maladministration or service failure as % of all findings	58.3%	-	48.0%	-	The number of cases remains high across the sector as the ombudsman continues to implement changes and increases publicity of its work.
Percentage of properties meeting the decent homes standard	99.0%	99.75%	99.78%	-	The decent homes standard is a national measure that sets minimum standards for the condition of social homes.
Number of homes improved to energy performance certificate (EPC) level C	301	900	-	-	This figure shows the number of homes brought up to standard through retrofit. A further 1,683 homes reached EPC C standard through data improvements.
Percentage of homes with a valid gas certificate	99.9%	100.0%	99.9%	100.0%	The vast majority of our homes have valid gas certificates with only 22 outstanding at the end of the year due to access issues.
Percentage of buildings with both an in-date fire risk assessment and no overdue actions	72.6%	100.0%	72.0%	100.0%	Overall compliance finished the year at 72.6%. 100% of blocks have a valid FRA alongside 2,375 overdue actions at year-end.
Homes started	858	321	459	1,428	This year saw a total of 858 starts on site, exceeding the target of 321.
Homes completed	824	1,281	459	1,087	822 new homes and two commercial properties were delivered this year, short of target with four schemes moved into the new financial year.

Chief financial officer's report



The Notting Hill Genesis group remains in a strong position. Our underlying performance is stable and demand for affordable housing in London has never been higher. Our cost base has stabilised after the inflationary challenges of the last few years and we continue to have a strong balance sheet with good levels of liquidity. At the same time, overall financial performance for the year was materially affected by some significant one-off items. This has meant that for the year to 31 March 2024 we are reporting a deficit of £90.2 million.

We are committed to making significant improvements and upgrades to our homes, as set out in our Better Together strategy, which we published last summer. Our aim is to improve our residents' lives through better connections, homes and places. This strategy reflects resident feedback on what is important to them and is underpinned by a commitment to make a significant investment in our estate over the next 10 years.

		2024 £m	2023 £m	2022 £m	2021 £m
Table 1 - Analysis of group surplus					
Core operating surplus					
Turnover – excluding sales	Group turnover increased primarily due to an increase in general needs housing	637.6	612.0	582.0	567.6
Operating costs	Increasing in line with turnover and one-off operating costs	(528.5)	(485.2)	(427.5)	(409.3)
Total margin		109.1	126.8	154.5	158.3
Margin percentage		17%	21%	27%	28%
Exceptional items:					
Provisions and impairments	This relates to fire remediation works provision and associated impairment as well as landbank impairment from development programme changes	(83.0)	(4.7)	10.6	(10.4)
De-recognition of financial assets	These relate to time-barred service charge debtor	(21.2)	-	-	-
Exit from pension scheme	Exit from SHPS multi-employer pension scheme	(3.7)	-	-	-
Increase in financial asset	Surplus as a result of Greater London Authority overage agreement	6.4	-	-	-
		7.6	122.1	165.1	147.9
Sales and investment surplus					
Fair value gains – investment properties	Values have decreased in market rent and commercial rent portfolio	(10.1)	36.3	4.8	16.2
Surplus from joint ventures	This year we sold a lower number of private units, but the surplus includes fair valuation of investment in associate	14.6	8.2	1.0	7.2
Surplus on disposal of assets	There has been a decrease in the number of units staircased	29.0	50.8	49.2	37.7
Development and sales	Deficit caused by reduction in development services income and landbank sales	(8.1)	0.5	10.6	53.2
		25.4	95.8	65.6	114.3
Results from financing activities					
Net financing costs	Increase due to lower derivatives benefit	(123.2)	(111.8)	(117.8)	(117.5)
(Deficit)/surplus before tax		(90.2)	106.1	112.9	144.7

Financial results for 2023/24

Overall, group turnover including sales decreased from £728.1 million in the year to 31 March 2023, to £711.8 million in the year to 31 March 2024. The decrease of £16.3 million can largely be explained by the £35.5 million decrease in sales revenues resulting from the timing of our development programme. Sales revenue of £67.2 million (2023: £102.7 million) was offset by an increase in rental income of £21.4 million to £527.2 million (2023: £505.8 million). The overall deficit before tax and after interest was £90.2 million, compared to a surplus of £106.1 million in 2023. That said, the underlying surplus performance was flat year-on-year when allowing for sales timings, and one-off costs from the sale of our WorkWise software and flood insurance costs from 2021. The analysis in table 1 details the breakdown of the deficit of £90.2 million, together with the comparatives for the year ended 31 March 2023.

Sales of unsold homes

We started the financial year with 33 unsold homes and took handover of an additional 329

Table 2 – Analysis of unsold homes

Category	Shared ownership	Private sale	2023/24 Total	2022/23 Total
Unsold homes as at 1 April	30	3	33	275
Homes completed – as originally intended	152	177	329	61
Other homes removed	-	(38)	(38)	-
Homes transferred -other	(14)	-	(14)	-
Homes sold on a plot by plot basis	(118)	(3)	(121)	(303)
Bulk sale to private investor	-	(139)	(139)	-
Unsold homes as at 31 March (Units)	50	-	50	33

homes (152 shared ownership and 177 private sales) during the year. As at 31 March 2024 only 50 homes were unsold.

Sales margins

The margin on our private sales was 18% (2023: 9%) and on our shared ownership first-tranche sales was 22% (2023: 18%).

The increase in margin reflects the desirability of our location and the stabilisation of the cost base following the disruption of Covid and the start of the Ukrainian war.

Exceptional items

The following category of costs are included as exceptional items.

Derecognition of financial asset

The income from variable service charges is determined by the year's budget, with adjustments made to account for unders and overs recognised in the following year. Our residents will receive the clarity they require faster thanks to the greatly improved

2023/24 equalisation process. In making those improvements, we have examined all previous balances and adopted a resident-centric perspective on the robustness of the information. This has resulted in the decision to write down a total of £21.2 million as a one-time expense rather than seek recovery of significant historical (pre-2023/24) amounts.

Major repairs, impairment and stock write-downs

We have a diverse portfolio of properties which vary in age, tenure and type including several high-rise buildings. All properties were built in accordance with building regulations and accepted practices at the time of being built, but regulations have since changed and we are committed to complying with the latest standards. We provide for the costs of fire safety works to the extent that we have a legal or constructive obligation and costs can be reliably estimated.

Following fire safety assessments across the portfolio, required remediation works have been identified in order to comply with the updated government regulation. Impairment and stock write-downs have also been assessed on the impacted properties. In view of the unusually material number of write-offs in 2023/2024, £83.0 million has been classified as an exceptional item. Although this drives the deficit for the year, it also indicates a level of certainty over our financial exposure.

We have secured reliable estimates for the programme costs from our development team and these costs remain at £173 million over the next seven years on a net basis. The net figure takes into account potential recoveries from the

building safety fund, contractors, and the National House Building Council (NHBC). This cost has been clearly identified and incorporated into the 30-year strategic business plan. Additional in-depth intrusive surveys have continued to take place and we have made further considerations of possible unforeseen issues arising during the project and potential cost increases due to inflation.

In line with the accounting requirements, we have also carried out an impairment review of our homes given the impact any fire remediation work could have on the value of those assets. We have analysed homes both in the course of construction and completed units, which resulted in us setting aside as provisions or writing off as impairment the amounts shown in the table below.

Table 3 – Amounts set aside as provisions or written off as impairments

	Amount £m
Building safety leasehold provision	53.7
Impairment of building safety (capital)	10.1
Total	63.8

Pension liabilities

During the year the group withdrew from the multi-employer scheme provided by the Social Housing Pension Scheme (SHPS). This was done to achieve flexibility of investment decisions and to manage exposure to the SHPS cell.

Actuarial pension movements are £11.9 million adverse for the year (2023: £6.7 million adverse). Defined benefit liabilities total £24.9 million (2023:

£23.8 million). The group board continues to evaluate routes to mitigate future risk.

Going concern

We regularly stress test our financial plans to ensure we are resilient to changes in economic assumptions in relation to internal and external factors. Our strong liquidity remains, with £863.2 million available to us, which provides more than four years of headroom. At the same time, we have significant gearing headroom which currently sits at 45% against a limit of 75%.

Therefore we are satisfied that the group has access to the funds required to continue its operations for the foreseeable future.

This has been robustly tested through an increased number of different scenarios to our base strategic plan, which supports our funding requirements into the coming years.

Credit agency ratings

We are rated by Standard and Poor’s (S&P) and Fitch. On 13 September 2024, S&P reaffirmed our rating of A-, but changed the outlook from stable to negative. On 26 October 2023, Fitch reaffirmed our rating of A (outlook negative).

We do not solicit a rating from Moody’s, but they maintain an unsolicited rating on several of our bonds issued by our legacy organisations. On 20 March 2023, Moody’s reaffirmed its opinion on these instruments of A3 (outlook negative). The outlook was changed to stable on 30 October 2023 following the same outlook change of the UK government.

Capital structure and treasury policy

The group board approves an annual treasury plan each year, which sets the strategy on how we mitigate and manage treasury-related risks. Our debt is borrowed from banks and building societies in the UK, as well as from the capital markets.

As at 31 March 2024, we had eight public bonds in issue with an outstanding nominal value of £2.3 billion. Secured borrowings at 31 March 2024 were £3,585.0 million (2023: £3,305.2 million) and immediately available undrawn facilities were an additional £768.0 million (2023: £1,098.3 million).

Unrestricted cash and cash deposits available to the group were £95.2 million in total, providing available liquidity of £863.2 million (2023: £1,158.5 million). This is comfortably in excess of our internally set liquidity requirement limits.

The current interest rate strategy, along with the position as at 31 March 2024 is set out in the table below. The interest policy range disclosed in table 4 are set by the board on an annual basis. The figure shown as ‘lower’ is the minimum approved by the board and the figure shown as ‘upper’ is the maximum.

Table 4 – Interest rate strategy

Category	Policy range		Actual
	Lower	Upper	
Fixed	50%	105%	93%
Variable	(5%)	40%	5%
Index linked	-	20%	2%

Table 5 – Debt maturity

This table provides an analysis of when the debt outstanding at 31 March 2024 falls due for repayment.

	Group £m	NHG £m
0-1 years	29.9	21.5
1-2 years	41.5	31.8
2-5 years	1,029.0	715.5
5-10 years	648.8	562.3
10-20 years	1,032.0	944.8
20-30 years	734.8	734.8
30-40 years	69.0	69.0
TOTAL	3,585.0	3,079.7

Our policy in relation to cash surpluses is to preserve capital. Cash surpluses are thus invested in money market funds rated AAAmf and approved UK institutions rated ukA1 by S&P.

We had entered into various interest rate swaps at the year-end to manage the interest rate charged on variable, fixed and currency debt. Under the terms of its interest rate swap agreements, we can be required to provide cash or property as security for future payments. The amount of security is

Table 6 – Property valuation table

	General needs £m	Shared ownership £m	Market rent £m	Total £m
Cost (excluding depreciation and social housing grant)	5,996.8	1,163.4	1,099.6	8,259.8
Net book value	5,375.8	1,163.4	1,099.6	7,638.8
Value				
On a market value subject to tenancy basis	11,164.7	1,390.6	1,099.6	13,654.9
On an existing use for social housing basis	5,113.6	1,390.6	n/a	6,504.2

assessed by the counterparty banks on a regular basis (weekly or monthly, dependent on the lender).

As at 31 March 2024, the amount of cash and properties pledged as security for interest rate swap transactions was £332.8 million (2023: £332.8 million).

We generally borrow and lend only in sterling, which minimises associated currency risk. In the interests of diversifying the lender base, borrowings in foreign currency can be made but all associated cash flows are swapped into sterling to mitigate currency risk.

As at 31 March 2024, £613.8 million (2023: £624.7 million) of our variable debt had its interest rate hedged by stand-alone interest rate swaps.

A further £42.0 million (2023: £42.0 million) of our fixed debt had its interest rate hedged by stand-alone swaps and ¥5 billion (2023: ¥5 billion) of our debt had been hedged into £28.0 million (2023: £28.0 million) by a currency swap.

Notting Hill Genesis and Notting Hill Home Ownership have a policy of not granting floating charges, although this policy does not extend to subsidiaries.

Housing properties

We own and/or manage more than 67,600 properties of various tenure types. The property valuation table below details the cost of the properties together with their net book value, as well as the estimated open market value.

Housing properties are held at either cost or deemed cost in the balance sheet. At 31 March 2024, the group board was of the opinion that the value of the completed housing properties owned by the group compared with their cost is as detailed in table 6.

Valuation of the shared ownership properties is based on the open market value for the equity share retained by the group. The equity share we retain typically represents 57% of the whole property, with the balance owned by the leaseholder.

Value for money (VfM)

Strategic context

Achieving value for money (VfM) remains a core principle for our organisation, especially as we receive income from the public purse. Balancing the need to support our residents, especially those on lower incomes, at the same time as being efficient with resources is essential. VfM is not just about lowering costs but about achieving more from our activities and investments for our residents. Ensuring all residents are safe in homes suitable for their needs is central to everything we do.

Our strategy continues to focus on planned, long-term investment in existing stock. We are spending £770 million (uninflated) on our planned

investment between now and 2034 with a temporarily reduced new homes programme, and working to improve our residents' experience. We have continued investing in response to building safety regulations – between now and 2030, we estimate spending £173 million (uninflated) related to cladding and tall buildings.

Our new VfM strategy, approved by the group board in autumn 2024, will renew our focus on maximising impact and minimising waste.

This VfM report provides our stakeholders with information on how we are performing against our peers and measures our position over time.

External environment

The external environment continues to present significant challenges. Although inflation has recently attenuated, interest rates remain high, increasing our borrowing costs and putting pressure on our financial capacity. These elevated costs, coupled with ongoing inflationary pressures in energy and construction materials, continue to affect our budgets and the affordability and quality of the housing services we provide.

In the face of these challenges, we remain steadfast in our

commitment to investing in the safety and quality of our homes. We are addressing higher costs related to building safety improvements and decarbonisation efforts, ensuring compliance with stringent fire safety regulations and aiming to achieve net-zero carbon targets. These initiatives require substantial investment in upgrading our existing homes and are crucial for maintaining their long-term safety.

The rising cost of living continues to affect the financial stability of many of our residents, and we are dedicated to providing the necessary support to them during these times. To navigate the challenges, we are focusing

on operational efficiencies and resident wellbeing. The introduction of new regulatory standards emphasises the importance of maintaining high-quality services and ensuring the safety of our residents. We are also committed to demonstrating long-term sustainability to attract continued investment from lenders and investors.

Overall, while the external environment presents challenges, we remain resilient. We are strategically managing these pressures to maintain financial stability and continue delivering value for money to our residents. Our commitment to investing in our homes and supporting our

residents remains unwavering, ensuring we can meet both current and future needs effectively.

How we measure VfM

The Regulator for Social Housing (RSH) has outlined expectations for registered providers to deliver VfM in its VfM Standard 2018. The VfM Standard requires an organisation to understand its costs and the outcomes of delivering specific services and the underlying factors impacting those costs. The regulator has defined seven VfM metrics, which remain the main element of our VfM reporting.

Other key performance indicators in this report provide information

Table 7 – Regulatory VfM metrics

	2022/23 G15 median performance	2022/23 NHG actual	2023/24 NHG actual	2024/25 NHG budget
1. Reinvestment %	5.5%	3.7%	2.4%	4.2%
2A. New supply delivered – social housing homes	1.3%	0.5%	0.8%	0.5%
2B. New supply delivered – non-social housing homes	0.3%	0.3%	0.6%	0.3%
3. Gearing %	46.0%	46.6%	49.4%	55.3%
4. EBITDA MRI interest cover %	74%	92.9%	6.6%	80.9%
5. Headline social housing cost per unit (CPU)	£6,239	£7,953	£9,040	£8,667
6A. Operating margin % – social housing lettings only	19.6%	18.8%	(7.0%)	24.7%
6B. Operating margin % – overall	17.0%	16.8%	(0.1%)	18.3%
7. Return on capital employed (ROCE) %	2.2%	2.2%	0.5%	2.4%

Note: includes exceptional items

on our progress against our key VfM targets.

Table 7 shows performance against the RSH metrics over three years (2022/23 to 2024/25). It also includes median data for the last financial year (2022/23) for our G15 peer group.

Reinvestment: this measure looks at the investment made in both our existing homes and on new developments. Spending on new properties was significantly lower than budgeted for 2023/24 due to market factors, resulting in an overall reinvestment rate of 2.4%. Reinvestment spending is expected to increase to 4.2% for 2024/25 driven by an expanded planned investment programme.

New supply: we are lower than peer group median in social housing and higher in non-social housing homes for 2023/24. Delivering new supply in the current economic context has been challenging and we expect a more constrained development programme in the medium term.

Gearing: measures the ratio of debt to assets. We are slightly higher than our peer group reflecting a decrease in planned sales and expect this to increase to 55.3% in 2024/25.

EBITDA MRI interest cover: indicates the capacity to meet interest payments. Interest cover is materially lower than budget reflecting increased investment in homes and one-off items relating

to building safety liabilities, asset impairments and non-recurring operational items. Interest cover is expected to increase to 80.9% in 2024/25.

Headline social housing cost per unit (CPU): we have seen a rise in 2023/24 due to our planned investment in existing assets and building safety programme. 2023/24 has also seen higher responsive repairs spend. For 2024/25, this metric will drop slightly but will reflect our continued level of spend on responsive maintenance and increased planned maintenance.

Operating margin % – social housing lettings: is materially lower than budget due to higher spend on our assets in both planned and

responsive repairs and a reduction in staircasing surpluses due to a high interest rate environment. This is expected to improve for 2024/25

Operating margin % – overall: is materially lower than budget due to higher spend on our homes in both planned and responsive repairs and a reduction in staircasing surpluses and sales surpluses. This is expected to improve for 2024/25.

Return on capital employed: indicates how well we make use of our assets and debt to generate a financial return. We are currently below our peers, driven by one-off items, but this will return to peer group median for 2024/25.

Table 8 - Breakdown of social housing cost per unit

	22/23 G15 median Performance	22/23 NHG actual	23/24 NHG actual	24/25 NHG budget
Management	£1,584	£1,623	£2,053	£2,124
Service charges	£1,010	£1,096	£1,380	£1,339
Routine and planned maintenance	£1,652	£2,283	£2,314	£2,421
Major repairs	£1,515	£1,549	£1,967	£1,798
Other (including landlord rents)	£471	£1,402	£1,326	£985
Total	£6,232	£7,953	£9,040	£8,667

How VfM is measured and monitored

We have a suite of operational key performance indicators that are reported to the board each quarter, with metrics that are linked to the primary strands of our Better Together strategy – better homes, better places and better connections.

Further information

Stakeholders can find more VfM information on our website, which includes our financial statements, corporate strategy and customer report.

Financial risk

The main risks arising from the group's financial instruments are interest rate risk, credit risk and liquidity risk. This is covered in more detail in note 35.

Conclusion

Overall, our underlying performance remains solid despite another challenging year across the social housing sector in 2023/24. As an organisation, we are facing straight into those challenges, balancing the need to invest in our homes and build for the future at the same time as ensuring we remain a financially robust organisation, all in a time of higher interest rates and government spending challenges.

We are also focused on the items we know we need to improve on. Service charges will remain an area of importance, as well as the rectification at the Paragon estate, and our increased ambition on value for money. These are big times of change and ones I believe we can emerge stronger from.

Going forward we have increased investment into our estate, which will rise from £500 million to £770 million over the next 10 years. We will ensure that building safety works are completed at a cost of £173 million and build 600 new homes a year on average over the next five years. At the same time, we will drive value for money initiatives that will realise an ongoing £35 million per annum reduction in cost.

I am proud to have joined an organisation with a clear social purpose and the drive to improve how we work together for our residents and for London more widely. Our clear financial plan, solid foundations and dedicated colleagues mean that I am confident we will be able to see through these difficult times and continue to improve into the future.



Mark Smith
Chief financial officer





Principal risks and uncertainties

Notting Hill Genesis's board is responsible for ensuring that threats and opportunities are managed appropriately to ensure the long-term success of the group. It is supported by the audit and risk committee and the executive board. Executive board members individually are accountable for effective risk management within their areas of responsibility and are corporately responsible as the group's executive board.

This year we have continued to enhance our risk framework and have launched a better risk management programme of work. This new programme comprises the following elements:

- The enterprise-wide risk management framework describes how we take an integrated, holistic view of risks. This ensures a joined-up and consistent approach to the aggregation and management of all risks, integrated into business management and decision making.
- The risk and control self assessments, for which the key objectives are:
 - Provision of a consistent framework for the identification, documentation, assessment, monitoring, reporting, and communication of significant risks and key controls
 - Transparency regarding ownership and accountability for the significant risks and key controls
 - Enabling a robust understanding regarding the design and operating effectiveness of controls in place to manage its significant risks
 - Embedding a risk and control culture throughout the organisation.
- A statement of risk appetite that provides the board's boundaries on risk taking.
- A system of internal controls to provide the board with adequate assurance on control effectiveness.

Risk framework

We have established a risk management framework which is built on the three lines of defence model and drives the identification, assessment, management, monitoring and reporting of risks. The framework sits alongside the strategic business plan in defining the high-level architecture of the company's planning and risk management processes.

The framework is underpinned by the risk policies and those of the resident-facing business areas, which provide the detail of how risks are managed, and activities conducted. It is designed to support the identification, assessment, management, and control of the material risks that threaten achievement of our business objectives. It acts as a companion to the risk policy documents by providing common content which might otherwise be duplicated in each of the individual policies.

The risk function (the enterprise risk management team) supports the corporate vision by providing excellence in risk management to support the sustainable achievement of the group's long-term strategic objectives within a clearly defined risk appetite. This will be delivered through appropriately skilled and motivated risk people.

Looking ahead

Given the challenging external operating environment, the board will continue to appraise the group's risk appetite and adequacy of risk mitigations. Understanding and meeting the changing needs of customers is a key focus.

Better risk management programme

- New risk framework approved by board with implementation underway.
- Independent review by internal audit with strong support for the approach and bringing external best practice to the organisation.
- Audit and risk committee active oversight of risk plan and delivery.

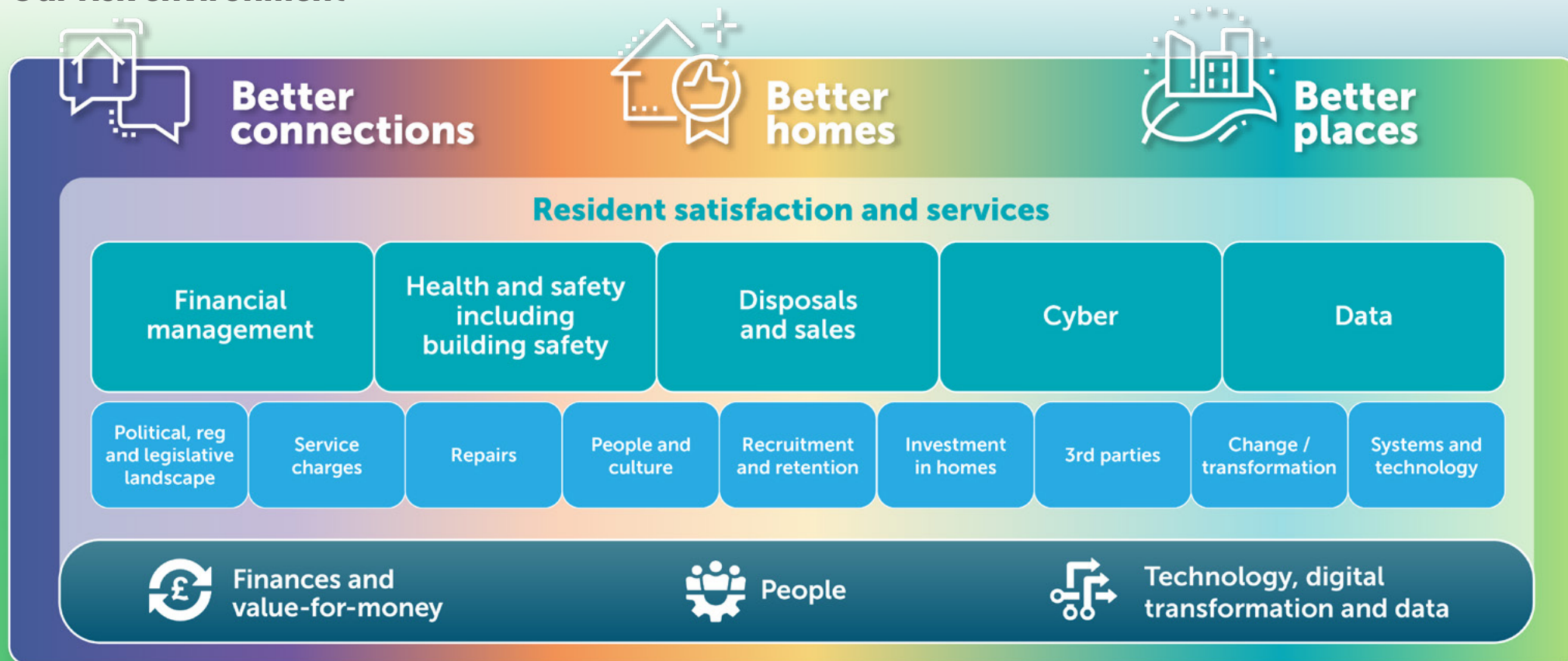
Risk appetite

Our risk appetite reflects our risk attitude and the amount of risk we are willing to accept and/or tolerate in pursuit of our strategic objectives. It guides decision-making, risk management and mitigation, resource, and priority allocation. We have actively applied our risk appetite in earnest, especially in our strategic business plan, balancing the allocation of financial and human resource in areas such as continued investment in homes, health and safety, operations

transformation, finance transformation, data and systems.

As part of our enterprise risk management framework, the linking of risk appetite to forward-looking triggers is integrated into committee and board reporting and will continue to evolve. The board continues to remain responsible for setting and agreeing the overarching risk appetite for the organisation and has engaged comprehensively in risk appetite articulation and development.

Our risk environment



Key corporate risks 2023/24

Risk heading	Comments	Mitigation
Health and safety	Fail to meet landlord and building safety requirements risking injuries, reputational damage, regulatory action and financial loss.	We have implemented a robust system of controls to ensure compliance with safety and building regulations. This includes regular safety reporting, action tracking and mandatory staff training. A centralised system records and tracks safety concerns, while ongoing monitoring of legislation ensures we remain aligned with best practice.
Financial management	Fail to develop proper financial management systems resulting in sub-optimal credit rating and funding arrangements.	We have implemented a robust financial governance framework which includes financial reporting at group and entity level to our corporate finance and treasury committee and group board. Plans are stress-tested against wide-ranging scenarios to test resilience and to inform strategic decision-making. Economic assumptions are regularly validated by external advisors.
Service charges	Mismanage service charges leading to income loss, poor customer satisfaction, reputational damage and potential regulatory censure.	We have established a comprehensive programme to streamline service charge management and financial reporting. This approach combines technological solutions, specialised roles and targeted training. This will enhance accuracy, efficiency, and customer service in handling service charges.
Disposals and sales	Inadequately execute stock sale programme and rationalisation strategy, resulting in financial loss and reduced interest cover headroom.	We actively monitor economic and housing market trends. Sales and marketing updates are regularly reported and detailed asset disposal plans are in place. Group board is kept informed of progress and potential risks.
Cyber	Inadequate IT security measures risking system compromise, data breaches, reputational damage, and regulatory censure.	We employ a regularly updated 'defence in depth' strategy, including firewalls and intrusion detection systems to prevent unauthorised access. Comprehensive access controls enforce least privilege principles with strong authentication measures.
Data	Inadequate data management processes risking inaccurate reporting, missed business opportunities, and GDPR non-compliance.	We ensure all systems are regularly monitored and remediated for vulnerabilities according to service level agreements, focusing on system criticality. A dedicated GDPR team oversee compliance, supported by data governance frameworks. Regular mandatory GDPR training is conducted, and data protection impact assessments ensure privacy by design.
Political, regulatory, and legislative landscape	Inadequately prepare for increased political and regulatory scrutiny risking compliance issues, poor customer experience and financial loss.	We maintain a rigorous review-and-update process for all policies and procedures to align with regulatory changes including the Social Housing (Regulation) Act 2023. A resident forum strengthens resident engagement and feedback. Leadership is kept informed through regular updates and training sessions on regulatory changes.

Risk heading	Comments	Mitigation
Repairs	Fail to develop efficient repairs service leading to poor customer satisfaction, reputational damage, and financial loss.	We have revised our control and reporting framework to enable quick intervention in repairs issues. Additional spend controls improve efficiency and highlight issues including duplicate orders. Spend analysis is reported monthly to the executive board.
People and culture	Fail to embed desired culture resulting in poor customer outcomes, organisational performance issues and reputational damage.	We set clear leadership behaviours and managers are trained to build high performing teams and address poor performance. We deliver on our equality, diversity and inclusion action plan and regularly report on people indicators to identify areas for improvement.
Recruitment and retention	Struggle to recruit and retain staff leading to resource shortages and poor customer satisfaction.	We promote an inclusive employer brand, offer competitive pay and support workforce planning through apprenticeships and graduate schemes. Effective induction and succession planning enhance retention, while the equality, diversity and inclusion action plan promotes inclusivity and diversity at all levels of seniority.
Investment in homes	Inaccurately forecast funding for stock investment risking non-compliance with standards and poor customer experience.	We conduct comprehensive reviews of our strategic business plan to ensure investment plans meet or exceed standards such as decent homes. Investment plans are based on updated stock condition data, contractor feedback and resident input, with all plans approved by the group board.
Third parties	Inadequately manage third-party risks, potentially leading to service disruptions, poor customer satisfaction and financial loss.	We conduct due diligence for new suppliers, perform annual financial health appraisals of key contractors and undertake additional reviews during market downturns. A business continuity plan is in place and reviewed annually.
Change / transformation	Poorly manage internal change impacting decision-making and service quality, causing financial loss and reputational damage.	Our change management team oversees transformation projects ensuring alignment with strategic goals. Regular reviews and ongoing impact assessments ensure projects stay on track. Training is provided to support staff and the change champion network fosters engagement and helps to maintain service quality.
Systems and technology	Fail to deliver systems with desired customer experience, causing poor satisfaction and potential financial/regulatory consequences.	Our technology strategy is aligned with business needs and includes regular reviews, robust systems, and governance. A multi-channel system and cross-functional teams ensure effective customer services. Disaster recovery plans and real-time monitoring enhance system resilience.

Streamlined energy and carbon report

Our total greenhouse gas emissions are 19,660 tCO₂e for the financial year 1 April 2023 to 31 March 2024. These include the emissions associated with UK electricity and natural gas consumption, and business travel in company vehicles, as required to be disclosed by legislation.

Comparison with the previous year shows a decrease in emissions of 3%. This decrease is largely attributed to reductions in electricity and natural gas consumption. Although fuel combustion has seen a large increase in carbon emissions due to significant increases from employee-operated vehicles, transport only accounts for 0.3% of the total emissions. The ratio of emissions to turnover has thus decreased from 27.95 (tCO₂e per £m turnover) to 27.62, a decrease of 0.01%.

Greenhouse gas emissions

Table 1: Greenhouse gas emissions by fuel (tCO₂e)

Group – emissions source	2023/24	2022/23	Share (%)	YoY Variance (%)
Fuel combustion: natural gas	11,663	12,274	59.3%	-5%
Purchased electricity	7,939	8,033	40.4%	-1%
Fuel combustion: transport	58	43	0.3%	34%
Total emissions (tCO₂e)	19,660	20,350	100%	-3%
Revenue £m	711.8	728.1		-13%
Intensity: (tCO₂e per £m)	27.62	27.95		<1%

Table 2: Greenhouse gas emissions by scope (tCO₂e)

Group – emissions source	2023/24	2022/23	Share (%)	YoY Variance (%)
Scope 1	11,663	12,274	59%	-5%
Scope 2	7,307	7,361	37%	-1%
Scope 3	690	715	4%	-4%
Total emissions (tCO₂e)	19,660	20,350	100%	-3%

Scope 1: Natural gas. Scope 2: Electricity, includes company operated electric vehicles. Scope 3: Losses from electricity distribution and transmission, and grey fleet. This only includes emissions reportable under SECR and may not reflect the entire carbon footprint of the organisation.

Energy consumption

Our energy consumption is 99,278,402 kWh for the financial year 1 April 2023 to 31 March 2024.

Table 3: Energy consumption by fuel (kWh)

Group – emissions source	2023/24	2022/23	Share (%)	YoY Variance (%)
Natural gas	63,755,236	67,240,133	64%	-5%
Purchased electricity	35,284,522	38,059,155	36%	-7%
Fuel combustion: transport	238,644	180,602	<1%	32%
Total consumption (kWh)	99,278,402	105,479,890	100%	-6%

Boundary, methodology and exclusions

An 'operational control' approach has been used to define the greenhouse gas emissions boundary¹.

This approach captures emissions associated with the operation of all buildings such as offices and homes, and company-owned transport. This report covers UK operations including Notting Hill Genesis and subsidiaries. Included is the mandatory disclosure of emissions of those subsidiary companies which would otherwise be required to account on their own account, plus the voluntary disclosure of emissions of those subsidiaries which are not liable under SECR and which we are not therefore obliged to, but choose to, report.

This information was collected and reported in line with the methodology set out in the UK government's environmental reporting guidelines, 2020.

Emissions have been calculated using the latest conversion factors provided by the UK government. There are no material omissions from the mandatory reporting scope.

The overall data completeness of electricity and gas is 96% (across 5,334 sites) and 94% (across 232 sites). No estimation has been made since the missing data is considered trivial.

The reporting period is April 2023 to March 2024, as per the financial accounts.

¹ An operational control approach to greenhouse gas emissions boundary is defined as: "Your organisation has operational control over an operation if it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies at the operation".

Energy efficiency initiatives

As part of our ongoing efforts to reduce carbon emissions, improve energy efficiency and improve system reliability, we partnered with Fairheat, a specialist energy consultancy, to carry out heat network improvement works. The aim of these works was to upgrade the existing heating and hot water systems, reduce energy waste, and improve resident comfort.

Heat improvement works carried out in 2023/24

The Meadows (Windmill Park) Phase2	Retrofit of heat interface units (HIUs) at 102 leasehold homes to improve efficiency of the whole network. Replacement of underground plastic pipework, located at the base of the riser to each block and townhouse, to prevent future leaks/ heating and hot water outages.
St Pancras Way	Major heat plant equipment upgrades. Pump reductions and pipework modifications to increase the efficiency of the network and bring down energy consumption, and carbon emissions.
Glyn Street	Replacement of HIU in each flat. Reducing the heat network distribution pipework from four-pipe to two-pipe system, to reduce excessive heat loss that was causing serious overheating in communal landings. Installation of new plant equipment including a vacuum degasser, buffer vessel and side stream filter to improve the performance of the network.
74 Holland Park	Replacement of an aged and unreliable communal boiler within a large converted terraced house, with a new modern and efficient boiler to ensure continuity of a reliable heating and hot water service for residents.

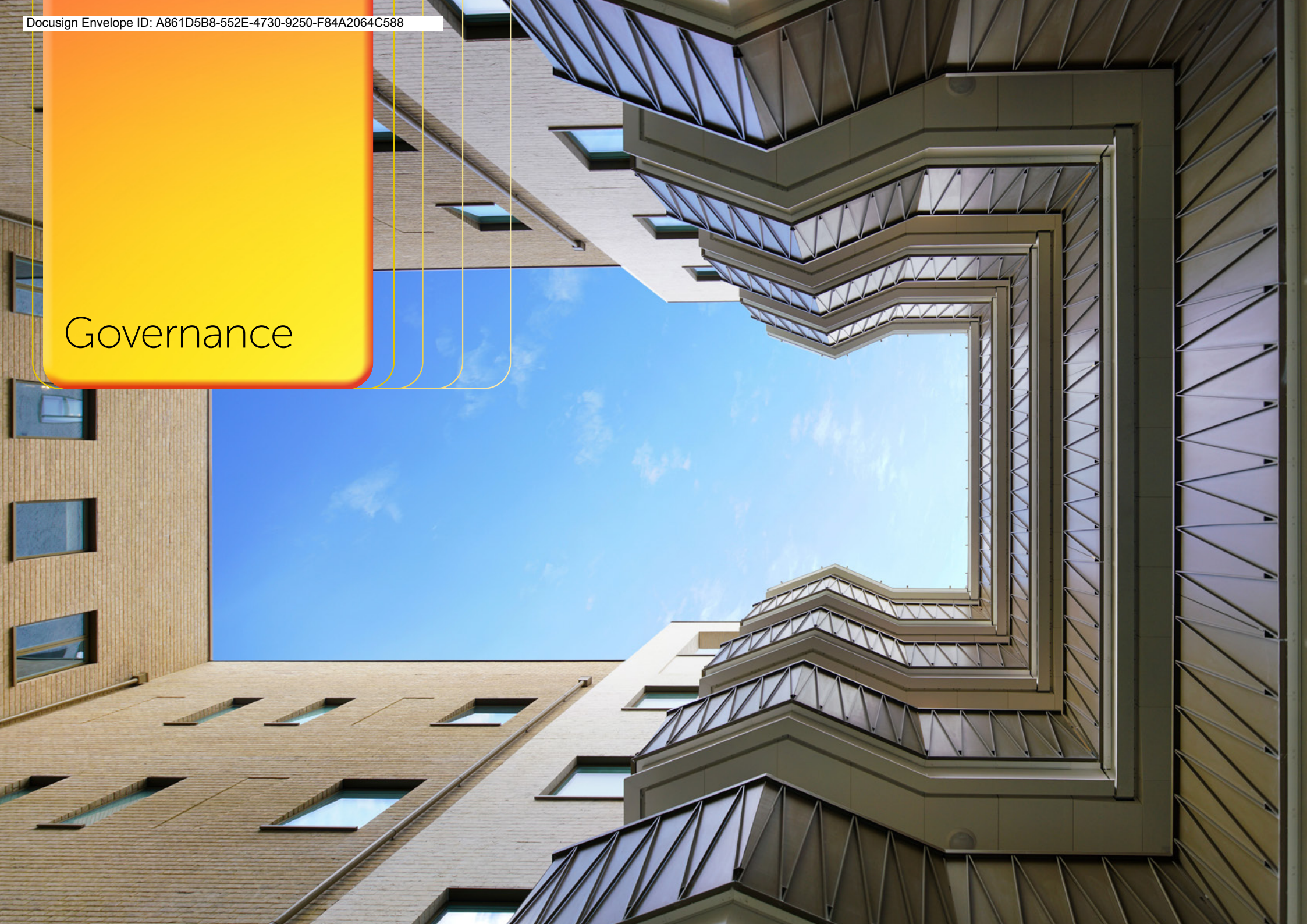
Major heat works being carried out 2024/25

Sarawak/Consort Road	Complete replacement of the entire heat network system, including new HIUs to homes, new network pipework and new permanent plant (currently servicing residents with heating and hot water via a temporary heat plant).
Zenith Close	Replacement of HIUs in homes and replacement of the plastic pipework connecting the new HIUs to the risers. Major plant works and the fitting of new equipment including remote performance monitoring devices. Replacement of the risers and lateral pipework within two blocks.
Factory Quarter	Major heat plant improvements, including new boilers and new boiler flues. Modifications and streamlining of pumps and associated pipework. Fitting a new HIU in each of the 475 properties connected to the heat network, as the existing heat units are end of life.
St Pancras Way	Recommissioning of existing heat interface units to improve their performance and to reduce bypassing and associated heat loss and carbon emissions.

Optimisation surveys and reports carried out in 2023/24 (to inform future heat network investment to gain energy efficiencies)

Baths Court	Optimisation study has identified the need for a complete retrofit of the plant room and network and a switch to a two-pipe system with new HIUs and upgraded radiators in each home.
Stoke Quay	Optimisation study recommends the recommissioning of existing HIUs, replacement of network pumps to reduce electricity consumption, and re-insulation across the network to prevent heat loss.
Clive Lloyd House	A full heat network retrofit is recommended due to the significant heat loss and subsequent gas reductions achievable.
Reservoir and Watersreach (Woodberry Down)	Proposal to reduce heat losses and flow and return temperatures by recommissioning HIUs and radiators and carrying out targeted terminal run insulation improvements. It also looks to recommission lateral bypass valves and implement specific building management systems/control and hydraulic works in the plant room.
Ernest Harriss House	Complete retrofit of the full heat network system as the current one is more than 40 years old and very inefficient, has over heating and large heat losses in all voids. Includes fitting thermal store in the plant room to aid in delivery and system efficiency.

Governance



The board and committees

Group board

Audit and risk committee

Corporate finance and treasury committee

Operations committee

Development and sales committee

People committee

Nominations committee

Notting Hill Genesis (NHG) is governed by a board, which comprises the boards of Notting Hill Genesis (charitable group parent), Notting Hill Home Ownership Limited and Springboard Two Housing Association Limited. These entities are community benefit societies and are registered with the Regulator of Social Housing. The three boards have board members in common and usually hold combined meetings.

The board is responsible for setting the strategic direction, values, and objectives of Notting Hill Genesis and its subsidiaries. The board monitors performance, how well we deliver services to our residents and customers, and how well we manage our finances. The board is responsible for ensuring effective governance across the business. This is achieved with the support of the

executive board and the board committees, to which certain responsibilities are delegated.

Working practices as set out in the scheme of delegations ensure that reports issued to the boards will enable each legal entity to consider matters relevant and specific to that particular legal entity when making a decision or approving a resolution. In the event that there is an issue to be considered which involves a transaction or a matter between group entities, the procedures set out in the scheme of delegations are applied.

The board consists of 10 non-executive members and two executive members. Details of all board members, who come from a range of backgrounds, are provided on pages 38-41.

Residents are actively encouraged to become involved in decision-making through our resident involvement and engagement model. Residents play a significant role in governance, with two residents serving on the board, as part of the mechanisms in which residents can be involved. One of our board members, who is a resident, chairs the resident forum and is a member of the operations committee. Board members actively participate in walkabouts, engaging directly with residents during board enrichment events. Other initiatives are in place so that the board regularly hears the voice of residents. Additional information about our resident involvement and engagement model is included on page 45.

Operations committee

The operations committee has a pivotal role in supporting the delivery of our Better Together strategic objectives, particularly the customer strategy that underpins it, and oversees performance of our core residential businesses. Through its role, the committee has reviewed the customer experience of our residents across the group via regular monitoring of the quality and performance of services and outcomes. It has also ensured that customers' voices are heard through the provision of a wide range of meaningful opportunities for residents to influence and scrutinise our strategies, policies, and services.

The committee met five times in 2023/24 and the key matters considered by the committee in the year include:

Better Together strategic objectives

- Monitored the Better Together scorecard which demonstrated performance in meeting our Better Together aims.
- Considered progress updates on the transformation programme underpinning the customer strategy and plans to accelerate delivery of the strategy and improve compliance in high-risk areas.
- Considered progress made regarding the housing health and safety rating system (HHSRS), specifically addressing category one and category two hazards that significantly impact residents.

Customer voice and insights

- Reviewed an update report on the new consumer standards and noted the plans to engage residents more actively in relation to defining the final standards on transparency, influence, and accountability.
- Considered an update on the implementation of the repairs hub pilot.

Operations and assets performance

- Monitored detailed update reports on operations performance examining key performance indicators and operational metrics, including in relation to damp and mould.
- Monitored detailed update reports on financial performance.
- Received regular update reports on asset management, including in relation to the handling of open disrepair cases and measures being taken to address fire risk assessment actions.
- Received a report on service charges and noted the organisation's target to achieve greater transparency by the end of 2025.
- Considered the plans for the key performance indicator setting cycle for 2024/25.

Regulatory standards

- Considered progress towards compliance with the new consumer standards and the implementation of the new tenant satisfaction measures from 1 April 2024.

Complaints

- Monitored quarterly updates on the volume and categories of complaints performance and satisfaction and provided assurance to the board on the effectiveness of our complaints system.
- Noted the establishment of a new centralised complaints framework and team.
- Received regular reports on housing ombudsman determinations related to us, including lessons learned and key risks and mitigations.

Stock transfers

- Noted updates on the transfer of occupied homes in Essex and Hertfordshire to local registered providers and agreed to proceed to the board for final approval of the preferred buyers.
- Endorsed the proposed scope and scale of intra-group transfers to facilitate enhanced cyclical works as well as plans for the monitoring and managing of these projects.

Corporate finance and treasury committee

The corporate finance and treasury committee oversees performance in core financial areas. Through its role, the committee has monitored and evaluated the financial risk environment and has taken action to mitigate our level of financial risk within agreed risk appetites, as required.

The committee met six times in 2023/24. The key matters considered by the committee in the year include:

Finance

- Monitored and advised the group board on key financial issues, performance, financial strategy, and investment activities.
- Reviewed the proposed strategic financial business plan alongside the draft budget and assessed the likely impact on our short to long-term viability and treasury plan.
- Reviewed the draft annual budget for the group prior to recommendation to the board.
- Considered stress-testing scenarios, mitigations and risks relating to the strategic business plan and budget and made recommendations to the board on mitigations, as required.
- Reviewed the overall development capital commitments in conjunction with our liquidity policy and development capacity modelled in the long-term plan.
- Monitored the capital at risk to ensure the investment into non-core activities remained within the investment policy to protect charitable objects and provided quarterly reports to the board on this.
- Monitored 24-month cash flow and risks in relation to interest cover and covenant compliance.
- Received an update report on the plan to transfer from the Social Housing Pension Scheme to the Notting Hill Genesis Pension Scheme.

Treasury

- Received quarterly reports on treasury activities, including compliance with the

treasury management policy, monitoring of key treasury risks and updates on the latest treasury workstreams.

- Noted the outcome of the internal audit of the treasury management function and the overall opinion of substantial assurance for both the design and operation of controls.
- Considered a proposal for a restructure of the non-core assets and landholding in Notting Hill Home Ownership (NHHO).
- Approved NHHO to enter into a new £60 million 10-year interest rate swap with NHG.
- Approved the economic and development appraisal assumptions for 2024/25 and the criteria for development scheme approval for 2024/25.
- Received an update on the transfer of properties from NHHO to NHG as approved by the board.

Development and sales committee

The development and sales committee is responsible for overseeing the effective risk management, control and delivery of major business development, including market rent portfolios, regeneration and building safety programmes across the group.

The committee met six times in 2023/24 and the key matters considered by the committee in the year include:

- Considered regular quarterly reports on the performance of the development programme, including financial performance

and health and safety incidents.

- Considered regular updates on sales performance and key achievements and risks.
- Noted regular updates on progress towards meeting the requirements of the Building Safety Act and relevant elements of the Fire Safety Act.
- Noted regular project updates related to joint ventures as well as updates on regeneration activity, land and planning activity and design and technical team activity.
- Approved the delivery of a new 100-unit purchase and repair Simplicity programme.
- Considered a proposal for remedial and reinvestment works at the Paragon estate and recommended that the board approve the proposal.
- Approved the disposal of 104 phase 1 private sale homes from the Kidbrooke Partnership LLP and the acquisition by Folio London Limited (later revised to NHG).
- Approved an increase to costs of the Saxon Wharf scheme.
- Approved a new main works contract to achieve completion of the Cambridge House scheme.
- Approved NHG's purchase of 66 homes for London Affordable Rent and NHHO's purchase of 66 homes for shared ownership in Earlsfield.
- Approved NHG's purchase of 202 homes for social rent and Folio London's purchase of 101 homes for market rent in Barking and Dagenham and recommended approval to the board.

- Considered an update on the Oak Square project and recommended an increase to the project costs to group board and approved a change to the main contractor.
- Considered the preferred long-term plan for Curry Rise and Bray Road regeneration and recommended to board the full redevelopment of the estate.
- Considered operational changes to support the development programme delivery.

People committee

The people committee oversees the people function and provides challenge through review, scrutiny, advice and support. The committee has continued its focus on ensuring that we are an organisation where colleagues can thrive and contribute to the delivery of its objectives.

The committee met five times in 2023/24 and the key matters considered by the committee in the year include:

- Monitored regular updates on how human resources was supporting the Better Together plan and reviewed organisational people data on a quarterly basis.
- Reviewed and recommended the annual pay increase for staff and the executive board (based on independent benchmarking undertaken by an external consultant).
- Reviewed and recommended the annual equality, diversity and inclusion report and the action plan for 2024/25.
- Noted a report on gender and ethnicity pay gaps in 2023.

- Reviewed progress on the development of the people strategy and plan.
- Reviewed the outcome of the staff satisfaction survey for 2023 and agreed to receive a detailed update on actions taken to address issues identified in the survey to understand progress made.
- Maintained oversight over pension arrangements.
- Considered the levels of allowances paid to non-executive board and committee members and made recommendations to the board on non-executive director remuneration.

Nominations committee

The nominations committee is responsible for making recommendations to the board on board and committee appointments. During the year, the committee reviewed the recruitment of a new board member, who is a resident, and a new member of our people committee.

Audit and risk committee

The audit and risk committee is charged with oversight of financial reporting and disclosure, the internal and external audit functions, the risk management framework, compliance with laws and regulations and assessment of the internal control framework.

The committee met six times in 2023/24 and the key matters considered by the committee in the year include:

Internal audit and assurance

- Reviewed the internal audit report 2023/24, including the internal audit opinion that the group board could be provided with a reasonable level of assurance that an effective framework of governance, risk management and controls were in place.
- Reviewed and approved the internal audit plan for 2024/25.
- Reviewed the draft strategic internal audit plan for 2023 to 2026.
- Monitored all internal audit action plans and progress.

Internal controls and risk management

- Reviewed the executive board members' report 2023/24 on the effectiveness of the internal control framework within the group, which confirmed that adequate systems of internal control were in place and that these were aligned to an ongoing process for the management of significant risks for the group.
- Reviewed enterprise risk management frameworks and policies, including the strategic risks register.
- Monitored the effectiveness of fraud reporting, including reviewing the activity on our whistleblowing, gifts and hospitality, fraud, and anti-money laundering registers.
- Approved revision of the anti-corruption policies, including whistleblowing, anti-fraud and anti-bribery, and anti-money laundering policies.
- Asset and liability annual review, including the progress against external review actions

and the continual improvement plan for 2024/25.

- Assessed the bi-annual update on cyber security outlining new metrics and risks.
- Received material reviews and reports from external third-party specialists on key risk and control matters.
- Noted the review of Regulator of Social Housing sector risk profile for 2023.

External audit, financial and regulatory reporting

- Reviewed the external auditor plan which set out relevant matters relating to the forthcoming 2023/24 audit.
- Reviewed and discussed the financial statements, considered the accounting judgements and policies applied and assessed the findings of the statutory audit in respect of the integrity of the financial reporting of results and key risks to the group and individual subsidiaries.
- Reviewed and noted compliance with relevant law report confirming that we had demonstrated that reasonable steps had been taken towards ensuring compliance with all relevant laws and regulatory standards.
- Reviewed and noted the compliance reports on the National Housing Federation's code of governance 2020.

Resident forum

As part of our resident involvement and engagement framework, a resident forum is in place to strengthen the voice of residents and facilitate communication between colleagues and residents.

The resident forum is led by residents, for residents, with a diverse membership from across our communities. It includes two of our board members, who are residents, one of whom chairs the resident forum meetings.

The resident forum has three roles:

- To connect resident experiences to the board ensuring they listen, act, and respond to feedback
- To recommend service improvement projects informed by the scrutiny of performance data and resident insight and feedback
- To provide oversight and assess the impact of the resident involvement and engagement programme

Through scrutiny of our performance and gaining insights from different touchpoints such as local engagement, complaints and satisfaction scores, the resident forum approves resident-led projects and pieces of work to improve both performance and resident experience.

The resident forum plays an important strategic role and will connect to the board through reports to the operations committee.



Current group board membership



Ian Ellis
Chair

Ian Ellis became chair of Notting Hill Genesis on 1 September 2019 and leads our experienced group board in providing strategic direction and oversight to the organisation to ensure we continue to provide high quality homes for lower income households in and around London.

Ian has a wealth of experience in the property world, particularly in vital areas such as repairs, maintenance and facilities management.

He has worked in real estate for more than 40 years. He is also an independent director of Portman Settled Estates.

During the 1990s, Ian was an equity partner and head of investment management at Richard Ellis, now CBRE. In 1998 he helped found Trillium, the UK's first integrated real estate, construction and facilities management business.

Following acquisition by Land Securities, Ian became chief executive of Land Securities Trillium and a main board director of Land Securities plc. He remained with Trillium when it was bought by Telereal in 2009 to become executive chair of the combined Telereal Trillium, until 2014.



Fred Angole

Fred joined the board of Notting Hill Genesis in August 2020, having served as a member of its audit and risk committee from November 2019. He has considerable executive and board level experience within the social housing sector, including with the social

housing regulator.

He was previously finance and operations director at Presentation Housing Association, a predecessor of Notting Hill Genesis. He has also previously served on the board of and chaired the audit and risk committee of Newlon Housing Trust.

Fred is a fellow of the Chartered Association of Certified Accountants with an MSc in finance and investment. Fred serves on the board and is a member of the audit and risk committees for Anchor Housing Association. He is group finance director of YMCA St Paul's Group.



Elaine Bucknor

Elaine joined the Notting Hill Genesis group board in August 2018.

Elaine has more than 20 years' experience in operational and strategic technology consultancy and leadership roles, with multinational market leaders in the

telecommunications, media, technology, travel, financial and public sectors.

She has recently been appointed as a non-executive director of ULS Technology plc. ULS Technology is an innovative e-platform to facilitate property market activities.



Patrick Franco

Patrick joined Notting Hill Genesis as chief executive in January 2023. He has a wide range of relevant experience across various sectors, including residential management, finance investment, hospitality, and tourism. Most recently, he was chief

operating officer at Foxtons, where he led digital transformation programmes to improve customer experience and was instrumental in their work on environmental, social and governance matters. At Foxtons he was also an ardent advocate for LGBTQ+ inclusion within the property sector.

Patrick's earlier career was predominantly at Credit Suisse, where he held several roles, including chief operating officer of Credit Suisse Asset Management UK.

Patrick has additionally spent more than a decade on the boards of Global Heritage Fund (most recently as vice chair) and is a trustee of World Monument Fund Britain, an international non-profit organisation that invests in cultural heritage to advance sustainable economic development and provide emergency response during crises.



Courtney Huggins

Courtney joined the Notting Hill Genesis group board in January 2024.

She will become chair of the treasury and corporate finance committee when Alex Phillips steps down in September 2024.

Courtney has worked in corporate finance for more than a decade, and within real estate since 2016. She is currently global treasurer for Jones Lang LaSalle, where she leads the business's debt strategy, treasury infrastructure and a large global treasury team.

She holds an MCT advanced diploma, specialising in senior treasury strategy, from the Association of Corporate Treasurers and a bachelor's degree from the George Washington University in Washington D.C.



Claire Kober OBE

Claire joined the Notting Hill Genesis group board in September 2021.

She is the managing director (homes) at Pinnacle Group, overseeing the company's housing, estates and property management contracts. Claire works

in partnership with a range of clients in the local government, institutional investment and development sectors. She sits on the Pinnacle Group executive committee. Outside of Pinnacle she also serves on the board of the Housing and Finance Institute.

Prior to joining Pinnacle, Claire spent a decade in local government as leader of the London Borough of Haringey. Claire is a former chair of London Councils and held several senior portfolios at the Local Government Association. In 2015, Claire was awarded an OBE for services to local government.

She is a member of the audit and risk committee and chair of the operations committee.



Ingrid Osborne

Ingrid joined the Notting Hill Genesis group board in September 2021.

Ingrid is divisional chair, London and south east and member of TW UK group management team at Taylor Wimpey. She joined Taylor Wimpey as a graduate trainee in 2001 and began a long career in various roles and teams. Ingrid is a member of the group treasury committee at Taylor Wimpey and sponsor of the working family network.

She is a member of the audit and risk committee and chair of the people committee.



Alex Phillips
Senior independent director

Alex re-joined the Notting Hill Housing Trust group board in September 2017 and became a member of the Notting Hill Genesis board when it was formed in April 2018. He also serves as senior independent director. He previously served as vice-chair of the Notting Hill Housing Trust and chair of the board of Notting Hill Home Ownership between 2008 and 2014.

Alex has more than 30 years of experience in corporate finance and capital markets as an investment banker and as the chief executive of a private company. Today, he is director of S-Ventures plc, an investment vehicle in the consumer products sector. Alex started in corporate finance at large integrated financial services firms advising corporations and governments, including a combined 20+ years at Credit Suisse (managing director) and Morgan Stanley (executive director) and more recently was a partner at Smith Square Partners, an independent corporate finance firm. Alex was also chief executive of Passtech, a private business serving oil and gas equipment manufacturers throughout the Middle East, between 2014 and 2017.

Alex is a graduate of the University of Bristol, with joint honours in politics and economics (1992).



Richard Powell

Richard Powell joined Notting Hill Housing Trust as a board member in May 2017 prior to joining the Notting Hill Genesis board when it was formed in April 2018. He is the chair of the development and sales committee.

He is a non-executive director of Harlequin Football Club, Be.EV, Nova Structures, and Blue Sky Interiors.

He is a trustee of a family office and chairs OXWED LLP, a development joint venture between Oxford City Council and Nuffield College. He is also a director of Cambria Group Ltd, an investment and development business.

Richard was previously an executive director and board member at Grosvenor Britain and Ireland, where he was responsible for the £1.6 billion investment and development activity outside Grosvenor's London estate. He was also a founding member of an HM Treasury taskforce in 1997, charged with structuring public private partnerships to deliver better public services.

Richard has served on various industry boards, panels and foundations including the Chairman's Guild of the International Network of Traditional Building Architecture and Urbanism, Cambridge Ahead, and the Design Council. He was a member of the Mayor of London's design advisory group and the New London Architecture sounding board.



Mark Smith

Mark is our chief financial officer. He joined the group board in April 2024.

Mark previously held the same role at NHS Property Services, which provides landlord and property services for 2,700 NHS buildings

across England, with an annual income of £750 million and 6,000 direct employees.

Mark has significant experience across financial and operational management, cost transformation, process improvement and business change. Prior to 2019, Mark spent more than 10 years at BT, working in a variety of senior financial roles across different parts of the business.



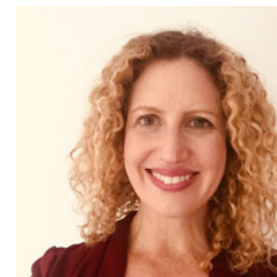
Emma-Louise Stewart

Emma-Louise joined the Notting Hill Genesis group board in September 2023. Emma-Louise has an extensive career in business development and events management, with a strong focus on local communities.

Returning to the workforce after maternity leave with twins, Emma-Louise is currently developing an exciting new educational project bringing a wealth of history and culture to schools.

Previously, she ran her own business offering a flexible space and business development in the heart of her community, helping businesses and local people to develop and progress through interaction. Earlier roles included events and culture for London Bridge Business Improvement District, chief executive officer of Brixton Business Improvement District, and projects with High Trees Community Development Trust, all alongside running her own business development consultancy.

Emma-Louise is a resident with Notting Hill Genesis.



Symmie Swil

Symmie joined the Notting Hill Genesis group board in April 2024.

She is currently chief operating officer at Finverity, a trade and supply chain finance technology company.

Symmie has more than 15 years' experience across investment banking, strategy and operational leadership roles in financial services. She was previously head of small and medium enterprise banking at Starling Bank and deputy chief operating officer for Investec's Corporate and Investment Bank and has more than eight years of corporate finance experience. Symmie has a Bachelor of Commerce and Bachelor of Law (hons) from the University of Sydney, and volunteers as a mentor and strategic business adviser to start-ups and social enterprises.

Symmie is a resident with Notting Hill Genesis.

Stephen Bitti

Board member (resident)
(stood down 21/09/23)

Arike Oke

Board member (resident)
(stood down 01/04/24)

Board and committee membership 2023/24



Ian Ellis
Chair



Stephen Bitti



Patrick Franco
Chief executive



Claire Kober OBE



Ingrid Osborne



Richard Powell



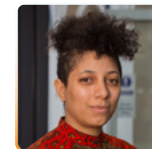
Fred Angole



Elaine Bucknor



Courtney Huggins



Arike Oke



Alex Phillips
Senior independent director



Emma-Louise Stewart

Audit and risk committee		Chair				✓		✓				
Corporate finance and treasury committee			✓		✓				Chair			
Development and sales committee								✓	✓	Chair		
Nominations committee	Chair		✓	✓				✓				
Operations committee			✓			Chair					✓	
People committee		✓						✓	Chair			
Additional comments			Resident		Co-opted board member			Resident			Resident	
Attendance board meetings during 2023/24	8/8	7/8	3/3	8/8	8/8	1/3	7/8	7/8	8/8	7/8	7/8	5/5

The executive board



Patrick Franco

Chief executive
(Director of Notting Hill Genesis and Springboard Two Housing Association)



Katie Bond

Chief operating officer
(Director of Notting Hill Home Ownership Limited)



Matthew Cornwall-Jones

Group director of assets and sustainability



John Hughes

Group director of development and sales and deputy chief executive
(Director of Notting Hill Home Ownership Limited)



Rajiv Peter

Chief information officer



Mark Smith

Chief financial officer
(appointed 15/04/24)
(Director of Notting Hill Genesis and Springboard Two Housing Association)



Vipul Thacker

Group director of central services

Notting Hill Genesis is managed by the executive board, headed by the chief executive and supported by a team of six group directors.

Executives and other staff have no interest in Notting Hill Genesis's shares and act as executives within the authority delegated by the board.

The chief executive and the executive board members are on notice periods ranging from three to six months. Details of board and executive board remuneration are shown in note 30.

Board members, senior staff and committee members are insured against personal liability when acting on behalf of Notting Hill Genesis.

Susan Hickey

Interim chief financial officer
(started 18/05/23)
(resigned 14/04/24)

Abayomi Okunola

Chief financial officer
(resigned 18/05/23)

Key legal entities in the Notting Hill Genesis Group

Notting Hill Genesis

Asset owning RP



Treasury and bond vehicles

Development SPVs:

- Notting Hill Developments Limited
- Walworth Homes Limited
- Project Light Development 1 Limited
- Project Light Development 2 Limited

Development SPVs:

- Canonbury Developments Limited

Activities at Notting Hill Genesis are carried out through a range of legal structures. The group is led by the parent, which is a charitable community benefit society, as well as being a registered provider of social housing. A number of limited companies and limited liability partnerships carry out the group's activities, which helps to mitigate risk. The key legal entities are listed above. The full list of subsidiaries and joint venture entities are disclosed in note 33.

Resident involvement and engagement

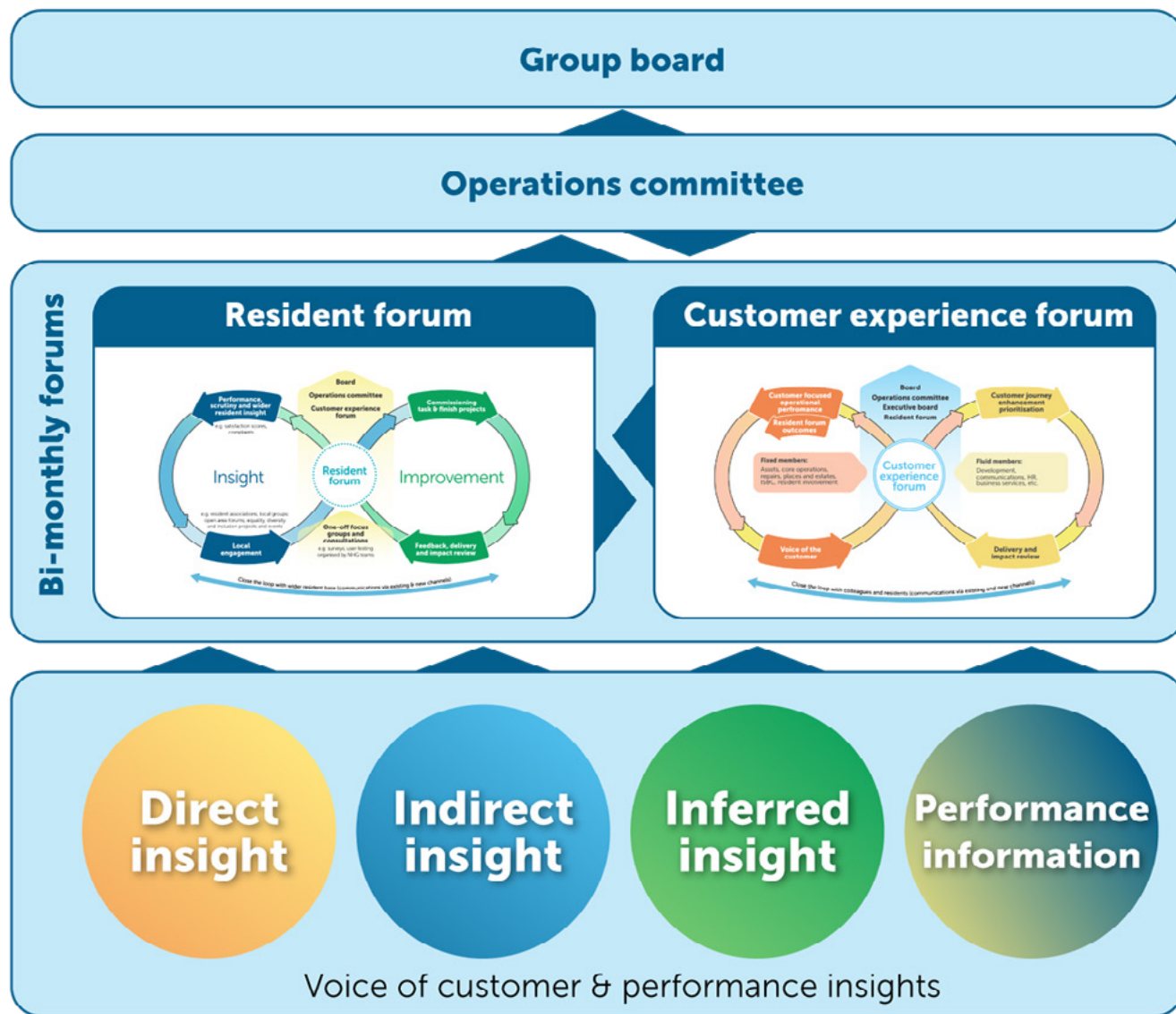
We operate a resident engagement and involvement programme which has been active throughout the year. Much of the work, achievements and activities are captured in our annual residents' report 2023 and our customer report for 2023/24, Working Better Together for Residents, both of which are available on our website. During the past year, work has been undertaken to review our resident involvement and engagement model to build out the voice of the customer across our business. We have been listening to residents' feedback on engagement and involvement.

They told us they would like increased ways for residents to give feedback on services. This includes short-term projects, one-off consultations, or local community meetings.

We will support projects led by residents that support and monitor performance issues or strategic priorities.

Our resident involvement and engagement team are working to strengthen the recruitment package for resident volunteers through engagement, training and outreach.

We are working on an enhanced flow of resident feedback and performance information to the group board via our resident forum. Our board received a presentation on the work to update the model and is fully committed to supporting the range of initiatives. The chair of the resident forum is a member of the board. We also have a resident leaseholder who sits on the board.



Code of governance

Notting Hill Genesis has adopted the National Housing Federation's code of governance 2020. Adherence to the code is monitored by the audit and risk committee. In May 2024, the committee reviewed annual attestations and evidence, reporting onward recommendation to the board.

Statement of compliance

Notting Hill Genesis/Notting Hill Home Ownership/Springboard Two Housing Association have subscribed to the National Housing Federation's code of governance 2020 as their code of governance. As at 31 March 2024, all three entities comply with all areas of the code.

Board skills, evaluation and appraisal

Board members' experience and competencies are evaluated regularly via the nominations committee and the board to ensure that each body is populated with the necessary skills to deliver its responsibilities. Skills requirements link to ensuring effective oversight of operations and delivery of core purpose.

The board undertakes an annual self-assessment of its performance collectively and as individuals. An independent evaluation of board effectiveness is carried out approximately every three years. The last annual review was considered by the board in March 2022. A number of small areas for future focus were identified and progressed towards completion. The next externally facilitated effectiveness review will be planned to take place in 2025.

The chair is responsible for managing the performance of the board and the chief executive. The performance of the chair is reviewed by the senior independent director and the chief executive having taken feedback from all board members. Board members were appraised individually in 2023, with the outputs reported to the board.

Board member renewal

Members of the board are usually appointed for three-year terms. Their appointment can be renewed, but they cannot serve beyond their sixth consecutive annual general meeting unless the board agrees that circumstances exist where it would be in the best interest of the group for them to serve for a longer period. The board agreed in June 2023 to extend the terms of office of Alex Phillips to the AGM in 2024 and of Richard Powell to the AGM in 2025 as part of its considerations of skills and succession.

Compliance with the governance and financial viability standard

The board confirms that an assessment of the group's compliance with the governance and financial viability standard has been completed and certifies that the group is compliant with the governance and financial viability standard. The current regulatory judgment for Notting Hill Genesis's governance and financial viability rating is G1 and V2, which was renewed in November 2023. A regulatory inspection is ongoing, and an announcement of the ratings will be made after the assessment concludes.

The regulator will be checking our compliance both against new consumer standards and existing economic standards. For the first time, we will be given a C rating of our compliance against the consumer standards, as well as the usual G and V ratings for the economic standards.

Employees

Our strength lies in the quality of all our employees. Our ability to meet our objectives and commitments to residents in an efficient and effective manner depends on their contribution. We are committed to equal opportunities and in particular we support the recruitment of disabled people and the retention of employees who become disabled while in our employment. We have received recognition from the Department for Education for establishing policies of positive promotion of employment opportunities for candidates and employees with disabilities. We were assessed by Investors in People in 2022 and received the silver accreditation for wellbeing and silver overall.

We achieved silver in the Stonewall workplace equality index and are ranked 58 in the UK, achieving top 100 employer status for the first time.

We have pledged to close the Black, Asian and minority ethnic (BAME) gap, particularly at senior managerial, leadership and board roles and aim to achieve 40% BAME representation at board and committee level by 2025.

Our 2023 mean gender pay gap was 14.1% and median gender pay gap was 10.2%.

More details can be found in the publicly available financial statements of all the relevant subsidiaries in the group required to report under section 172 of the Companies Act and in our published pay gap reports available on our website.

Internal controls

The board has overall responsibility for establishing and maintaining the whole system of internal control for Notting Hill Genesis and for reviewing its effectiveness.

The board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of our assets and interests.

In meeting its responsibilities, the board has adopted a risk-based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which we are exposed.

The process adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, includes the items listed below.

The board has delegated to the audit and risk committee the regular review of the effectiveness of the group system of internal control, while maintaining ultimate responsibility for the system of internal control.

Throughout the financial year 2023/24, the audit and risk committee has received quarterly reports from the executive board confirming that they are satisfied with the arrangements for internal controls assurance during the year. The audit and risk committee approved the executive board's report to the committee setting out the operation of internal controls in the year and agreed to recommend this to the board.

Law and regulations compliance

The Regulator of Social Housing publishes a regulatory framework and regulatory standards which comprise the economic standards and consumer standards. Our internal assessments undertaken during the period to the end of the financial year ending 31 March 2024 were compliant against the standards which were effective during that year. The regulator has introduced new consumer standards from 1 April 2024, which will be reported on in our annual report for 2024/25.

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of Notting Hill Genesis's activities and business areas overseen by the executive

and leadership team. The board has overall responsibility for setting risk appetite and ensuring there is an effective risk management process in place. The audit and risk committee supports the board in monitoring significant risks, considering the control environment adequacy and effectiveness, and tracking progress of risk management and internal audit activity and outputs. Regular reporting to board highlights any movement in the assessment of key risks, systems and controls and material items for escalation and oversight.

Monitoring and corrective action

A process of control, self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the board.

This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

Control environment and control procedures

The board retains responsibility for a defined range of matters covering strategic, operational, financial and compliance issues, including treasury strategy and consideration of the viability of large new investment projects. The board has adopted and disseminated to all colleagues a code of conduct for employees. This sets out our policies with regard to the quality, integrity and ethics of our employees. It is supported by

a framework of policies and procedures with which employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection, and fraud prevention and detection.

Information and financial reporting systems

The board approves a strategic business plan in each financial year, which includes longer-term financial plans and limits on investment.

Financial reporting procedures include detailed budgets for the year ahead, management accounts produced monthly and forecasts for the remainder of the financial year.

These are reviewed in various levels of detail by appropriate staff and in summary on a quarterly basis by the board. The board also regularly reviews progress towards the achievement of key business objectives, targets and outcomes.

Fraud

The compliance team maintains several key registers, including those for fraud, whistleblowing, anti-money laundering, and gifts and hospitality. Staff and stakeholders have access to multiple reporting methods, both internal and external. There are dedicated inboxes for whistleblowing and anti-money laundering disclosures, along with established procedures for managing gifts and hospitality.

All instances of actual or alleged fraud are reviewed at each audit and risk committee meeting. Frauds are reported to the regulator as required, and external advice is sought based

on the severity of the misconduct. Conflict of interest procedures are also in place, with declarations of interest sheets provided at each board meeting.

The audit and risk committee oversees crucial policies, such as the anti-fraud, whistleblowing, anti-bribery, and anti-money laundering policies, all of which were updated in March 2024. These policies are published on the internal intranet for staff access.

Concerns related to anti-money laundering are escalated to the National Crime Agency. We have appointed a money laundering reporting officer (the chief financial officer) to manage anti-money laundering activities. Additionally, we have conducted an anti-money laundering risk assessment, drafted an action plan and implemented mandatory training.

Anti-slavery and anti-trafficking statement

We are committed to identifying and mitigating human rights abuses related to our employees and individuals within supply chains supporting our activities and affecting our customers. Actions taken by the group and its subsidiaries to deliver this commitment are set out in a statement on our website.

Anti-bribery policy statement

We seek to maintain the highest standards of ethics and integrity in the way we conduct our business. We recognise that bribery and corruption, in all its forms, is illegal and unacceptable. Our bribery policy statement has been integrated into our code of conduct and our

gifts and hospitality policy, adopted by the board, signed by the chair and chief executive and made available on our corporate website. We expect our business partners to adopt a similar approach to bribery or corruption and make this a condition for new contracts awarded.

Audit assurance

Internal audit

Beever and Struthers acted as the internal auditors for the group during the year ended 31 March 2024. The internal auditors have direct access to the audit and risk committee, independent of paid staff. The audit and risk committee met six times during the financial year and considered internal control and risk at each of its meetings. Highlights from the committee's work for the year are included on pages 36 and 37.

The internal control framework and the risk management process are subject to regular review by the internal auditors who advise the executive directors and report to the audit and risk committee.

Regular reporting is delivered to the audit and risk committee highlighting progress on the delivery of the plan and the outcomes of internal audit activities. The committee reviewed and approved the internal audit plan for 2024/25.

In its annual internal audit report, received by the audit and risk committee on 18 July 2024, the following internal audit opinion was presented:

"Based on the work undertaken and subject to

the weaknesses identified and reported in our internal audit reports, the group board can be provided with a reasonable level of assurance that there is an effective framework of governance, risk management and controls at Notting Hill Genesis.”

Of the internal audits completed in the year 2023/24, there was a total of 56 recommendations, of which two were high, 36 were medium and 18 were low. Audit recommendations are tracked and followed up so that recommendations for strengthened controls and improvement can be implemented promptly.

External audit

Notting Hill Genesis and its subsidiaries appointed Crowe LLP as external auditors following a tender exercise in December 2022. We receive a report (including their letter to management) from the external auditors each year as part of the audit process. In this they convey details of any internal control weaknesses that may have come to their attention in the course of their duties. This letter is considered by the audit and risk committee and the board. Recommendations made in their closure report are followed up and reported into the audit and risk committee during the year.

The audit and risk committee met with the internal and external auditors during the year without the presence of paid staff or executive directors.

The audit and risk committee conducts an annual review of the effectiveness of the group’s system of internal control and takes account of any changes that may be needed to maintain the effectiveness of the risk management and control

process. The audit and risk committee makes an annual report to the board, which the board has received.

Independent external auditors and annual general meeting

The reappointment of the external auditors, Crowe UK LLP, was proposed and approved at the annual general meeting on 25 September 2024.

At the date of this report, each board member confirms the following:

- So far as each board member is aware, there is no relevant information needed by Notting Hill Genesis’s auditors in connection with preparing their report of which the auditors are unaware.
- Each board member has taken all the steps that they ought to have taken as a board member in order to make themselves aware of any relevant information needed by the auditors in connection with preparing their report and to establish that the auditors are aware of that information.

Statement of compliance

In preparing the strategic report, the board has followed the principles set out in the Statement of Recommended Practice for Registered Social Housing Providers (SORP: 2018).

The report was approved and authorised for issue by the board on 10 October 2024.

Statement of board's responsibilities

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

The financial statements have been prepared in accordance with the requirements of United Kingdom Generally Accepted Accounting Practice (UK GAAP), including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (SORP 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the registered

provider of social housing (RPSH) and of the surplus or deficit 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the RPSH will continue in business.

The board is responsible for keeping adequate accounting records that are sufficient to show

and explain the transactions and which disclose with reasonable accuracy at any time the financial position of the RPSH and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the RPSH and to prevent and detect fraud and other irregularities.

The board is responsible for ensuring that the strategic report includes a fair review of the development and performance of the business and the position of Notting Hill Genesis and its subsidiaries included in the consolidation, together with the disclosure of the principal risks and uncertainties they face.

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



Ian Ellis
Chair

Financial statements

Group highlights

For the year ended 31 March	2024	2023	2022	2021
	£m	£m	£m	£m
Consolidated statement of comprehensive income				
Turnover	711.8	728.1	836.9	909.1
Cost of sales and operating income	(712.3)	(605.5)	(661.2)	(708.0)
Other operating activities	33.5	95.3	55.0	61.1
Operating surplus	33.0	217.9	230.7	262.2
Net financing costs	(123.2)	(111.8)	(117.8)	(117.5)
Taxation	-	(11.7)	(10.6)	-
Surplus for the year after tax	(90.2)	94.4	102.3	144.7
Consolidated statement of financial position				
Housing properties	6,921.8	6,815.4	6,741.8	6,594.1
Other fixed assets and investments	1,299.2	1,292.0	1,328.0	1,228.1
Net current assets	327.6	183.9	254.0	185.0
Creditors due after one year	(4,900.5)	(4,547.9)	(4,693.9)	(4,526.1)
Net assets	3,648.1	3,743.4	3,629.9	3,481.1
General reserves	2,552.5	2,640.6	2,544.2	2,424.5
Revaluation and hedge reserves	1,095.6	1,102.8	1,085.7	1,056.6
Total funding	3,648.1	3,743.4	3,629.9	3,481.1
Consolidated statement of cash flows				
Net cash inflow from operating activities	19.5	219.3	311.8	321.4
Cash flows from investing activities	(263.3)	(223.0)	(258.0)	(255.5)
Cash flows from financing activities	278.8	(48.5)	(20.9)	(104.7)
Cash and equivalents at start of year	60.2	112.4	79.5	118.3
Cash and equivalents at end of year	95.2	60.2	112.4	79.5

	2024	2023	2022	2021
	Reclassified**			
Accommodation owned and in management	Homes	Homes	Homes	Homes
General rented housing	35,251	35,131	35,719	35,123
Supported housing	4,271	4,419	4,782	4,784
Temporary housing	2,845	2,854	2,912	2,880
Market rent	3,489	3,210	3,394	3,203
Key worker and student rented housing	1,925	1,925	2,289	2,286
Shared ownership	9,053	9,093	9,419	9,124
Leasehold	9,914	9,749	9,176	9,137
Non social affordable housing	888	729	-	-
Total	67,636	67,110	67,691	66,537
Statistics				
Surplus as % of turnover	(11.96)%	13.0%	12.2%	15.9%
Operating margin (operating surplus % of turnover)	5.4%	29.9%	27.6%	28.8%
Operating margin (core lettings)	16.9%	20.7%	26.5%	27.9%
Operating margin (social housing lettings)	13.2%	18.8%	25.1%	25.2%
Void loss (social housing lettings)	1.4%	1.4%	1.6%	1.6%
Gearing* (net debt as % housing & investment property)	41.0%	39.8%	39.2%	40.0%
Interest cover* (EBITDA MRI: operating surplus before interest, tax, depreciation and amortisation, major repairs included)	126.6%	167.8%	192.8%	222.1%
Return on capital employed* (operating surplus as % of net assets)	1.0%	5.8%	6.4%	7.5%

* Alternative performance measures, as defined, are used by the group and differ from those required by the RSH as shown in the VFM section

** See note 2 for details

Independent auditor's report to the members of Notting Hill Genesis

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements,

we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Group and Association's ability to continue to adopt the going concern basis of accounting included:

- reviewing the period used by Board to assess the ability of the Group and Association to continue as a going concern;
- examining budgets and forecasts prepared by management covering the period of the going concern assessment to ensure that these appropriately support the Board's conclusion and checking the mathematical accuracy of financial models used and assessing the reasonableness of scenarios selected by management for stress testing downside sensitivities;
- reviewing the accuracy of past budgets and forecasts by comparing the budget for the current year against actual

results for the year;

- obtaining supporting evidence for the availability of financing facilities during the period of the going concern assessment;
- reviewing compliance, both during the year and within forecasts, with loan covenants by recalculation of ratios on basis required by lender agreements;
- reviewing compliance with laws and regulations and challenging management on whether any non-compliance could be a risk to going concern;
- reviewing the stress-testing of financial forecasts and applying our own variants to consider the impact on future cashflows; and
- challenging management on the suitability of assumptions and the plausibility of mitigating actions identified in their assessment based on our knowledge of the business and the operating environment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Association's ability to continue as

a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £7.12million, based on 1% of revenue (2023: £7.2million based on 1% of revenue). Materiality for the Association financial statements as a whole was set at £5.8million based on 1% of revenue (2022: £5.2million based on 1% of revenue).

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality (2023: 70%) for the financial statements as a whole, which equates to £5.0million for the Group (2023: £5million) and £4.1million for the Association (2023: £3.6million).

We agreed with the Audit Committee to report to it all identified errors in excess of 5% of materiality being £350,000 (2023: £360,000) for the Group and £290,000 (2023: £260,000) for the Association. Errors below that threshold would also be reported to the Committee if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The scope of our group audit was established by gaining an understanding of the group and the environment in which it operates

including evaluation of the system of internal controls.

The financial reporting function for the Group and its material subsidiaries is centralised in one operating location in the UK, with the exception of Folio Residential Finance No 1 Plc who has an outsourced management function. Our audit was conducted from the main operating location and all material subsidiaries, including Folio Residential Finance No 1 Plc, were within the scope of our audit.

For a number of group subsidiaries, the audit was led by a separate key audit partner. Under their direction and supervision, the team undertook specified audit procedures on those companies. The work was planned and executed in conjunction with the Group Audit Partner with both the planning and completion meetings attended by both partners.

The scope of the audit work and the design of audit tests undertaken was solely for the purposes of forming an audit opinion on the Group and Association financial statements.

Key Audit Matters

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

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
<p>Assessment of the net realisable value of properties in the course of sale and landbank (inventories) (refer to accounting policy in note 1 and financial disclosures in note 15)</p> <p>At 31 March 2024 the Group was carrying total properties in the course of sale of £339.2million. This includes £169.6million of landbank.</p> <p>Inventories must be held at the lower of cost and net realisable value (being sales proceeds less costs to sell and costs to complete).</p> <p>Management are required to assess whether there is any indication that net realisable value has decreased below carrying value and, if so, reduce this at the reporting date.</p> <p>Due to the Board's intention to reduce NHG's development programme, impairment of landbank was an area of particular focus due to the inherent estimation uncertainty in determining both sales proceeds and costs to complete and where intention has changed and land is earmarked for sale, the uncertainty in estimating the recoverable value.</p> <p>As such we consider there is a significant risk that the carrying value of stock is materially misstated and this is a key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Reviewing management's impairment assessment and identifying a sample of schemes for further testing based on certain risk criteria. • Assessing the calculation of net realisable value by reference to supporting documentation; • For landbank reviewing the revised development plan agreed by the Board and challenging assumptions made by management in their assessment of net realisable value. • Comparison to original scheme appraisal and challenging changes in assumptions or lack of changes where it is considered appropriate; • Inspection of Board papers for any indication of a reduction in the net realisable value such as changes to planning restrictions, identification of contamination of land, changes to timelines for completion, rising costs or a decline in the property market; • Checking the arithmetical accuracy and verifying the inputs into the net realisable value calculation including estimates of sales proceeds by reference to external valuation and market data and cost to complete by reference to latest development appraisal; and • Sensitivity analysis over the key assumptions and consideration of outcomes achieved post year end, particularly sales values achieved after the reporting date. <p>Key observations and results:</p> <p>Following our audit procedures management have recognised additional impairment in respect of landbank schemes. We have concluded that management have made appropriate impairment against the value of properties in the course of sale including landbank.</p>

Key audit matter

Impairment of housing properties (refer to accounting policy in note 1 and financial disclosures in notes 9)

At 31 March 2024 the Group held Housing Properties of £6,921.8million.

The Housing SORP requires that assets be reviewed for indicators of impairment annually. If such indicators exist, an impairment assessment and estimate of the recoverable amount must be performed. This assessment should be carried out at for the cash generating unit which has been assessed as being the scheme level. Viability of the properties held may be impacted by a range of factors, a particular focus this year has been on schemes requiring remedial works for building and fire safety.

Judgement is required in determining whether indicators of impairment have arisen in the year and where these are identified there is inherent estimation uncertainty in determining both value in use and fair value less costs to sell and therefore a significant risk of material misstatement and this is a key audit matter.

Valuation of investment properties (refer to accounting policy in note 1 and financial disclosures in note 10)

At 31 March 2024 the Group held completed investment properties of £1,184million.

Completed investment properties are carried in the financial statements at fair value at the reporting date in accordance with FRS 102.

Due to volatility of market conditions there is inherent estimation uncertainty in the fair value assessments which make this a key audit matter.

How the scope of our audit addressed the key audit matter

Our procedures included:

- Reviewing management’s impairment assessment and challenging the determination of impairment indicators based on understanding of the operating and economic environment referencing those indicators outlined in paragraph 14.6 of the Social Housing SORP.
- Comparison of management’s impairment assessment against internal data on voids;
- Inspection of Board papers for any indication of impairment such as plans to dispose or demolish, remediation works required, identification of contamination of land, changes to timelines for completion, rising costs or a decline in the property market;
- Considered the completeness of schemes identified with an impairment trigger relating to remediation works required, compared the schemes considered for impairment against the work carried out under building safety provisions for any schemes of mixed leasehold and general needs tenures;
- For schemes where impairment triggers were identified we reviewed management’s calculation of recoverable value. Both Net Present Value (NPV) and Value in Use – Service Potential, via the calculation of Depreciated Replacement Cost (DRC), were assessed as suitable measures for recoverable amount; and
- We considered the appropriateness of key assumptions adopted by Management and reviewed the integrity of the valuation models used by management in their calculation of NPV and DRC as well as the reliability of development budgets produced by Management.

Key observations and results:

Based on our audit procedures we are satisfied that the value of housing properties and investment properties under construction are reasonably stated and there is no material impairment that has not been recognised.

Our procedures included:

- Review of management’s assessment of fair value of investment properties at the reporting date;
- Agreement to valuation reports obtained from management’s experts and challenge of the accuracy of information which was sent to the external valuer, giving consideration to risk of management bias;
- Assessment of the competency and capability of the Group’s external valuer;
- Consideration and challenge of the appropriateness of valuation methodology and assumptions used;
- Agreement of inputs (rental terms and lease duration) into the valuation models on a sample basis; and
- Sensitivity analysis over the key assumptions and consideration of outcomes achieved post year end, particularly for assets disposed post year end.

Key observations and results:

Based on our audit procedures we are satisfied that the value of housing properties are reasonably stated and there is no material impairment that has not been recognised.

Key audit matter

Estimation of provision required to settle building safety obligations to leaseholders (refer to accounting policy in note 1 and financial disclosures in notes 22 and 37)

At 31 March 2024 the Group was carrying total provisions of £75.7million in respect of the obligation to remediate leaseholder properties for certain building and fire safety works.

FRS102 states that an entity shall recognise a provision only when:

- a. the entity has an obligation at the reporting date as a result of a past event;
- b. it is probable (ie more likely than not) that the entity will be required to transfer economic benefits in settlement; and
- c. the amount of the obligation can be estimated reliably.

Judgement is required in considering the past event which triggers the obligation and due to the inherent estimation uncertainty in determining the costs required to remediate properties there is a significant risk that the provision could be materially misstated and this is a key audit matter.

Estimation of the recoverability of service charge debtors (refer to accounting policy in note 1 and financial disclosures in notes 16 and 37)

At 31 March 2024 the Group was carrying £30.9million of service charges receivable. During the year the Group impaired the value of the asset by £21.2million.

FRS102 indicates that the historical cost of an asset should be updated over time to depict a range of factors including, if applicable, the effect of events that cause part or all of the historical cost of the asset to be no longer recoverable (impairment).

Due to the inherent estimation uncertainty in determining the recoverability of service charge debtors there is a significant risk that the carrying value of service charges receivable is materially misstated and this is a key audit matter.

How the scope of our audit addressed the key audit matter

Our procedures included:

- Reviewing management’s judgement against accounting standards;
- Reviewing management’s assessment and calculation of the recognised provision comparing a sample of schemes identified for provision against external evidence of cost assessments;
- For the sample selected agreeing the split of mixed tenure schemes (to identify the leaseholder element) to internal property database and fixed asset register;
- For the sample selected agreeing the legal entity responsible for works to title deeds or head leases where appropriate;
- Agreeing recognition of debtors related to recovery of costs against the provision to supporting documentation to ensure recognition was in accordance with accounting standards; and
- Testing the completeness of the provision against the recognition criteria by reference to regulator returns, internal reports and expenditure incurred on fire risk assessments.

Key observations and results:

Based on our audit procedures we are satisfied that the value of the provision is reasonably stated in accordance with accounting standards.

Our procedures included:

- Reviewing management’s judgement against accounting standards;
- Considering management’s judgment by reference to board decisions made in the year;
- Reviewing management’s assessment of recoverability and calculation of the recognised impairment including consideration of the independent review undertaken during the year;
- Agreeing a sample of balances carried as debtors at 31 March 2024 against reconciliation of income and expenditure by scheme and agreed individual transactions to supporting documentation.

Key observations and results

Based on our audit procedures we are satisfied that the value of the remaining service charge receivable is reasonably stated and there is no material impairment that has not been recognised.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the

financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the

other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the

financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board for the financial statements

As explained more fully in the Board's responsibilities statement set out on page 50, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal

control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, this however, is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 together with the Statement of Recommended Practice for registered social housing

providers (Housing SORP) and the Accounting Direction for Private Registered Providers of Social Housing. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty or have another material effect on the financial statements. We also considered the opportunities and incentives that may exist within the Group for fraud. The laws and regulations we considered in this context were the requirements imposed by the Regulator of Social Housing, building, health and safety legislation, UK tax legislation, employment legislation and General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of revenue, the assumptions applied in the use of judgements and estimates and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and substantive testing of income and cost allocation, scrutiny and challenge of management's impairment assessments and provision estimation, ensuring policies are appropriate under the relevant accounting standards and applicable law, corroborating recognised sample to supporting documentation ensuing those policies are followed, reviewing regulatory correspondence with relevant regulators and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our

audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, forgery, collusion or the provision of intentional misrepresentations. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Board on 7 February 2023 to audit the financial statements for the period ending 31 March 2023. Our total uninterrupted period of engagement is 2 years, covering the period ended 31 March 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Association and we remain independent of the Association in conducting our audit.


Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Association's members as a body in accordance with Section 87 (2) and Section 98(7) of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state

to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Crowe U.K. LLP
Statutory Auditor
London
United Kingdom

Date: 11/10/2024

Statement of comprehensive income

	Notes	Group		NHG	
		2024 £m	2023 £m	2024 £m	2023 £m
Turnover	2	711.8	728.1	532.9	523.8
Cost of sales	2	(55.3)	(90.4)	(2.9)	(11.6)
Operating costs	2	(555.5)	(515.1)	(485.8)	(462.4)
Subtotal	2	101.0	122.6	44.2	49.8
Surplus on sale of assets	4	29.0	50.8	18.4	21.9
Exceptional items	37	(101.5)	-	(82.4)	-
Joint venture surplus/(deficit)	33	14.6	8.2	0.5	-
Fair value movement on investment properties		(10.1)	36.3	(9.4)	16.0
Operating surplus		33.0	217.9	(28.7)	87.7
Gift aid receivable		-	-	51.2	63.7
Surplus before interest		33.0	217.9	22.5	151.4
Interest receivable and similar income	5	11.2	7.0	56.0	33.1
Interest payable and similar charges	6	(143.1)	(139.4)	(152.4)	(138.7)
Gains in respect of financial derivatives	35	8.7	20.6	14.8	14.8
(Deficit)/Surplus on ordinary activities before taxation	7	(90.2)	106.1	(59.1)	60.6
Taxation	8	-	(11.7)	-	-
(Deficit)/Surplus for the financial year after taxation		(90.2)	94.4	(59.1)	60.6
Other comprehensive income					
Movement in fair value of effective cash flow hedges		(3.2)	25.6	(0.7)	23.5
Actuarial pension movement		(8.2)	(6.7)	(8.2)	(6.7)
Deferred tax		1.2	0.2	-	-
Other comprehensive income total		(10.2)	19.1	(8.9)	16.8
Total comprehensive income for the year		(100.4)	113.5	(68.0)	77.4

The notes on pages 64 to 114 form part of these financial statements.

All amounts relate to continuing activities.

Statement of changes in reserves

Group	General reserves £m	Revaluation reserve £m	Cash flow hedge reserve £m	Total funding £m
Balance at 31 March 2023	2,544.2	1,105.5	(19.8)	3,629.9
Surplus for year	94.4	-	-	94.4
Transfers to general reserves upon asset sale	8.7	(8.7)	-	-
Fair value measurement of derivatives	-	-	25.6	25.6
Actuarial pension movements	(6.7)	-	-	(6.7)
Deferred tax	-	0.7	(0.5)	0.2
Revised balance at 1 April 2024	2,640.6	1,097.5	5.3	3,743.4
Surplus for the year	(90.2)	-	-	(90.2)
Transfers to general reserves upon asset sale	5.2	(5.2)	-	-
Fair value measurement of derivatives	-	-	(3.2)	(3.2)
Actuarial pension movements	(8.2)	-	-	(8.2)
Deferred tax	-	0.4	0.8	1.2
Balance at 31 March 2024	2,547.4	1,092.7	2.9	3,643.0

NHG	General reserves £m	Revaluation reserve £m	Cash flow hedge reserve £m	Total funding £m
Balance at 31 March 2023	1,991.0	1,039.3	(19.0)	3,011.3
Surplus for the year	60.6	-	-	60.6
Transfers to general reserves upon asset sale	6.2	(6.2)	-	0.0
Fair value measurement of derivatives	0.0	-	23.5	23.5
Actuarial pension movements	(6.7)	-	-	(6.7)
Reserves from collapsed subsidiaries	0.0	-	-	0.0
Revised balance at 1 April 2024	2,051.1	1,033.1	4.5	3,088.7
Surplus for the year	(59.1)	-	-	(59.1)
Transfers to general reserves upon asset sale	3.2	(3.2)	-	0.0
Fair value measurement of derivatives	0.0	-	(0.7)	(0.7)
Actuarial pension movements	(8.2)	-	-	(8.2)
Reclassification of reserves	(0.7)	-	-	(0.7)
Balance at 31 March 2024	1,986.3	1,029.9	3.8	3,020.0

Statement of financial position

	Notes	Group		NHG	
		2024 £m	2023 £m	2024 £m	2023 £m
Tangible fixed assets					
Housing properties	9	6,921.8	6,815.4	5,547.2	5,525.0
Investment in properties	10	1,184.0	1,177.4	363.7	291.3
Intangible assets	11	17.5	12.3	17.2	12.3
Other fixed assets	11	35.3	35.7	34.5	34.8
Total fixed assets		8,158.6	8,040.8	5,962.6	5,863.4
Investments					
Homebuy	12	23.1	24.0	-	-
Investments in subsidiaries	14	-	-	534.0	482.1
Investment in joint ventures	33	29.5	37.3	-	-
Other investments	33	9.8	5.3	5.3	5.3
		8,221.0	8,107.4	6,501.9	6,350.8
Current assets					
Properties in the course of sale	15	339.2	280.8	49.4	54.6
Debtors falling due within one year	16	170.3	127.7	582.4	595.4
Debtors falling due after one year	17	16.8	17.8	417.6	399.5
Current asset investment	18	69.3	65.8	15.8	14.7
Cash at bank and in hand		95.2	60.2	80.3	39.3
		690.8	552.3	1,145.5	1,103.5
Current liabilities					
Creditors: Amounts falling due within one year	19	(368.3)	(368.4)	(421.2)	(428.5)
Net current assets		322.5	183.9	724.3	675.0
Total assets less current liabilities		8,543.5	8,291.3	7,226.2	7,025.8

	Notes	Group		NHG	
		2024 £m	2023 £m	2024 £m	2023 £m
Creditors					
Creditors: Amounts falling due after more than one year	20	(4,686.5)	(4,393.3)	(4,048.9)	(3,829.4)
Pension deficit liability	28	(24.9)	(23.8)	(24.9)	(23.8)
Derivative financial instrument	35	(37.6)	(44.6)	(44.5)	(52.8)
Deferred tax	8	(75.8)	(77.1)	0.0	-
		(4,824.8)	(4,538.8)	(4,118.3)	(3,906.0)
Provisions for liabilities and charges	22	(75.7)	(9.1)	(87.9)	(31.1)
		(4,900.5)	(4,547.9)	(4,206.2)	(3,937.1)
Net assets		3,643.0	3,743.4	3,020.0	3,088.7
Capital and reserves					
Share capital	23	-	-	-	-
General reserves	24	2,547.4	2,640.6	1,986.3	2,051.1
Revaluation reserve	24	1,092.7	1,097.5	1,029.9	1,033.1
Cash flow hedge reserve	24	2.9	5.3	3.8	4.5
		3,643.0	3,743.4	3,020.0	3,088.7
Total funding		3,643.0	3,743.4	3,020.0	3,088.7

The notes on pages 64 to 114 form part of these financial statements. The financial statements on pages 60 to 114 were authorised and approved by the board on 10 October 2024 and signed on its behalf by

 Ian Ellis
 Chair

 Patrick Franco
 Chief executive

 Sara Thomson
 Company secretary

Statement of cash flow

Group	Notes	2024 £m	2023 £m
Net cash inflow from operating activities	25	19.5	219.3
Returns on investments and servicing of finance			
Cash flows from investing activities			
Purchase and construction of housing properties		(338.8)	(251.6)
Sale of housing properties		214.5	235.5
Social housing grant paid		(17.3)	(44.4)
Social housing grant received		28.7	10.3
Other government grants		4.9	-
Purchase of other fixed assets		(17.7)	(10.1)
Fixed asset investment/(disinvestment)		13.3	18.7
Interest received		11.1	7.0
Interest paid		(158.5)	(152.6)
Increase/(decrease) in cash on deposit		(3.5)	(35.8)
Net cash flow from investing activities		(263.3)	(223.0)
Cash flows from financing activities			
Loans received		315.7	55.0
Loans repaid		(36.9)	(103.5)
Net cash outflow used in financing		278.8	(48.5)
Net (decrease)/increase in cash and cash equivalents		35.0	(52.2)
Cash and cash equivalents at 1 April		60.2	112.4
Cash and cash equivalents at 31 March		95.2	60.2

The notes on pages 64 to 114 form part of these financial statements.



Notes to the financial statements for the year ended 31 March 2024

Note 1 - Accounting policies

The financial statements have been prepared in pounds sterling.

General information

Notting Hill Genesis is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered provider of social housing. It is a public benefit entity.

Statement of compliance

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements of Notting Hill Genesis (NHG) and Notting Hill Genesis group (the group).

The financial statements have been prepared in accordance with the requirements of United Kingdom Generally Accepted Accounting Practice (UK GAAP), including the Financial Reporting

Standard applicable in the UK and Republic of Ireland (FRS102), the Housing Regeneration Act 2008, the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (SORP 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022, and the Co-operative and Community Benefit Societies Act 2014.

Basis of preparation

The financial statements have been prepared under the historic cost convention as modified by the application of fair value as deemed cost and by the revaluation of certain properties, investments and financial instruments. They have been prepared on a going concern basis and in accordance with the applicable accounting standards in the United Kingdom. The accounting policies have been consistently applied.

The preparation of the financial information requires management to exercise its judgement in applying the group's accounting policies. Areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are explained in the accounting policies below.

Going concern

The board has considered the potential impacts from numerous multi-variant adverse scenarios, which include a decline in sales, increase in rental arrears, increase in voids, and tightening of liquidity among other factors. Options for mitigation to ensure the business can continue in the short and longer term have also been reviewed. Mitigations exist for all scenarios as a precaution, to ensure compliance with all covenant and regulatory requirements. In addition to the scenarios outlined, the board

has stress tested a number of different scenarios which could affect the group and NHG's future plans. The main areas the stress testing considered were building contracts, sales, operating income and costs. The outcome of stress tests performed focused on liquidity and covenant compliance as a result of adjusting the key inputs. The resulting worst case scenario of the stress testing exercise, in which all adverse impacts described above would crystallise, indicates the probability of a covenant breach occurring in 2025 and 2026 is remote, and exhibited that the group and NHG are able to withstand these external pressures. Periodic updates to the financial business plan, management accounts forecasts and key performance indicator reporting enables continuous monitoring of the business.

After making these enquiries, the board has a reasonable

Note 1 - Accounting policies (continued)

expectation that the group and NHG have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, the group and NHG continue to adopt the going concern basis in the financial statements, and provides letters of support to relevant subsidiaries.

Basis of consolidation

Group financial statements are the result of the consolidation

of the financial statements of NHG and its subsidiaries. Uniform accounting policies have been used throughout the group. All intra-group transactions, balances and surpluses or deficits are eliminated in full on consolidation.

Jointly controlled entities are accounted for using the equity method in the group financial statements, which reflects the group's share of the profit or loss, other comprehensive income and the equity of the jointly controlled entities.

Investment in associates is accounted for using the equity method in the group financial statements. The investment is initially recognised at transaction price (including transaction costs) subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and the equity of the jointly controlled entities.

Investments in subsidiaries are accounted for using the equity method in the group financial statement.

Segmental reporting

Segmental reporting is presented in the consolidated financial statements in respect of the group's business segments, which are the primary basis of segmental reporting. The business segmental reporting reflects the group's management and internal reporting structure. Segmental results include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. As the group has no material activities outside the UK, segment reporting is not

Turnover and revenue recognition

Rent	Rent is recognised over the period the accommodation is provided on an accrual basis, measured at the fair value of the consideration received or receivable and represents the amount receivable for the services rendered net of empty properties (void losses).
Service charge income	Fixed service charge income is recognised in the year to which it relates. Variable service charge income is based on budget in the year and with subsequent adjustment recognised in respect of unders and overs in the following year.
First-tranche shared ownership property sales and properties developed for outright sale	Property sales income is recognised when the risks and rewards of ownership have passed to the buyer upon legal completion of the sales, except in circumstances where specific legal contractual terms dictate that risks and rewards of ownership pass at different times.
Revenue grants	Revenue grants are recognised when the performance-related conditions are met or when the grant proceeds are received or become receivable if no conditions are imposed.
Amortisation of government grant	Grants provided to construct social housing assets are recognised on a systematic basis over the useful economic life of the asset for which the grant is intended to compensate.
Interest receivable	Interest income is recognised on a receivable basis.
Gift aid	Gift aid is receivable where deeds of covenant are in place and gift aid is accrued at the year-end in subsidiaries. Where no covenant is in place or distribution not declared, gift aid is recognised on a cash received basis.
Supported housing services	Where NHG and the group hold the support contract with the Supporting People administering authority and carry the financial risk, all the project's income and expenditure are included in NHG's and the group's statement of comprehensive income.
Other income	Other income relates to management fees for services provided to leaseholders and administration fees in relation to extension of leases. These are recognised on receivable basis.

Note 1 - Accounting policies (continued)

required by geographical region. The chief operating decision-makers (CODM) have been identified as the group's executive board. The CODM review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments as rented social housing, shared ownership, temporary housing, keyworker housing, supported housing, first-tranche home ownership sales, development services, commercial rent properties, student accommodation and market rent properties. The CODM assess the performance of the operating surplus margins. Segmental disclosure of key balance sheet items is not produced for CODM and hence not disclosed. Other information provided to them is measured in a manner consistent with that in the financial statements. See note 2 for further details.

Taxation

NHG has charitable status and is not subject to corporation tax on surpluses in furtherance of charitable objectives. The profits of trading subsidiaries are subject

to corporation tax, however the subsidiaries elect to distribute all profits to the parent or other charitable group entities via gift aid.

Deferred taxation

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Current or deferred tax assets and liabilities are not discounted.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year-end and that are expected to apply to the reversal of the timing difference.

Deferred tax has been recognised in relation to investment property that is measured at fair value using tax rates and allowances that apply to the sale of an asset.

Value added tax

The group charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT on costs to the extent that it is suffered by the group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Interest payable

Interest is capitalised on a fair proportion of total borrowings on development costs during the period of development.

Other interest payable is charged to the comprehensive income statement in the year by the effective interest rate method.

Employee benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred. Unused annual leave is accrued at the year-end.

Pensions

On 30 November 2023 the group withdrew from the multi-employer scheme provided by the Social Housing Pension Scheme (SHPS). This was done to achieve flexibility of investment decision and manage exposure to SHPS cell. This scheme is closed to future accrual. There is a separate trustee-administered fund holding the pension scheme assets to meet long-term liabilities. A full actuarial valuation is carried out on a periodic basis by a qualified actuary, independent of the scheme's sponsoring employer. The group has agreed to pay the scheme expenses and Pension Protection Fund (PPF) levies separately.

NHG 2023 PS and PCHA 2001

The assets of these schemes are held separately from those of the group. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme

Note 1 - Accounting policies (continued)

assets and liabilities are recorded in the statement of financial position. Contributions payable, net interest and actuarial gains/losses are recognised in the statement of comprehensive income. The carrying value of any resulting pension scheme assets are restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through the scheme.

LPFA

The LPFA is accounted for as defined benefit schemes using the unit credit method. Actuaries are used in order to calculate the assets and liabilities of the scheme. The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits were earned. The related finance costs, expected return on assets and any other changes in fair value of assets and liabilities are recognised in the accounting period in the period in which they arise. The operating costs, finance costs and expected return on assets are recognised in the statement of comprehensive income along

with changes in fair value of assets and liabilities. The carrying value of any resulting pension scheme assets are restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through the scheme.

Defined contribution (DC) pension schemes

The group currently contributes to a number of defined contribution schemes for certain employees, the most significant of which is the Standard Life Pension Scheme. Employer contributions payable to these schemes in respect of the accounting period are charged to the statement of comprehensive income.

Government grant

These grants relate to capital grants received. Grants received in relation to assets that have been treated as deemed cost at the date of transition to FRS102 have been accounted for using the performance model. In applying this model such grant has been presented as if it were originally recognised as income within the statement of

comprehensive income in the year it was receivable and is therefore included within brought-forward general reserves.

Grants received since transition in relation to newly acquired or existing housing properties are accounted for using the accrual model. Grant is carried as deferred income in the balance sheet and is amortised on a systematic basis over the useful life of the housing property structure, even if the fair value of the grant exceeds the carrying value of the structure in line with SORP 2018. No grant is recognised against other components.

When a housing property is sold which was partly funded by social housing grant (SHG) the grant becomes repayable and is transferred to a recycled capital grant fund (RCGF) until it is either reinvested in a replacement property or repaid to the grant provider. Amortised grant liability is created by increasing the cost of sale of the asset, unamortised grant is transferred between deferred government grant, and RCGF amortised grant is disclosed as a contingent liability in note 36.

Donated land

Land donated by local authorities and other government sources for development purpose is added to the cost of the asset at the fair value of the land at the time of the donation. The difference between the fair value of the land and the consideration paid is treated as a non-monetary grant and recognised as a gain in the statement of comprehensive income.

Properties for sale

Shared ownership first-tranche sales, completed properties and properties under construction for outright sale are valued at the lower of cost and net realisable value. Cost comprises land, payments to contractors, fees, direct development overheads and interest capitalised. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

At the end of each reporting period, work in progress is compared to net realisable values. If the cost of property is greater than net realisable value, the identified property is reduced to its selling price less costs to complete and

Note 1 - Accounting policies (continued)

sell and a charge is recognised in the statement of comprehensive income. Where the net realisable value has increased, the charge is reversed, up to the original cost and is recognised as a credit in the statement of comprehensive income.

Current asset first-tranche shared ownership work in progress and completed properties in relation to shared ownership are calculated based on average first-tranche equity percentage purchased in the year.

Housing properties

Housing properties not converted to deemed cost or constructed or acquired since the transition to FRS102 are measured using the cost model (cost less accumulated depreciation and impairment (where applicable)).

Housing properties in the course of development are stated at cost.

Housing properties other than shared ownership properties have been split between their land and structure costs and a specific set of major components which require periodic replacement.

The portion of completed shared ownership property retained with the expectation of future staircasing sale is not depreciated on the basis that the residual value (being the staircasing sales value) is higher than carrying value.

Refurbishment or replacement of such components is capitalised and replaced component disposed of. Freehold land is not depreciated. Depreciation is charged on completed housing properties, excluding the land element, on a straight-line basis over the useful economic life of the component as follows.

Component	Useful economic life (years)
Land	Not depreciated
Structure	100
Roof	60
Heating	30
Windows	30
Electrical	30
Bathroom	30
Kitchen	20
Lift	30
Boilers including air source heat pumps	15
Leasehold property with term over 100 years	Not amortised
Leasehold property with term less than 100 years	Over the term of the lease

Cost includes the cost of acquiring land and buildings, cost of construction, capitalised interest, administration costs and expenditure incurred in improving or reinvesting in existing properties. Only directly attributable project management costs relating to developments are capitalised as part of the costs of those properties.

Reinvestment expenditure is capitalised where the works increase the net rental stream over that expected at the outset. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance cost, or a significant extension in the life of the property. Where the works are either repair or replacement with no additional utility, the costs are charged to the statement of comprehensive income.

Interest incurred on a loan financing a development is capitalised up to the date of the practical completion of the scheme.

Shared ownership properties in the course of development are split proportionally between current and fixed assets based on the element relating to expected first-tranche sales.

The first-tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Shared ownership properties have been split between land and structure only.

Deemed cost on transition to FRS102

The group took the option to carry out a one-off valuation of the majority of social housing and shared ownership properties at the date of transition on 1 April 2015 and to use that amount as deemed cost. To determine the deemed cost, the group engaged independent valuation specialist Jones Lang LaSalle Ltd (JLL) to value the housing properties on an existing use value-social housing (EUV-SH) basis. Housing properties are subsequently measured at cost.

Revaluation reserve

The revaluation reserve is used to reflect the surplus on asset revaluation upon transition to

Note 1 - Accounting policies (continued)

deemed cost. When an asset is disposed the surplus on asset revaluation is transferred from the revaluation reserve to general reserves.

Property impairment

The housing property portfolio for the group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash-generating units for which impairment is indicated to their recoverable amounts. The 'recoverable amount' is taken to be the higher of its value in use and fair value less costs to sell. Fair value less costs to sell can be considered as existing use value-social housing (EUV-SH). Therefore, where EUV-SH is higher than the 'carrying amount' of an asset, no further estimates are required. If lower, the value in use is calculated.

The SORP considers that properties held for social benefit are held for their service potential and, therefore, value in use service potential should be used (VIU-SP).

The SORP also notes that depreciated replacement cost (DRC) will provide a reasonable measure of VIU-SP.

The group defines a cash-generating unit as a scheme. The assessment of value in use may involve considerations of the service potential of the assets or cash-generating units. Details of properties where consideration has been given to service potential are provided in note 9.

Investment properties

Investment properties are defined as properties held to earn rentals and for capital appreciation on a commercial basis. The group holds properties rented on the open market and commercial properties.

Investment properties are included in the balance sheet at their open market value. This has been determined in accordance with the guidance notes on the valuation of assets issued by the Royal Institution of Chartered Surveyors.

Housing properties for market rent are stated at market value subject to tenancies (MV-STT).

Properties held as investments are revalued annually and the surplus or deficit is recognised in operating surplus. No depreciation is provided in respect of investment properties. These are subsequently carried at fair value which is determined annually by external valuers.

Other fixed assets

Other fixed assets are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis as follows:

- Other land and buildings
 - Freehold offices and buildings – 50 years
 - Leasehold offices and buildings – over the life of the lease
- Other tangible assets – two to five years

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale
- The intention to complete the software and use or sell it
- The ability to use the software or to sell it
- How the software will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software
- The ability to measure reliably the expenditure attributable to the software during its development

Amortisation is charged so as to allocate the cost of intangibles

Note 1 - Accounting policies (continued)

over their estimated useful lives, using the straight-line method. The intangible assets are amortised over four years.

Provisions

Provisions have been included in the financial statements only to the extent that there is a present legal or constructive obligation to transfer economic benefits.

Leased assets

Where assets are financed by leasing agreements that transfer substantially all risks and rewards to ownership, they are treated as if they had been purchased outright. The amount capitalised is the lower of present value of the minimum lease payments payable during the lease term or the fair value of the leased asset. The corresponding leasing commitments are shown as the present value of the obligations to the lessor. Lease payments are treated as consisting of a finance charge and a reduction in liability. The finance charge is charged to the statement of comprehensive income for the period using the effective interest method.

Rentals paid under operating leases are charged to the statement of comprehensive income for the period on a straight-line basis over the period of the lease.

Gift aid

Charitable donations made between group entities are shown in the financial statements at the value of the donation. Within the group such transactions are eliminated. Gift aid payments are treated as distributions of reserves in the group's subsidiaries.

Financial instruments

The group has elected to recognise and measure its financial assets and liabilities in accordance with the measurement and disclosure requirements of sections 11 and 12 of FRS102 "Financial Instruments".

Interest rate swap financial instruments and hedging activities

The group uses interest rate swaps to adjust interest rate exposure. The group also uses, if appropriate,

foreign exchange contracts to reduce exposures to movements in foreign exchange rates on foreign currency nominated financial instruments. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Interest rate swaps are initially accounted for and measured at fair value on the date an interest rate swap contract is entered into and subsequently measured at fair value. The gain or loss on measurement is taken to the statement of comprehensive income except where the interest rate swap is a designated cash flow hedging instrument. The accounting treatment of interest rate swaps classified as hedges depends on their designation, which occurs on the date that the interest rate swap contract is committed to.

The group designates interest rate swaps as a hedge of the income/cost of a highly probable forecasted transaction or commitment ('cash flow hedge').

In order to qualify for hedge accounting, the group is required to document in advance the

relationship between the item being hedged and the hedging instrument. The group is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an ongoing basis. This effectiveness testing is reperformed at each period end to ensure that the hedge remains highly effective.

Gains or losses on cash flow hedges that are regarded as highly effective are recognised in equity in cash flow hedge reserve. Where the forecast transaction results in a financial asset or financial liability, only gains or losses previously recognised in the statement of comprehensive income are reclassified to the statement of comprehensive income in the same period as the asset or liability affects income or expenditure. Where the forecasted transaction or commitment results in a non-financial asset or a non-financial liability, any gains or losses previously deferred in the statement of comprehensive income are included in the cost of the related asset or liability. If the forecasted transaction or

Note 1 - Accounting policies (continued)

commitment results in future income or expenditure, gains or losses deferred in the statement of comprehensive income are transferred to the statement of comprehensive income in the same period as the underlying income or expenditure. The ineffective portions of the gain or loss on the hedging instrument are recognised in the statement of comprehensive income.

For the portion of hedges deemed ineffective or transactions that do not qualify for hedging, any change in assets or liabilities is recognised immediately in the statement of comprehensive income. Where a hedge no longer meets the effectiveness criteria, any gains or losses deferred in equity are only transferred to the statement of comprehensive income when the committed or forecasted transaction is recognised in the statement of comprehensive income. However, where an entity applied cash flow hedge accounting for a forecasted or committed transaction that is no longer expected to occur, the cumulative gain or loss is transferred to the statement of comprehensive income. When a hedging instrument expires or is sold, any cumulative gain or loss existing in equity at

that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of comprehensive income.

Financial assets

The group classifies its financial assets into one of the following categories depending on the purpose for which the asset was acquired.

Financial assets also include cash and cash equivalents. Cash and cash equivalents are readily disposable current asset investments. They include some money market deposits held for more than 24 hours that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

Loans and receivables

These assets are non-interest rate swap financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised

cost using the effective interest rate. Provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the receivable item.

Rental debtors

Rental debtors are stated gross of amounts paid in advance and overpayments, which are shown in other creditors.

Homebuy

Homebuy transactions are grants received from the grant provider and passed on to an eligible beneficiary. The group has the benefit of a fixed charge on the property entitling the group to a share of the proceeds on the sale of the property by the beneficiary. Homebuy loans have been classified as a financial asset and treated as a concessionary

loan. Concessionary loans are carried in the statement of financial position at amortised cost less any impairment. The government grants that fund these concessionary loans are recognised as liabilities and amortised.

Financial liabilities

The group classifies its financial liabilities into one of the following categories depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship, the group's accounting policy for each category is as follows.

Fair value through the statement of comprehensive income

Other than interest rate swap financial instruments which are not designated as hedging instruments, the group does not have any liabilities for trading nor does it voluntarily classify any financial liabilities as being at fair value through the statement of comprehensive income.

Other financial liabilities

Bank borrowings are initially recognised at fair value net of

Note 1 - Accounting policies (continued)

any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes the amortisation of initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Interest rate swaps embedded in host debt contracts are not accounted for separately where they are considered to be closely related.

Where swaps are considered not to be closely related they are accounted for separately and treated as fair value through the statement of comprehensive income.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised

cost using the effective interest rate.

In the temporary housing business, under the terms of the leases, funds are set aside on acquisition of property in order to meet contractual obligations to fund dilapidations.

Critical accounting judgements and estimation uncertainty

The group makes estimates and assumptions concerning the future. Estimates and judgements are based on historical experience and future expectations. Critical accounting estimates and assumptions will include estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements and estimates that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are outlined below.

Operating surplus

The operating surplus/deficit includes amounts disclosed as representative of activities that

would normally be regarded as "operating". For example, it would be inappropriate to exclude items clearly related to operations (such as inventory write-downs, profit and losses on sale of property, plant and equipment (including housing properties), investment property and intangible assets and restricting and relocation expenses) because they occur irregularly and infrequently or are unusual in amount. Similarly, it would be inappropriate to exclude items on the grounds that they do not involve cash flow, such as depreciation and amortisation expenses.

Operating surplus is shown including the following as these are part of our usual operating activity

- Gain on disposal of housing properties and other properties including property plant and equipment
- Recognition of grant following the sale of housing stock to another registered provider
- Share of operating profit/(loss) in joint ventures

Exceptional items detailed in note 37 are also included within operating surplus as, although considered exceptional, they have occurred

as a result of the group's operating activities.

Management have made a judgement that the movement in fair value of investment properties does not form part of our usual operating cycle based on the existing use of the assets.

Useful economic lives of fixed assets (note 9)

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors (note 16)

The group makes an estimate of the recoverable value of trade and other debtors including rental debtors. When assessing impairment of debtors, management considers factors including the current credit rating of the debtor, the ageing profile of

Note 1 - Accounting policies (continued)

debtors and historical experience of cash collection from tenants.

Investment property (note 10)

The fair value of investment properties is determined by using valuation techniques. The valuation of commercial properties is determined using open market value with vacant possession. Properties rented on the open market are valued at market value subject to tenancies using a discounted cash flow methodology.

Housing property cost allocation

Housing property costs include the cost of acquiring land and buildings, cost of construction, directly attributable management costs and capitalised interest. Directly attributable management costs are allocated at 3.0% (2023: 2.0%) of project acquisition and works costs to a maximum of costs incurred. Interest is capitalised up to the date of practical completion based on the weighted average cost of capital at a rate of 5.8% (2023: 4.08%), reviewed annually.

Allocation of stock of first-tranche sales (note 15)

The estimate of stock of first-tranche sales is reviewed in line with actual sales achieved on an annual basis.

Impairment of housing properties (note 9)

Housing properties are assessed for indicators of impairment at each balance sheet date. Where indicators of impairment are identified, a detailed assessment is undertaken to compare the carrying value of the asset (cash generating unit) to their recoverable amount. The recoverable amount is considered to be the higher of the fair value less costs to sell or value in use. The assessment of value in use may involve considerations of the service potential of the cash generating unit using depreciated replacement cost for a present value of future cashflows.

Indicators of impairment identified this year include void properties and properties with fire remedial works.

Impairment of properties in the course of sale (note 15)

Properties under construction or in the course of sale are held at the lower of cost and the net realisable value. These include land bank, work in progress and the completed units.

Estimation is required to assess the future costs to complete a development and future sales values.

During the year the board took the strategic decision to attenuate the development programme to facilitate speedy investment in the completed properties. The land bank schemes affected were reviewed for impairment and, where necessary, assets impaired to the estimated net realisable value.

Fire provisions (note 22)

Building safety provisions require judgement to be made as to whether a constructive or legal obligation exists and whether a reliable estimation can be made. Our approach has been on a scheme-by-scheme basis taking into consideration the specific facts and circumstances of each

scheme. The key judgements applied are as follows:

- **Constructive obligation:** Where the group have made specific communications to residents that raises a valid expectation that certain works will be undertaken, a provision will be recognised;
- **Legal obligation:** A provision will be recognised where it is judged not to be reasonably practical or possible to avoid undertaking certain works in line with the Building Safety Act 2022 requirement with the scope of remediation works being assessed by means of a fire risk appraisal of external works (FRAEW);
- **Reliable estimation:** A provision will be recognised where management can reliably estimate the potential remediation costs subject to sufficient knowledge of the scope of works required through intrusive surveys and reports from independent experts or employer agents.

In accordance with FRS 102 paragraph 21.9, any pending claims from contractors or government grants are excluded

Note 1 - Accounting policies (continued)

from the calculation of provisions. These are only recognised when reimbursement is virtually certain and included in debtors.

Remediation provisions are included for all leased properties that met the above conditions and where the Building Safety Act 2022 requires the group not to recharge any remedial works costs to the leaseholders. These are charged to the statement of comprehensive income. Provision has not been made for works to the group's general needs properties held on the balance sheet. The works will be treated as component replacements when completed.

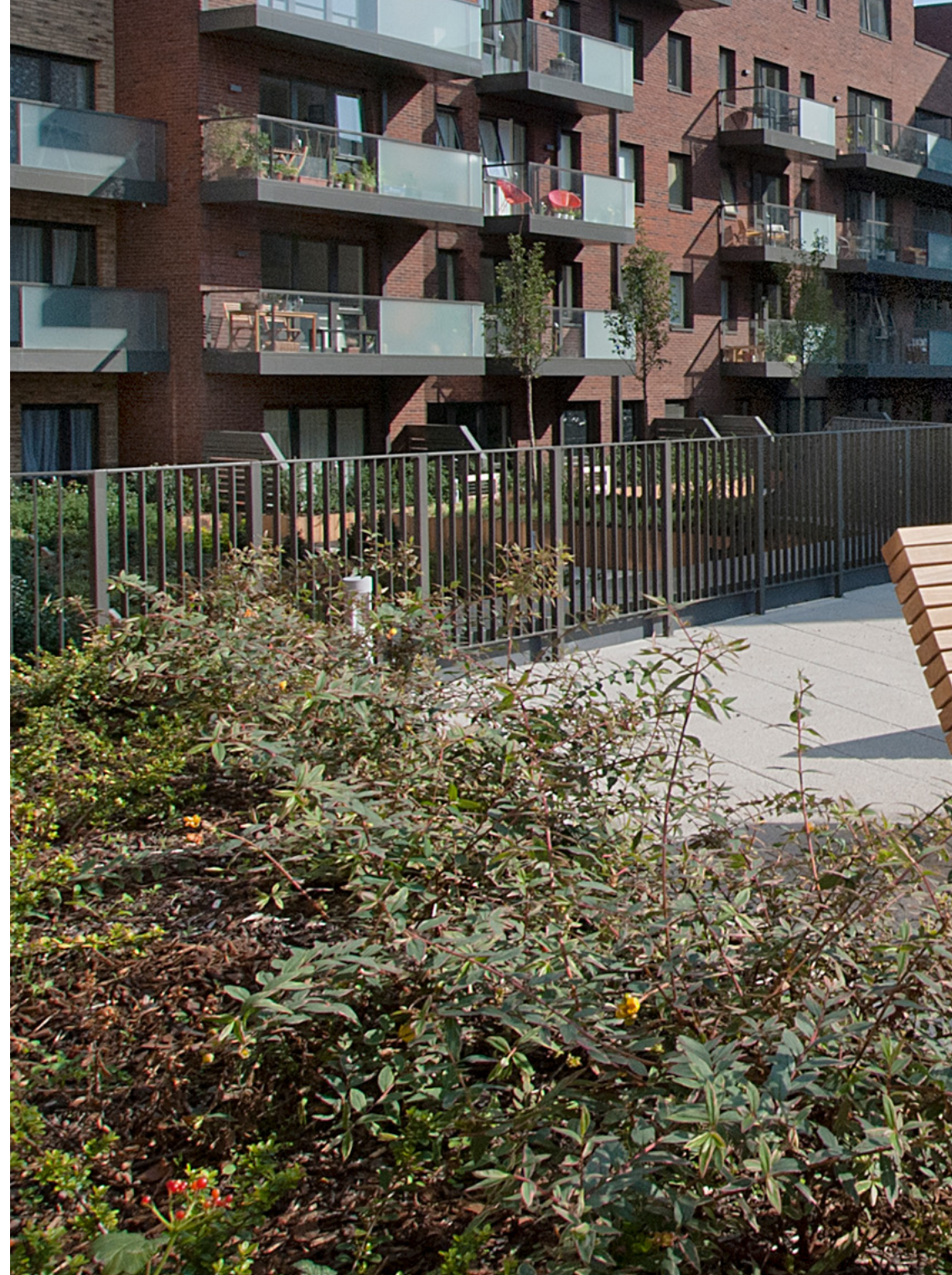
The valuation of pension liabilities (note 28)

The critical selection of financial and actuarial assumptions in relation to defined benefit scheme obligation (DBO) are based on best estimates derived from the group's policies and practices and their application across all pension schemes operated by the group where appropriate and confirmed with actuaries where these are beyond management expertise e.g. mortality tables have been chosen based on published

research by the Continuous Mortality Investigation Bureau (supported by the actuarial profession). Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in note 28).

Valuation of derivatives (note 35)

All financial assets or liabilities are calculated using measurements based on inputs that are observable for the asset either directly or indirectly from prices. All other loans and receivables are shown at amortised costs.





Note 2 - Turnover, cost of sales, operating costs and operating surplus

Group continuing activities - year ended 31 March 2024	Turnover £m	Cost of sale £m	Operating costs £m	Operating surplus £m
Social housing lettings (note 3)	527.2	-	(462.6)	64.6
Other social housing activities				
Development services	7.0	-	(20.9)	(13.9)
Sales and marketing services	-	-	(6.1)	(6.1)
Neighbourhood activities	0.4	-	(1.6)	(1.2)
First-tranche shared ownership sales	17.6	(13.9)	-	3.7
Supporting people and care	0.1	-	(0.3)	(0.2)
Impairment in shared ownership	-	-	-	-
	25.1	(13.9)	(28.9)	(17.7)
Activities other than social housing activities				
Properties for sale	49.6	(41.4)	-	8.2
Charitable fundraising activities	0.1	-	(0.1)	-
Commercial rent properties	5.7	-	(2.4)	3.3
Student accommodation	-	-	(0.6)	(0.6)
Impairment of intangible assets and investment in joint venture	-	-	(0.5)	(0.5)
Market rent properties	67.1	-	(31.5)	35.6
Other income	1.8	-	-	1.8
Non-social lease owners	22.9	-	(23.0)	(0.1)
Non-social low-cost rent	12.3	-	(5.9)	6.4
	159.5	(41.4)	(64.0)	54.1
Total	711.8	(55.3)	(555.5)	101.0

Group continuing activities - year ended 31 March 2023	Turnover £m	Cost of sale £m	Operating costs £m	Operating surplus £m
	Reclassified*		Reclassified*	
Social housing lettings (note 3)	515.8	-	(418.6)	97.2
Other social housing activities				
Development services	13.4	-	(21.2)	(7.8)
Sales and marketing services	-	-	(4.0)	(4.0)
Neighbourhood activities	0.6	-	(1.3)	(0.7)
First-tranche shared ownership sales	38.4	(33.2)	-	5.2
Supporting people and care	10.5	-	(11.1)	(0.6)
Impairment in shared ownership	-	-	(0.7)	(0.7)
	62.9	(33.2)	(38.3)	(8.6)
Activities other than social housing activities				
Properties for sale	64.3	(57.2)	-	7.1
Charitable fundraising activities	0.2	-	-	0.2
Commercial rent properties	5.8	-	(2.6)	3.2
Student accommodation	-	-	(0.4)	(0.4)
Impairment of intangible assets and investment in joint venture	-	-	(4.0)	(4.0)
Market rent properties	60.3	-	(29.4)	30.9
Other income	0.4	-	-	0.4
Non-social lease owners	18.4	-	(21.8)	(3.4)
Non-social low-cost rent	10.0	-	(4.8)	5.2
	159.4	(57.2)	(63.0)	39.2
Total	728.1	(90.4)	(515.1)	122.6

*In the year to 31 March 2023, the non-social low-cost rent was included with general needs rent. It is now disclosed under activities other than social activities.

Note 2 - Turnover, cost of sales, operating costs and operating surplus (continued)

NHG continuing activities - year ended 31 March 2024	Turnover £m	Cost of sale £m	Operating costs £m	Operating surplus £m
Social housing lettings (note 3)	484.7	-	(437.8)	46.9
Other social housing activities				
Development services	6.2	(1.2)	(16.1)	(11.1)
Sales and marketing services	-	-	(0.6)	(0.6)
Neighbourhood activities	0.4	-	(1.1)	(0.7)
First-tranche shared ownership sales	1.9	(1.7)	-	0.2
Supporting people and care	0.1	-	(0.4)	(0.3)
Impairment release of shared ownership properties	-	-	-	-
	8.6	(2.9)	(18.2)	(12.5)
Activities other than social housing activities				
Commercial rent properties	3.7	-	(1.9)	1.8
Private sales	-	-	-	-
Charitable fundraising activities	0.1	-	(0.1)	-
Market rent properties	24.6	-	(16.8)	7.8
Impairment of intangible assets	-	-	-	-
Non-social lease owners	11.2	-	(11.0)	0.2
	39.6	-	(29.8)	9.8
Total	532.9	(2.9)	(485.8)	44.2

NHG continuing activities - year ended 31 March 2023	Turnover £m	Cost of sale £m	Operating costs £m	Operating surplus £m
Social housing lettings (note 3)	464.3	-	(411.2)	53.1
Other social housing activities				
Development services	9.3	(5.6)	(15.9)	(12.2)
Sales and marketing services	-	-	(1.2)	(1.2)
Neighbourhood activities	0.6	-	(0.9)	(0.3)
First-tranche shared ownership sales	6.6	(6.0)	-	0.6
Supporting people and care	10.5	-	(11.1)	(0.6)
Impairment release of shared ownership properties	-	-	0.7	0.7
	27.0	(11.6)	(28.4)	(13.0)
Activities other than social housing activities				
Commercial rent properties	3.8	-	(2.1)	1.7
Private sales	-	-	-	-
Charitable fundraising activities	0.1	-	-	0.1
Market rent properties	20.2	-	(15.3)	4.9
Impairment of intangible assets	-	-	6.0	6.0
Non-social lease owners	8.4	-	(11.4)	(3.0)
	32.5	-	(22.8)	9.7
Total	523.8	(11.6)	(462.4)	49.8

Note 3 - Income and expenditure from social housing lettings

Group - year ended 31 March 2024	Rented social housing £m	Shared ownership £m	Temporary housing £m	Keyworker housing £m	Supported housing £m	Total £m
Income						
Rent receivable	289.1	54.1	55.6	10.6	25.0	434.4
Service charges receivable	28.6	20.9	-	0.1	8.7	58.3
Net rents receivable	317.7	75.0	55.6	10.7	33.7	492.7
Amortised government grants	9.9	1.0	-	-	1.3	12.2
Management fee	1.3	4.4	-	0.2	2.1	8.0
Other income	2.1	3.4	-	0.2	5.1	10.8
Other grants	3.3	-	-	-	0.2	3.5
Total income from social housing lettings	334.3	83.8	55.6	11.1	42.4	527.2
Expenditure						
Management	(71.0)	(16.6)	(7.1)	(6.3)	(11.9)	(112.9)
Service charges	(37.6)	(20.9)	(0.3)	(3.5)	(10.2)	(72.5)
Routine maintenance	(98.6)	(2.4)	(2.7)	(0.4)	(5.5)	(109.6)
Planned maintenance	(10.8)	-	-	(0.1)	(1.0)	(11.9)
Major repairs expenditure	(39.8)	(1.5)	(0.5)	-	(5.3)	(47.1)
Bad debts	(1.9)	(0.3)	(1.0)	0.1	(0.3)	(3.4)
Lease charges	(0.4)	-	(40.1)	(0.1)	(0.1)	(40.7)
Depreciation of housing properties	(58.0)	-	(0.2)	(1.7)	(4.6)	(64.5)
Operating costs on social housing lettings	(318.1)	(41.7)	(51.9)	(12.0)	(38.9)	(462.6)
Operating surplus on social housing lettings	16.2	42.1	3.7	(0.9)	3.5	64.6
Void losses	4.1	-	0.7	0.2	2.5	7.5

Note 3 - Income and expenditure from social housing lettings (continued)

Group - year ended 31 March 2023	Rented social housing £m Reclassified*	Shared ownership £m	Temporary housing £m	Keyworker housing £m	Supported housing £m	Total £m
Income						
Rent receivable	266.3	51.5	54.4	10.4	24.6	407.2
Service charges receivable	24.3	18.5	-	0.4	8.1	51.3
Net rents receivable	290.6	70.0	54.4	10.8	32.7	458.5
Amortised government grants	9.6	2.0	-	-	1.3	12.9
Management fee	1.2	4.4	-	0.2	2.0	7.8
Other income	3.9	6.5	-	-	15.7	26.1
Other grants	0.3	-	-	-	0.2	0.5
Total income from social housing lettings	305.6	82.9	54.4	11.0	51.9	505.8
Expenditure						
Management	(52.5)	(14.2)	(6.0)	(5.0)	(10.2)	(87.9)
Service charge costs	(31.3)	(17.6)	(0.2)	(1.2)	(9.8)	(60.1)
Routine maintenance	(90.3)	(9.9)	(3.0)	(1.0)	(6.1)	(110.3)
Planned maintenance	(11.2)	-	-	(0.1)	(1.7)	(13.0)
Major repairs expenditure	(36.0)	(1.8)	(0.2)	-	(6.4)	(44.4)
Bad debts	(1.6)	0.1	(0.2)	(0.1)	-	(1.8)
Lease charges	(0.3)	-	(39.0)	(0.1)	(0.1)	(39.5)
Depreciation of housing properties	(50.3)	(0.6)	(0.2)	(1.1)	(4.6)	(56.8)
Operating costs on social housing lettings	(273.5)	(44.0)	(48.8)	(8.6)	(38.9)	(413.8)
Operating surplus on social housing lettings	32.1	38.9	5.6	2.4	13.0	92.0
Void losses	4.0	-	0.6	0.3	2.3	7.2

* See Note 2

Note 3 - Income and expenditure from social housing lettings (continued)

NHG - year ended 31 March 2024	Rented social housing £m	Shared ownership housing £m	Temporary housing £m	Keyworker housing £m	Supported housing £m	Total £m
Income						
Rent receivable	289.0	19.5	55.7	10.6	25.0	399.8
Service charges receivable	27.9	8.6	-	0.1	14.8	51.4
Net rents receivable	316.9	28.1	55.7	10.7	39.8	451.2
Amortised grants	11.9	0.8	-	-	1.3	14.0
Other grants	1.3	-	-	-	0.3	1.6
Management fee income	1.3	2.2	-	0.2	2.1	5.8
Other fee income	6.5	0.3	-	0.2	5.1	12.1
Turnover from social housing lettings	337.9	31.4	55.7	11.1	48.6	484.7
Expenditure						
Management	(74.2)	(0.9)	(7.7)	(6.3)	(14.5)	(103.6)
Service charge costs	(37.6)	(8.5)	(0.3)	(3.4)	(13.0)	(62.8)
Routine maintenance	(98.6)	(1.0)	(2.7)	(0.4)	(5.5)	(108.2)
Planned maintenance	(10.8)	-	-	(0.1)	(1.0)	(11.9)
Major repairs expenditure	(36.9)	0.1	(0.5)	-	(5.3)	(42.6)
Bad debts	(1.9)	(0.3)	(1.0)	0.1	(0.3)	(3.4)
Lease charges	(0.4)	-	(40.1)	(0.1)	(0.1)	(40.7)
Depreciation of housing properties	(58.0)	(0.1)	(0.2)	(1.7)	(4.6)	(64.6)
Operating costs on social housing lettings	(318.4)	(10.7)	(52.5)	(11.9)	(44.3)	(437.8)
Operating surplus on social housing lettings	19.5	20.7	3.2	(0.8)	4.3	46.9
Void losses	4.1	-	0.7	0.2	2.5	7.5

Note 3 - Income and expenditure from social housing lettings (continued)

NHG - year ended 31 March 2023	Rented social housing £m	Shared ownership housing £m	Temporary housing £m	Keyworker housing £m	Supported housing £m	Total £m
Income						
Rent receivable	266.1	18.7	54.3	10.3	24.6	374.0
Service charges receivable	24.3	7.9	-	0.5	16.3	49.0
Net rents receivable	290.4	26.6	54.3	10.8	40.9	423.0
Amortised grants	9.6	0.9	-	-	1.3	11.8
Other grants	0.3	-	-	-	0.2	0.5
Management fee income	1.2	1.9	-	0.2	2.0	5.3
Other fee income	4.0	4.0	-	-	15.7	23.7
Turnover from social housing lettings	305.5	33.4	54.3	11.0	60.1	464.3
Expenditure						
Management	(51.9)	(0.3)	(5.9)	(5.0)	(12.2)	(75.3)
Service charges	(31.2)	(7.9)	(0.2)	(1.2)	(16.1)	(56.6)
Routine maintenance	(89.0)	(3.3)	(3.0)	(1.0)	(6.1)	(102.4)
Planned maintenance	(11.2)	-	-	(0.1)	(1.7)	(13.0)
Major repairs expenditure	(58.6)	(0.1)	(0.2)	-	(6.4)	(65.3)
Bad debts	(1.5)	(0.5)	(0.2)	(0.1)	-	(2.3)
Lease charges	(0.3)	-	(39.0)	(0.1)	(0.1)	(39.5)
Depreciation of housing properties	(50.4)	(0.5)	(0.2)	(1.1)	(4.6)	(56.8)
Operating costs on social housing lettings	(294.1)	(12.6)	(48.7)	(8.6)	(47.2)	(411.2)
Operating surplus on social housing lettings	11.4	20.8	5.6	2.4	12.9	53.1
Void losses	4.0	-	0.6	0.3	2.3	7.2

Note 4 - Surplus on disposal of assets

Group	2024			2023		
	Shared ownership £m	Other £m	Total £m	Shared ownership £m	Other £m	Total £m
Disposal proceeds	49.9	164.5	214.4	93.3	142.2	235.5
Social housing grant	(3.8)	(1.5)	(5.3)	(5.8)	(0.3)	(6.1)
Carrying value of fixed assets	(30.5)	(147.4)	(177.9)	(54.2)	(122.2)	(176.4)
Selling costs	(0.2)	(2.0)	(2.2)	(0.3)	(1.9)	(2.2)
Year-ended 31 March	15.4	13.6	29.0	33.0	17.8	50.8

NHG	2024			2023		
	Shared ownership £m	Other £m	Total £m	Shared ownership £m	Other £m	Total £m
Disposal proceeds	17.2	48.4	65.6	32.6	65.3	97.9
Social housing grant	(0.7)	(1.0)	(1.7)	(1.2)	(0.4)	(1.6)
Carrying value of fixed assets	(12.3)	(31.2)	(43.5)	(21.8)	(51.7)	(73.5)
Selling costs	(0.1)	(1.9)	(2.0)	-	(0.9)	(0.9)
Year-ended 31 March	4.1	14.3	18.4	9.6	12.3	21.9

Note 5 - Interest receivable and similar income

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Bank deposits	4.0	3.0	2.7	0.9
Intercompany	-	-	46.4	28.3
Interest on financial assets held at amortised cost	4.0	3.0	49.1	29.2
Interest on financial assets held at fair value	7.2	4.0	6.9	3.9
	11.2	7.0	56.0	33.1

Note 6 - Interest payable and similar charges

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Other loans	161.0	139.6	152.8	132.1
Interest on financial liabilities held at amortised cost	161.0	139.6	152.8	132.1
Interest paid on financial liabilities held at fair value	3.5	9.7	3.3	9.5
	164.5	149.3	156.1	141.6
Less: interest capitalised on developments	(21.4)	(9.9)	(3.7)	(2.9)
	143.1	139.4	152.4	138.7
Interest is capitalised at	5.58%	4.08%	-	4.40%

Note 7 - Surplus on ordinary activities before taxation

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Surplus on ordinary activities before taxation is stated after charging/(crediting):				
Depreciation on housing properties	67.8	59.5	64.6	56.7
Depreciation on other fixed assets	2.7	2.7	2.6	2.6
Amortisation of intangible assets	5.0	5.4	5.0	5.1
Rent on temporary housing leases (less than 28 days)	40.1	39.5	40.1	39.5
Impairment	14.9	4.7	10.0	(6.7)
Write-down of inventories	14.9	1.8	9.4	-
Auditors' remuneration		£'000		£'000
Audit services (excluding VAT)	567.2	500.0	314.2	277.0
Non-audit services (including VAT)	-	-	-	-

Note 8 - Taxation

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Total tax reconciliation				
(Deficit)/ Surplus on ordinary activities before tax	(90.2)	106.1	(105.7)	60.6
Theoretical tax at UK corporation tax rate 25% (2023: 19%)	(22.6)	20.2	(26.4)	11.5
Charitable activities	28.3	(17.8)	26.4	(11.5)
Expenses not deductible for tax purposes	(0.8)	0.5	-	-
Gift aid	(5.4)	-	-	-
Capital allowance	(0.3)	-	-	-
Overseas tax rates	(0.1)	-	-	-
Group relief surrendered/(claimed)	0.3	-	-	-
Chargeable gains/(losses)	(0.5)	9.8	-	-
Deferred tax not recognised	(0.2)	-	-	-
Effect of rate change on deferred tax	-	(1.0)	-	-
Adjustment to tax charge in respect of previous periods	1.3	-	-	-
Total Tax charge	-	11.7	-	-

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Deferred tax				
Balance at 1 April	77.1	65.6	-	-
Deferred tax charge in the statement of comprehensive income	-	11.7	-	-
Deferred tax charged to revaluation reserve	(0.4)	(0.7)	-	-
Deferred tax charged to cash flow hedge reserve	(0.9)	0.5	-	-
Balance at 31 March	75.8	77.1	-	-

Note 9 - Housing properties

On transition to FRS102, the group took the option of carrying out a one-off valuation on the majority of its housing properties and using that amount as deemed cost. To determine the deemed cost at 1 April 2014, the group engaged Jones Lang LaSalle (JLL) to value housing properties on an EUV-SH basis. Housing properties are subsequently to be measured at cost.

The valuation was carried out as a desktop exercise on an EUV-SH basis using discounted cash flows. The properties were grouped by local authority area.

The cash flow was calculated over 50 years with the net income in the final year capitalised into perpetuity with an assumption of 1% real rent increase per annum with a discount rate of between 5.25% and 6.25%.

Group	Completed properties held for letting £m	Letting properties in the course of development £m	Completed shared ownership properties £m	Shared ownership properties in the course of development £m	Total £m
At 1 April 2023	5,848.7	172.6	1,162.7	189.0	7,373.0
Reclassification*	(5.0)	32.1	0.0	(27.1)	0.0
Revised balance at 1 April 2023	5,843.7	204.7	1,162.7	161.9	7,373.0
Additions	-	149.8	14.9	36.5	201.2
Works to existing properties	60.9	-	-	-	60.9
Properties completed	113.9	(113.9)	30.5	(30.5)	-
Disposals	(45.2)	(0.2)	(30.7)	-	(76.1)
Transfers	3.5	1.2	(6.3)	(25.8)	(27.4)
At 31 March 2024	5,976.8	241.6	1,171.1	142.1	7,531.6
Depreciation					
At 1 April 2023	(549.2)	-	(8.4)	-	(557.6)
Charge for the year	(67.8)	-	-	-	(67.8)
Disposals	25.9	-	0.7	-	26.6
Impairment	(9.9)	-	-	(1.1)	(11.0)
At 31 March 2024	(601.0)	-	(7.7)	(1.1)	(609.8)
Net book value					
At 31 March 2024	5,375.8	241.6	1,163.4	141.0	6,921.8
At 31 March 2023	5,299.5	172.6	1,154.3	189.0	6,815.4
Historical cost at 31 March 2024	5,493.8	214.9	1,099.5	168.1	6,976.3
Historical cost at 31 March 2023	5,367.8	172.6	1,091.5	189.0	6,820.9

The carrying value of the properties under the cost model would be £6,976m (2023: £6,821m) compared with £6,922m (2023: £6,815m) shown above.

* Reclassification relates to adjustment for the historical shared ownership balance brought forward.

Note 9 - Housing properties (continued)

NHG	Completed properties £m	Housing properties in the course of development £m	Completed shared ownership properties £m	Shared ownership properties in the course of development £m	Total £m
At 1 April 2023	5,505.4	94.1	432.0	30.4	6,061.9
Reclassification*	-	26.9	-	(26.9)	-
Revised balance at 1 April 2023	5,505.4	121.0	432.0	3.5	6,061.9
Additions	-	55.8	30.5	-	86.3
Works to existing properties	59.9	-	-	-	59.9
Properties completed	38.6	(38.6)	-	-	-
Disposals	(55.8)	(0.2)	(12.3)	-	(68.3)
Transfers	1.4	(1.1)	(3.8)	(3.5)	(7.0)
At 31 March 2024	5,549.5	136.9	446.4	-	6,132.8
Depreciation					
At 1 April 2023	(536.8)	-	(0.1)	-	(536.9)
Charge for the year	(59.2)	-	-	-	(59.2)
Disposals	20.5	-	-	-	20.5
Impairment	(10.0)	-	-	-	(10.0)
At 31 March 2024	(585.5)	-	(0.1)	-	(585.6)
Net book value					
At 31 March 2024	4,964.0	136.9	446.3	-	5,547.2
At 31 March 2023	4,968.6	94.1	431.9	30.4	5,525.0
Historical cost at 31 March 2024	5,078.7	110.1	422.3	26.9	5,638.0
Historical cost at 31 March 2023	5,036.8	94.1	407.3	30.4	5,568.6

* Reclassification relates to adjustment for the historical shared ownership balance brought forward. Included above the net book value of housing properties held as security for loans (disclosed in note 21) is £3,785m.

Housing properties comprise:	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Freeholds	5,991.6	5,900.9	4,229.1	4,208.7
Long leaseholds	907.1	902.0	1,289.9	1,299.0
Short leaseholds	23.1	12.5	28.2	17.3
	6,921.8	6,815.4	5,547.2	5,525.0

Additions to properties include:	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Capitalised interest	21.4	9.9	3.7	2.9
Capitalised development salaries and overheads	7.2	3.9	1.7	1.8

Expenditure on works to existing properties	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Amounts capitalised	60.2	39.7	59.4	39.4
Amounts charged to income and expenditure account	104.0	44.7	86.7	65.3
	164.2	84.4	146.1	104.7

Note 10 - Investment properties

The market rent properties were valued at 31 March 2024 by Jones Lang LaSalle. The properties were valued at open market value basis subject to tenancies. The properties were valued on a discounted cashflow basis over a 10-year holding period, with a reversion in the final year to net income capitalised into perpetuity by an exit yield between 5.00% and 5.75% dependent on the scheme. The discount rate used is between 7.0% and 7.75%

The financial statements include commercial properties at open market value with vacant possession. The valuation has been compiled for

internal accounts purposes and complies with VPGA1 valuation for inclusion in financial statements. RICS Valuation – Global Standards 2017. These were valued by Newsteer Real Estate Advisers and Jones Lang LaSalle. All valuers are members of the Royal Institution of Chartered Surveyors at 31 March 2024.

Market conditions

Transactions across markets and sectors remain low, for a variety of reasons. The full implications of wars in the Middle East and Ukraine are unknown. Instability in these regions and beyond may compound already difficult real estate market

conditions. This is likely to be exacerbated when coupled with inflationary pressures and other factors impacting the global economy, including the cost and availability of debt. The combination heightens the potential for volatility and quick changes in consumer and investor behaviours.

In recognition of the potential for market conditions to change rapidly, we highlight the critical importance of the valuation date and confirm the conclusions in our report are valid at that date only.

Group	Completed market rent properties £m	Market rent properties in the course of development £m	Sub total £m	Completed commercial properties £m	Commercial properties in the course of development £m	Sub total £m	Total £m
Valuation 1 April 2023	1,064.8	39.2	1,104.0	71.9	1.9	73.8	1,177.8
Additions	-	18.5	18.5	-	0.1	0.1	18.6
Completed properties	43.5	(43.5)	-	2.7	(2.7)	-	-
Transfer to stock	-	-	-	-	1.3	1.3	1.3
Disposals	(3.3)	-	(3.3)	(4.3)	-	(4.3)	(7.6)
Revaluation of property	(5.4)	-	(5.4)	(0.3)	-	(0.3)	(5.7)
At 31 March 2024	1,099.6	14.2	1,113.8	70.0	0.6	70.6	1,184.4
Impairment							
At 1 April 2023	-	-	-	-	(0.4)	(0.4)	(0.4)
Provision for impairment	-	-	-	-	-	-	-
At 31 March 2024	-	-	-	-	(0.4)	(0.4)	(0.4)
Net book value							
At 31 March 2024	1,099.6	14.2	1,113.8	70.0	0.2	70.2	1,184.0
At 31 March 2023	1,064.8	39.2	1,104.0	71.9	1.5	73.4	1,177.4

Note 10 - Investment properties (continued)

NHG	Completed market rent properties	Market rent properties in the course of development	Sub total	Completed commercial properties	Commercial properties in the course of development	Sub total	Total
	£m	£m	£m	£m	£m	£m	£m
Valuation 1 April 2023	246.4	-	246.4	44.8	0.5	45.3	291.7
Additions	72.3	7.9	80.2	-	-	-	80.2
Disposals	-	-	-	(1.1)	-	(1.1)	(1.1)
Completed properties	-	-	-	2.7	(2.7)	-	-
Transfer to stock	-	-	-	-	2.7	2.7	2.7
Revaluation of property	(10.0)	-	(10.0)	0.6	-	0.6	(9.4)
At 31 March 2024	308.7	7.9	316.6	47.0	0.5	47.5	364.1
Impairment							
At 1 April 2023	-	-	-	-	(0.4)	(0.4)	(0.4)
Provision for impairment	-	-	-	-	-	-	-
At 31 March 2024	-	-	-	-	(0.4)	(0.4)	(0.4)
Net book value							
At 31 March 2024	308.7	7.9	316.6	47.0	0.1	47.1	363.7
At 31 March 2023	246.4	-	246.4	44.8	0.1	44.9	291.3

Note 11 - Other fixed assets

Group	Intangible assets £m	Other land and buildings £m	Other tangible fixed assets £m	Total assets £m
Cost				
At 1 April 2023	38.1	53.6	39.1	92.7
Additions	15.2	-	2.3	2.3
Disposals	(7.9)	-	(0.5)	(0.5)
Reclassification	0.2	-	-	-
At 31 March 2024	45.6	53.6	40.9	94.5
Accumulated depreciation				
At 1 April 2023	25.8	20.3	36.7	57.0
Charge for the year	5.0	1.9	0.8	2.7
Reclassification	0.2	-	-	-
Disposals	(2.9)	-	(0.5)	(0.5)
At 31 March 2024	28.1	22.2	37.0	59.2
Net book value				
At 31 March 2024	17.5	31.4	3.9	35.3
At 31 March 2023	12.3	33.3	2.4	35.7

Group - other land and building	2024 Total £m	2023 Total £m
Freehold	30.7	32.6
Short leasehold	0.7	0.7
Total	31.4	33.3

NHG	Intangible assets £m	Other land and buildings £m	Other tangible fixed assets £m	Total assets £m
Cost				
At 1 April 2023	36.0	52.7	37.8	90.5
Additions	14.9	-	2.3	2.3
Reclassification	0.2	-	-	-
Disposals	(7.1)	-	(0.4)	(0.4)
At 31 March 2024	44.0	52.7	39.7	92.4
Accumulated depreciation				
At 1 April 2023	23.7	20.1	35.6	55.7
Charge for the year	5.0	1.9	0.7	2.6
Reclassification	0.2	-	-	-
Disposals	(2.1)	-	(0.4)	(0.4)
At 31 March 2024	26.8	22.0	35.9	57.9
Net book value				
At 31 March 2024	17.2	30.7	3.8	34.5
At 31 March 2023	12.3	32.6	2.2	34.8

NHG - other land and building	2024 Total £m	2023 Total £m
Freehold	30.7	32.6
Short leasehold	-	-
Total	30.7	32.6

Note 12 - Investment in homebuy

Group	Homebuy loans to customers £m
At 1 April 2023	24.0
Paid in year	(0.9)
Written off in the year	-
At 31 March 2024	23.1

Note 13 - Number of dwellings under development and in management

	Group		NHG	
	2024 No.	2023 No.	2024 No.	2023 No.
In the development programme				
Commercial property	78	82	-	-
General needs housing	1,816	2,055	1,816	2,042
Shared ownership housing	2,722	3,184	-	-
Outright sales	2,395	2,754	-	-
Market rent	583	578	-	-
Intermediate market rent	383	467	183	183
	7,977	9,120	1,999	2,225
Rented social housing includes affordable housing units	189	348	189	335
The development programme includes homes on site	2,570	2,347	769	843

Note 13 - Number of dwellings under development and in management (continued)

Group	At 1 April 2023 Reclassified*	Units developed	Units sold	Other	At 31 March 2024
In management at the end of the year					
General needs housing	34,706	243	(52)	(24)	34,873
Keyworker accommodation	1,086	-	-	-	1,086
Shared ownership housing	8,954	152	(163)	(29)	8,914
Temporary housing	2,853	-	-	(9)	2,844
Non-social affordable rent	729	151	-	8	888
Market rent accommodation	3,208	91	(16)	204	3,487
Student accommodation	839	-	-	-	839
Supported housing and housing for older people	3,248	-	(9)	(107)	3,132
Leasehold in management	9,747	177	-	(18)	9,906
	65,370	814	(240)	25	65,969
Rented social housing includes affordable housing units	5,229	172	(1)	(69)	5,331
Owned but not managed					
General needs rented housing	425	-	-	(47)	378
Supported housing and housing for older people	1,171	-	-	(32)	1,139
Leasehold in management	2	-	-	6	8
Market rent accommodation	2	-	-	-	2
Shared ownership housing	139	-	-	-	139
Temporary housing	1	-	-	-	1
	1,740	-	-	(73)	1,667
Total	67,110	814	(240)	(48)	67,636

NHG	At 1 April 2023	Units developed	Units sold	Other	At 31 March 2024
In management at the end of the year					
General needs housing	35,414	243	(52)	(118)	35,487
Keyworker accommodation	1,086	-	-	-	1,086
Shared ownership housing	3,397	-	(40)	171	3,528
Temporary housing	2,853	-	-	(16)	2,837
Non-social affordable rent	-	-	-	-	-
Market rent accommodation	3,021	91	(16)	391	3,487
Student accommodation	-	-	-	-	-
Supported housing and housing for older people	3,248	-	(9)	(107)	3,132
Leasehold in management	4,621	-	-	97	4,718
	53,640	334	(117)	418	54,275
Rented social housing includes affordable housing units	5,229	172	(1)	(74)	5,326
Owned but not managed					
General needs rented housing	425	-	-	(47)	378
Supported housing and housing for older people	1,171	-	-	(32)	1,139
Leasehold in management	2	-	-	-	2
Market rent accommodation	2	-	-	-	2
Shared ownership housing	139	-	-	-	139
Temporary housing	1	-	-	-	1
	1,740	-	-	(79)	1,661
Total	55,380	334	(117)	339	55,936

* See note 2 for more details

Note 14 - Investments

NHG	2024 £m	2023 £m
Cost		
At 1 April	482.1	471.8
Additions	51.9	10.3
At 31 March	534.0	482.1
Impairment		
At 1 April	-	(9.7)
Provision for impairment	-	9.7
At 31 March	-	-
Net book value		
At 31 March	534.0	482.1

As required by statute, the financial statements consolidate the results of NHG and its subsidiaries at 31 March 2024 (see note 33). NHG has the right to appoint members to the boards of all of its subsidiaries, thereby exercising control.

During the year NHG provided management services for Notting Hill Home Ownership Limited, Project Light Market Rent Limited, Folio London Limited, and Notting Hill Community Housing, and charged them £10.9m (2023: £10.7m). The board believe that the carrying value of the investment is supported by their underlying net assets.

Note 15 - Properties in the course of sale

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Properties under construction				
First tranche	76.7	52.2	13.2	8.2
Outright sales	72.8	56.7	4.1	4.1
Completed properties				
First tranche	17.4	17.6	0.7	2.0
Outright sales	2.7	7.5	0.5	0.4
Landbank				
Landbank	169.6	146.8	30.9	39.9
	339.2	280.8	49.4	54.6

Note 16 - Debtors falling due within one year

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Rental debtors	56.0	50.0	45.5	40.1
Less provision	(29.6)	(28.3)	(25.8)	(24.1)
	26.4	21.7	19.7	16
Trade debtors	4.1	4.1	3.9	3.1
Social housing grant receivable	11.0	-	4.0	-
Other government grant	15.8	-	13.8	-
Amounts receivable from local authorities	2.5	2.9	1.6	2.2
Amounts owed by subsidiary undertakings	-	-	208.4	295.9
Value added tax receivable	14.5	-	-	-
Other debtors	80.7	69.2	33.9	49
Prepayments and accrued income	15.3	29.8	17.0	22.3
Intercompany short-term investments	-	-	280.1	206.9
	170.3	127.7	582.4	595.4

Note 17 - Debtors due after more than one year

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Other long-term debtors	8.7	8.1	7.3	6.7
Derivative instrument asset	8.1	9.7	11.4	5.7
Intercompany long-term loans	-	-	398.9	387.1
	16.8	17.8	417.6	399.5

Note 18 - Current asset investments

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Short-term deposit	69.3	65.8	15.8	14.7
	69.3	65.8	15.8	14.7

Short-term deposits relate to restricted cash. They include bank balances charged to lenders, sinking fund bank balances held on behalf of leaseholders, bank balances held on behalf of residents, bank balances held by insurance protective cell and bank balances held on behalf of charitable funds.

Note 19 - Creditors: amounts falling due within one year

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Housing loans (note 21)	29.9	30.1	21.5	27.3
Trade creditors	6.1	10.2	5.2	8.3
Amounts owed to group undertakings	-	-	168.0	175.8
Other taxes and social security	1.9	1.7	4.8	3.8
Recycled capital grant fund	31.3	27.5	13.3	13.3
Government grant	12.1	19.2	11.8	13.2
Other creditors	91.6	96.5	46.1	52.3
Accruals and deferred income	195.4	183.2	150.5	134.5
	368.3	368.4	421.2	428.5

Note 20 - Creditors: amounts falling due after more than one year

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Housing loans (note 21)	3,555.1	3,275.1	3,058.2	2,835.9
Recycled capital grant fund	22.2	24.7	8.4	8.2
Deferred government grant	1,080.0	1062.4	976.1	978.1
Heat network efficiency grant	5.4	-	5.4	-
Homebuy grant	23.1	24.0	-	-
Other long-term creditor creditors	-	6.4	-	6.4
Local authority grant	0.7	0.7	0.8	0.8
	4,686.5	4,393.3	4,048.9	3,829.4

Deferred government grant	Group		NHG	
	Completed properties £m	Completed properties £m	Completed properties £m	Completed properties £m
Gross value				
Opening balance at 1 April 2023	2,622.4	2,400.7		
Grants received during year	38.5	15.1		
Transferred from other registered provider	2.9	2.2		
Transferred to other registered provider	(4.5)	(2.2)		
Transferred from recycled capital grant	0.9	0.9		
Transferred to recycled capital grant	(7.6)	(3.8)		
Paid to Greater London Authority	(10.1)	(8.1)		
Intercompany transfer	0.2	5.8		
Total SHG before amortisation at 31 March 2024	2,642.7	2,410.6		
Amortisation (contingent grant)				
At 1 April 2023	(1,540.8)	(1,409.4)		
Amortisation in the year	(14.2)	(13.8)		
Disposal (transfer to cost of sales)	4.8	1.6		
Disposal (transfer to revenue)	-	-		
Transfer to another RP	1.9	0.5		
Transfer from another RP	(2.3)	(1.6)		
Accumulated amortised SHG at 31 March 2024	(1,550.6)	(1,422.7)		
SHG net of amortisation at 31 March 2024	1,092.1	987.9		

Recycled capital grant fund	Group Total £m	NHG Total £m
At 1 April 2023	52.2	21.5
Grants recycled	9.0	3.7
Interest accrued	2.6	1.1
Used to finance new provision	(0.9)	(0.9)
Payable	(9.5)	(3.7)
Homebuy redemption	-	-
Transferred from other group members	-	0.1
At 31 March 2024	53.4	21.8

At the end of 31 March 2023, £nil (2022: £33.0m) of grants were due for repayment to the Greater London Authority.

Homebuy	Group 2024
Homebuy grants receivable	£m
At 1 April	(24.0)
Repaid in the year	0.9
Written back in year	-
At 31 March	(23.1)

Note 21 - Loans

	Group		NHG	
	2024	2023	2024	2023
	£m	£m	£m	£m
Secured loans and overdrafts	1,268.1	986.4	1,039.1	820.1
Unsecured loans and overdrafts	27.9	30.4	-	2.6
Public bonds	2,289.0	2,288.4	2,040.6	2,040.5
Housing loans	3,585.0	3,305.2	3,079.7	2,863.2

Analysis of loan repayments	Group		NHG	
	2024	2023	2024	2023
	£m	£m	£m	£m
Repayable on maturity				
- within one year or on demand	2.3	7.7	2.7	8.1
- between one and two years	2.5	2.5	2.9	2.9
- within two and five years	802.0	286.6	524.3	9.5
- in five years or more	1,996.5	2,319.8	1,744.4	2,067.4
Repayable by annual instalments				
- within one year or on demand	27.6	22.4	18.8	19.2
- between one and two years	39.0	24.2	28.9	18.8
- within two to five years	227.0	85.3	191.2	68.3
- in five years or more	488.1	556.7	566.5	669.0
	3,585.0	3,305.2	3,079.7	2,863.2

Folio Residential Finance No 1 plc (FRFN1), is a special purpose entity (SPE) as defined in FRS102 and, as members of the group have the rights to obtain the benefits of the SPE, that is, the proceeds of the debt issued by the company, it is deemed, for the purposes of FRS102, to be controlled by the group. Therefore, the SPE's results are consolidated with the results of the group.

Public bonds

The group has eight public bonds in issue:

Amount £m	Year due	Interest rate %
250	2029	2.875 secured
350	2032	3.750 secured
250	2039	6.064 secured
300	2042	5.250 secured
400	2048	3.250 secured
250	2058	4.375 secured
250	2036	2.000 secured
250	2027	1.246 secured

Loans

The group financing facility includes term and revolving facility loans with maturities out to 2056.

The loans are secured on property assets by a first secured charge. On undrawn revolving facilities, commitment fees are payable.

The group has unsecured funding of ¥5bn (2023: ¥5bn) which has been hedged into £28m (2023: £28m) by a currency swap, to finance housing development subsidiary. The fixed rate coupon is 2.975% and there are four years remaining to maturity. The group also has two interest-free unsecured loans totalling £8.8m used to finance housing development subsidiary.

Public secured bonds and secured loans are secured by fixed charges on individual properties. The number of charged properties for the group is 35,873 with a value on a market value-tenanted (MV-T) basis of £9,636.0m; for NHG it is 31,489 with a value on a MV-T basis of £8,632.2m (2023: group 36,085 and NHG 31,428).

The group has pledged as collateral against potential liabilities on free standing derivatives 1,320 properties with a value on a MV-T basis of £332.8m (2023: 1,320 properties with a value of £332.8m) and for NHG 1,320 properties with a value on a MV-T basis of £332.8m (2023: 1,320 properties and a value of £332.8m).

The rate of interest on loans ranges from 0.309% to 10.700%.

At 31 March 2024 the group had undrawn loan facilities of £768m (2023: £1,098.3m).

The group loan balance of £3,585.0m (2023: £3,305.2m) has been netted off by loan arrangement fees of £19.4m and receipts of £8.4m loan premium which are written off over the term of each loan.

The NHG loan amount of £3,079.7m (2023: £2,863.2m) has been netted off by loan arrangement fees of £15.0m and receipts of £8.4m loan premium which are written off over the term of each loan.

As at the year-end, £613.8m (2023: £625.0m) of the group's variable debt had its interest rate hedged by stand-alone interest rate swaps. As at the year-end £42.0m (2023: £42.0m) of the group's fixed debt had its interest rate hedged by stand-alone swaps. As at the year-end, ¥5bn (2023: ¥5bn) of the group's debt has been hedged into £28m (2023: £28m) by a currency swap.

Note 21 - Loans (continued)

Note 5 has an analysis of the anticipated contractual cash flows including interest payable for the group's financial liabilities on an undiscounted basis. Interest is calculated on drawn debt held as at 31 March 2024.

As at 31 March 2024, the group is exposed to risks arising from interest rate benchmark using sterling overnight interbank average rate (SONIA).

The group has applied the amendments to FRS 102: interest rate benchmark reform (phase 1 and phase 2). Applying the practical expedient introduced by the amendments, when the benchmark affecting the group's loans are replaced, the adjustments to the contractual cash flows will be reflected as an adjustment to the effective interest rate. Therefore, the replacement of the loan's benchmark interest rate will not result in an immediate gain or loss recorded in the profit or loss, which may have been required if the practical expedient was not available or adopted. As at 31 March 2024, all of the group's bank loans had transitioned to alternative interest rate benchmarks.

Note 22 - Provisions for liabilities and charges

Group	Short-term leases total £m	Resident provisions £m	Major works obligation provision £m	London Living Wage and welfare provision £m	Total £m
At 1 April 2023	1.2	6.9	-	1.0	9.1
Additional provisions	-	-	71.4	-	71.4
Payments made during year	-	(4.4)	-	-	(4.4)
Release of provision	(0.1)	-	-	(0.3)	(0.4)
At 31 March 2024	1.1	2.5	71.4	0.7	75.7

NHG	Short-term leases total £m	Resident provisions £m	Major works obligation provision £m	London Living Wage and welfare provision £m	Total £m
At 1 April 2023	1.2	4.9	24.0	1.0	31.1
Additional provisions	-	-	60.3	-	60.3
Payments made during year	-	(3.0)	-	-	(3.0)
Release of provision	(0.2)	-	-	(0.3)	(0.5)
At 31 March 2024	1.0	1.9	84.3	0.7	87.9

During the year £nil (2023: £nil) was set aside for future repairs under short-term lease and £nil (2023: £0.1m) was used to carry out repairs to properties that were handed back during the year. The provision was reduced by £0.1m (2023:nil). All provisions are attributable to NHG.

During the year £nil (2023: £0.3m) was set aside to pay for London Living Wage and welfare provision in the supported housing business and payments of £nil (2023: £0.5m) were made. During the year the provision was reduced by £0.3m (2023: £nil).

Two of our properties have suffered from some significant building defects. We are working with the National House Building Council to resolve the defects and remedial works are underway. Unfortunately, the remedial works have been going on for some time and will continue to do so leading to disruption and inconvenience for the residents. As a result, at 31 March 2023 a provision was set aside to compensate the residents. During the year £4.4m (2023: £nil) was paid to residents.

A provision for major works obligations in respect of works in relation to fire safety and other major works has been identified as either legally required or for which the group has a constructive obligation. The provision is calculated using a best estimate derived from detailed cost break-downs, having completed a fire risk assessment. In NHG £24.0m (2023: £24.0m) of fire remediation works was set aside in respect of Paragon. In the group, this amount is included in impairment of housing asset and it was set aside in the previous year.

Note 23 - Called-up share capital

	2024 £	2023 £
At 1 April	103	105
Issued during the year	4	-
Redeemed during year	(10)	(2)
At 31 March	97	103

The shares are non-transferable and do not carry a right to interest or dividends and are cancelled on death or withdrawal from NHG. The shares do not have any redemption value, and on cancellation the amount paid becomes the property of NHG.

Note 25 - Reconciliation of operating surplus to net cash inflow from operating activities

Group	2024 £m	2023 £m
Operating surplus	33.0	217.9
Surplus on sale of properties	(29.0)	(50.8)
Fair value losses/(gains) on investment	5.5	(36.4)
Fair value (gains)/losses on financial instruments	(6.7)	1.2
Depreciation	70.1	62.2
Impairment charge/(reversal)	10.9	(1.8)
Amortisation of loan set-up costs	1.0	1.2
Amortisation of intangible assets	5.0	5.4
Amortisation of social housing grant	(14.2)	(12.9)
Other assets an amounts written off	5.5	4.0
Joint venture income	(10.0)	(8.2)
(Increase)/decrease in properties and other assets in the course of sale	(32.0)	37.5
Increase in debtors	(39.8)	(12.3)
Increase in creditors	20.2	12.3
Net cash inflow from operating activities at 31 March	19.5	219.3

Note 24 - Reserves

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

The revaluation reserve relates to the transition to deemed cost for housing properties (see note 9).

The cash flow hedge reserve is used to record transactions arising from the group's cash flow hedging arrangements.

Note 26 - Reconciliation of net cash flow to movement in net debt

Group	2024 £m	2023 £m
(Increase)/decrease in cash	(35.0)	52.2
Cash flow from increase/(decrease) in debt and lease finance	278.8	(48.5)
Non cashflow changes	(4.4)	(45.0)
Total changes in net debt for the year	239.4	(41.3)
Net debt at 1 April	3,279.9	3,321.2
Net debt at 31 March	3,519.3	3,279.9

Note 27 - Analysis of debt

	1 April 2023 £m	Cash flow £m	Non cash £m	31 March 2024 £m
Cash at bank and in hand	60.2	35.0	-	95.2
Loans				
Short-term loans	(30.1)	-	0.2	(29.9)
Long-term loans	(3,275.1)	(278.8)	(1.2)	(3,555.1)
Interest rate swap liability	(44.6)	-	7.0	(37.6)
Interest rate swap asset	9.7	-	(1.6)	8.1
Changes in net debt	(3,279.9)	(243.8)	4.4	(3,519.3)

Note 28 - Pension obligations

The group's employees and past employees are active members, deferred members or pensioners of four pension schemes operated by the group. These include the Notting Hill Genesis 2023 Pension Scheme (NHG 2023 PS), the Notting Hill Genesis Pension Scheme (NHGPS), the PCHA 2001 scheme, the LPFA scheme (collectively, the "plans"). All the plans are closed to new entrants. Further information on the plans is provided below

NHG 2023 PS

On 30 November 2023 the group withdrew from the multi-employer scheme provided by the Social Housing Pension Scheme (SHPS). This was done to achieve flexibility of investment decisions and to manage exposure to the SHPS cell. This scheme is closed to future accrual. There is a separate trustee-administered fund holding the pension scheme assets to meet long-term liabilities. A full actuarial valuation is carried out on a periodic basis by a qualified actuary, independent of the scheme's sponsoring employer. The group has agreed to pay the scheme expenses and pension protection fund (PPF) levies separately.

NHGPS and PCHA schemes

The NHGPS and PCHA schemes are defined benefit schemes operating in the UK. These schemes are closed to future accrual. There is a separate trustee-administered fund holding the pension scheme assets to meet long-term liabilities. A full actuarial valuation is carried out on a periodic basis by a qualified actuary, independent of the scheme's sponsoring employer. The group has agreed to pay the scheme expenses and pension protection fund (PPF) levies separately.

LPFA scheme

The LPFA scheme is a defined benefit scheme operating as a public sector scheme in the UK. This scheme is open to future accrual. There is a separate administering authority holding the pension scheme assets to meet long-term liabilities. The scheme is operated in line with the Local Government Pension Scheme (LGPS) regulations. A full actuarial valuation is carried out on a periodic

basis by a qualified actuary, independent of the scheme's sponsoring employer. The scheme expenses are incorporated in this valuation (and so are not payable separately).

The movement in the scheme surpluses/deficits other than cash contributed by the group are split between operating charges, finance items and actuarial gains or losses in the statement of other comprehensive income.

The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Name of pension scheme	Date of last full actuarial valuation	Deficit in valuation £m	Agreed deficit contributions per annum	Period of commitment for contributions
			(year to 31 March 2025) £m	
NHG 2023 PS	Not applicable New scheme, first valuation due on 30 September 2024	20.0 (estimated as at 31 July 2024)	5.2 (increasing at the rate of 5.5% pa)	Not known (depends on results of 30 September 2024 valuation)
NHGPS	30 September 2022	6.1	2.0 (increasing at the rate of 3% per annum)	Until 1 November 2025 (subject to review in 30 September 2025 valuation)
PCHA	30 September 2022	-	-	(subject to review in 30 September 2025 valuation)
LPFA	31 March 2022	-	-	(subject to review in 30 September 2025 valuation)
Total		26.1	7.2	

Note 28 - Pension obligations (continued)

Further disclosures on the plans

As permitted by section 28 of FRS 102, the group has aggregated the financial information in respect of the defined benefit schemes (the "plans") in which it participates for presentation purposes:

Pension scheme liabilities recognised in the statement of financial position

Pension obligations recognised as defined benefit schemes	2024 £m	2023 £m
Notting Hill Genesis 2023	22.3	21.5
Notting Hill Genesis	2.6	2.3
PCHA 2001	-	-
LPFA	-	-
	24.9	23.8

The group is aware of the Virgin Media v NTL Pension Trustees II Limited Court of Appeal judgement which may give rise to adjustments to NHG 2023 PS, NHGPS, PCHA and LPFA. At present the legal process is incomplete and therefore we are unable to quantify any potential liabilities.

Last year The Pensions Trust (TPT) advised us that due to uncertainty about the benefits that have been paid to members of SHPS, the trustees have received legal advice that it should ask the court to provide clarity. If the court case goes against TPT, there will be a potential additional liability at an estimated 4.0% of total liabilities. Therefore, in the case of NHG this is estimated at £6.5m.

Principal actuarial assumptions at the financial position date (expressed as a range)	2024	2023
Discount rate	4.85-5.11%	4.80-4.89%
Inflation (RPI)	3.15-3.19%	3.19-3.20%
Inflation (CPI)	2.75-2.93%	2.69-2.95%
Salary growth	3.20-3.51%	3.40-4.20%
Allowance of commutation of pension for cash at retirement	75% of max	75% of max

The mortality assumptions applied at 31 March 2024 imply the following life expectancies

	Life expectancy at age 65 (years)
Male retiring in 2020	20.3-21.9
Female retiring in 2020	23.3-24.2
Male retiring in 2040	22.0-23.5
Female retiring in 2040	24.8-25.7

Amounts recognised in the income statement

	2024 £m	2023 £m
Net interest on defined benefit liability	1.1	0.6
Expenses paid	0.4	0.4
Total expenses	1.5	1.0

Amounts recognised in other comprehensive income

	2024 £m	2023 £m
Actual return on the assets held in the plans	(13.5)	(84.9)
Return on assets included in net interest	2.9	(3.3)
Asset gain	(10.6)	(88.2)
Effects of changes in assumptions underlying the present value of the plans' liabilities	1.9	84.6
Effects of change in amount of surplus that is not recoverable	0.7	(2.4)
Effects of changes in demographic changes	0.1	0.9
Experiences gains arising on the plans' liabilities	(0.3)	(1.6)
Actuarial (loss) recognised	(8.2)	(6.7)

Note 28 - Pension obligations (continued)

Statement of financial position	Group and NHG	
	2024 £m	2023 £m
Fair value of the plans' assets	192.5	196.6
Effect of asset ceiling	(4.5)	(5.9)
Pension exit costs	0.2	-
Present value of funded retirement benefit obligations	(213.1)	(214.5)
Net liability	(24.9)	(23.8)

Reconciliation of movements on the defined benefit obligation	2024	2023
	£m	£m
Defined benefit obligation at the start of the period	214.5	298.1
Adjustment for asset ceiling in opening obligation	0.9	-
Interest cost	10.2	8.1
Actuarial (gains)/losses due to scheme experience	(2.5)	5.0
Actuarial (gains)/losses due to changes in demographic assumptions	(1.6)	(2.0)
Actuarial losses/(gains) due to changes in financial assumptions	(0.4)	(84.0)
Experience loss/gain on defined benefit obligation	-	0.5
Expenses	-	-
Effect of asset ceiling/unrecognised surplus	-	2.5
Benefits paid	(8.0)	(7.8)
Defined benefit obligation at the end of the period	213.1	220.4

The actuarial gain in LPFA and PCHA 2001 (2023: PCHA 2001) plans have been excluded from the value of funded benefit obligations.

Reconciliation of movements on the fair value of the plans' assets	2024	2023
	£m	£m
Fair value of the plans' assets at the start of the period	196.6	273.4
Interest income	9.3	7.5
Expenses	(0.4)	(0.3)
Experience gains/(losses) on plan assets	(13.4)	(84.7)
Benefits paid	(8.0)	(7.8)
Contributions by employer	8.4	8.5
Fair value of the plans' assets at the end of the period	192.5	196.6

The fair values of each main class of assets held by the plans and the expected rates of return for the ensuing year are set out in the following table.

Categories of assets held by the plans are as follows:	2024		2023	
	£m	% Holding	£m	% Holding
Bonds	20.6	11	14.8	8
Equity	23.1	12	13.7	7
Property and infrastructure	14.2	7	16.8	9
Other	18.5	10	23.9	12
Absolute return	-	-	-	-
Alternative risk premia	-	-	-	-
Insurance linked securities	-	-	-	-
Cash	9.2	5	7.6	4
LDI	71.0	37	76.9	39
Private credit	16.0	8	23.0	12
Liquid alternatives	19.9	10	19.9	9
	192.5	100	196.6	100

Note 29 - Employee information

The number of full-time equivalent persons (including part-time staff) employed on a weekly average basis of a 35-hour week, 37.5-hour week or a 40-hour week depending on their respective contract for the whole year is shown below:

	Group and NHG	
	2024 No.	2023 No.
Staff engaged in managing or maintaining housing stock	835	785
Staff providing other housing services	140	129
Staff engaged in developing or selling housing stock	137	143
Staff providing central administration services	337	328
Staff providing care and support	49	233
	1,498	1,618

Staff costs for the above persons	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Wages and salaries	73.5	73.3	64.3	65.0
Social security costs	8.0	8.2	7.0	7.3
Other pension costs (see note 28)	8.9	8.6	7.8	7.6
	90.4	90.1	79.1	79.9

Redundancy payments of £1,076,160 (2023: £448,111) were made during the year.

Salary range	2024 £'000	2023 £'000
Lowest paid employee	19	17
Highest paid employee	310	296

Remuneration banding for employees earning over £60,000 is set out below.

£'000	Group and NHG	
	2024 No.	2023 No.
60-70	144	113
70-80	94	84
80-90	52	38
90-100	30	27
100-110	34	22
110-120	14	8
120-130	3	1
130-140	2	7
140-150	7	6
150-160	5	7
160-170	9	1
190-200	-	1
200-210	-	3
210-220	1	1
220-230	2	-
230-240	1	-
250-260	-	1
280-290	-	1
300-310	1	-
320-330	-	1
340-350	1	-

Note 30 - board and executive directors' emoluments

The payments to current non-executive board members represents 0.03% (2023: 0.02%) of turnover. Board members are appraised on an annual basis and there is an annual review of board member payments.

Remuneration paid to current board members is set out below. Allowance levels are reviewed annually and set by the board for different roles. Only one allowance is paid regardless of the number of roles held.

From 1 January 2014, the executive board members were either members of a defined contribution pension scheme or received a pension allowance.

The remuneration of the members of the board, the committees and the executive directors was:	2024 £'000	2023 £'000
Fees for members of the board	202	195
Fees for committee members	48	49
Management services of executive directors (including pension contributions and benefits in kind)	1,644	1,858
Remuneration for management services (excluding pension contributions) includes the amount paid to the highest paid director	310	296

Non-executive board member remuneration	2024 £'000	2023 £'000
Ian Ellis	38.0	38.0
Elaine Bucknor	16.0	16.0
Alexander Phillips	25.0	25.0
Stephen Bitti	14.2	20.0
Fred Angole	20.0	20.0
Arike Oke	16.0	16.0
Richard Powell	20.0	20.0
Claire Kober OBE	20.0	20.0
Ingrid Osborne	20.0	20.0
Courtney Huggins	7.0	-
Emma-Louise Stewart	8.4	-

Executive board member remuneration	Salaries £'000	Pension costs £'000	2024 Total £'000
Patrick Franco, chief executive	310	31	341
John Hughes, group director of development and sales and deputy chief executive	274	29	303
Katie Bond, chief operating officer	211	23	234
Vipul Thacker, group director of central services	196	21	217
Rajiv Peter, chief information officer	206	22	228
Matthew Cornwall-Jones, group director of assets and sustainability	201	22	223

Mark Smith, chief financial officer was appointed on 15 April 2024.

The chief executive is not a member of the Notting Hill Genesis pension scheme arranged with Standard Life, but receives a 10% salary allowance.

Note 31 - Capital commitments

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Capital expenditure that has been contracted for but has not been provided for in the financial statements:	592.9	479.6	123.8	131.6
Capital expenditure that has been authorised by the board but has not yet been contracted for:	108.7	143.8	66.8	70.0

Capital commitments will be funded by a combination of social housing grant of £115.8m, sales receipts of £320.2m and existing loan facilities of £265.7m.

Note 32 - Operating leases

The payment which the group and NHG is committed to make in the next year under operating leases is as follows.

	2024 £m	2023 £m
Temporary housing leases less than one year	22.5	26.0

These leases can be cancelled within 28 days' notice. The amount shown is the full payment for the year

Other operating lease payments under non-cancellable operating leases for properties are set out below:

	2024 £m	2023 £m
Not later than one year	6.9	6.6
Later than one year and not later than five years	29.7	28.4
Later than five years	194.8	200.1

The group's social housing properties are held under operating leases and are tenanted under cancellable operating lease conditions. Typical tenant break clauses exist requiring a notice period of a month. Rents fluctuate in accordance with the rent standard and are affected by the Welfare Reform and Work Act 2016. Shared ownership properties may be purchased (stair-cased by its leaseholder) at any time at the pro-rata market rate. Ongoing lease payments will be adjusted according to the share of ownership retained by the group. Certain properties are available to purchase via right to buy by the existing tenant.

Note 33 - Incorporation, subsidiaries and joint ventures

Notting Hill Genesis is incorporated in England under the Co-operative and Community Benefit Society Act 2014 and is required by statute to prepare group financial statements. NHG is a registered housing provider as defined by the Housing and Regeneration Act 2008 and is the ultimate parent.

NHG and its subsidiaries have throughout the year held balances with each other. These balances relate to normal trading transactions between each of the entities.

All shares held as investments are held as ordinary shares with the exception of shares held in:

- Notting Hill Commercial Properties Limited - ordinary shares, redeemable ordinary shares and redeemable preference
- Project Light Development 1 Limited - ordinary shares, ordinary-A and ordinary-B shares
- Project Light Development 2 Limited - ordinary shares and ordinary-A shares
- Notting Hill Developments Limited - ordinary and redeemable preference shares

Note 33 - Incorporation, subsidiaries and joint ventures (continued)

Company (subsidiaries)	Principal activity	Parent	Country of registration
Notting Hill Home Ownership Limited	Performs the activities of a registered housing association	NHG owns one of eight shares and controls the board. The remaining seven shares are held in trust for NHG.	England and Wales
Springboard 2 Housing Association Limited	Registered provider Manages shared ownership properties	NHG - 100% shares	England and Wales
Folio London Limited	Rents properties at market rent	NHG - 100% shares	England and Wales
GenFinance 2 plc	Incorporated for the £250 million bond issue	NHG - 100% shares	England and Wales
Notting Hill Community Housing Limited	Rents properties at sub-market prices	NHG - 100% shares	England and Wales
Notting Hill Commercial Properties Limited	Develops and lets commercial properties	NHG - 100% shares	England and Wales
Notting Hill Developments Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
Folio Treasury Holdings Limited	Incorporated for bond issue	Folio London Limited - 100% shares	England and Wales
Folio Treasury Limited	Incorporated for bond issue	Folio Treasury Holdings Limited - 100% shares	England and Wales
Folio Buildings Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio Porter's Edge Limited	Rents properties at market rent	Project Light Market Rent Limited - 100% shares	England and Wales
Folio Bakersfield Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio City Park West Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio Sterling Place Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio New Garden Quarter Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio St James Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio New Hendon Village Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Project Light Development 1 Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
Project Light Development 2 Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
Project Light Market Rent Limited	Rents properties at market rent	Project Light Development 1 Limited - 100% shares	England and Wales
Choices for Grahame Park Limited	Develops and sells properties	NHG - 100% shares	England and Wales
Canonbury Developments Limited	Develops and sells properties	Notting Hill Home Ownership Limited	England and Wales
Walworth Homes Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
TLD Kidbrooke LLP	To invest in the Kidbrooke scheme and provide business manager services to Kidbrooke LLP	Notting Hill Commercial Properties Limited - 99% control	England and Wales
Touareg Trust	Provides student accommodation	NHG is sole guarantee member and controls the board	England and Wales
Goat Wharf Limited	Develops and sells properties	Notting Hill Home Ownership Limited - 100% shares	England and Wales
Igloo Insurance Protected Captive Cell NOT6	Provides insurance services	NHG - 100% shares	Guernsey
Genesis Purchasing Limited	Procures contracting and consulting services on behalf of the group	NHG - 100% shares	England and Wales
Genesis Oaklands Limited	Develops and sells properties	NHG - 100% shares	England and Wales
GenInvest Limited	Develops and sells properties	NHG - 100% shares	England and Wales
Stoke Quay New Homes Limited	Develops and sells properties	NHG - 100% shares	England and Wales

Note 33 - Incorporation, subsidiaries and joint ventures (continued)

Company (subsidiaries)	Principal activity	Parent	Country of registration
Central Chelmsford Development Agency Limited	Develops and sells properties	NHG - 100% shares	England and Wales
GenFinance Limited	Responsible for managing loan facilities	NHG - 100% shares	England and Wales
Notting Hill Genesis Community Foundation Limited	A charity formed to run community and social regeneration projects	NHG - 100% shares	England and Wales
Presentation Market Rent Limited (dormant)	Rents properties at market rents (dormant)	NHG - 100% shares	England and Wales
European Urban St Pancras 2 Limited (dormant)	Develops and sells properties	NHG - 100% shares	England and Wales
Shenstone (SPSL) - Pathmeads Property Services Limited (dormant)		NHG - 100% shares	England and Wales
Pathmeads Residential Limited (dormant)	Develops and sells properties	NHG - 100% shares	England and Wales
Workwise Digital Limited (dormant)	To purchase Workwise intellectual properties from NHG	NHG - 100% shares	England and Wales
Workwise software LLP (dormant)	To invest in Workwise Digital Limited	NHG - 50% shares	England and Wales

Folio Residential Finance No 1 plc is a special purpose entity (SPE) as defined in FRS102 and, as members of the NHG group have the rights to obtain the majority of the benefits of the SPE, that is, the proceeds of the debt issued by the company. It is deemed, for the purposes of FRS102, to be controlled by the group. The respective obligations are included in the consolidated financial statements of the group.

Notting Hill Home Ownership Limited has a joint venture investment in KLA Twickenham LLP and Triangle London Developments LLP, registered in England and Wales (see below). KLA Twickenham LLP was dissolved on 3 October 2023.

Notting Hill Commercial Properties Ltd also has a joint venture investment in Brenley Park LLP, Chobham Farm North LLP, Spray Street Quarter LLP, Armada 1 Development LLP, Gallions 2A Developments LLP, Gallions 2B Development LLP, Kidbrooke Partnership LLP and Rainham and Beam Park Regeneration LLP.

The group's investment in joint venture projects amounted to £29.5m (2023: £37.3m). Details of these investments are shown below.

The group owns 19% of the voting rights of an associate, LINQ Housing plc. It also owns 63.17% of economic shares. On 31 March 2024 the investment amounted to £9.2m (2023: £5.3m).

Joint venture and associate income is shown as follows:

	Group		NHG	
	2024	2023	2024	2023
Fair value increase in LINQ Housing plc	4.9	-	-	-
Joint venture income	14.6	8.2	0.5	-
	19.5	8.2	0.5	-

During the year Notting Hill Development, a subsidiary of NHG, acquired St Modwen's 50% stake in Spray Street Quarter LLP and made an investment gain of £2.5m. As a result, NHG indirectly owns 100% equity in Spray Street Quarter LLP.

During the year the group invested in 50% equity of Gallions Commercial Limited. The other 50% was invested by Countryside Partnership. The purpose is to invest in Gallions New LLP.

The contingent liability is limited to the amount invested.

Note 33 - Incorporation, subsidiaries and joint ventures (continued)

Joint ventures

Name	Nature of business	Share of capital commitment	Proportion of holding	Year ended	Net assets/ liabilities 2024 £m	Members' interests/ contributions 2024 £m	Net assets 2023 £m	Members' interests 2023 £m
Brenley Park LLP	Development of 169 shared ownership, permanent rented, affordable keyworker and private for sale residential accommodation.	Nil	50%	31 December	0.1	(0.1)	0.1	(0.1)
Chobham Farm North LLP	Development of 478 shared ownership, permanent rented, affordable keyworker and private for sale residential accommodation.	Nil	50%	31 March	-	-	1.3	(1.3)
Kidbrooke Partnership LLP	To develop site adjacent to Kidbrooke station. The scheme will comprise 10 blocks.	Nil	50%	31 March	18.7	(18.7)	19.0	(19.0)
Armada 1 South Developments LLP	To develop phase 1 of the Gallions Quarter sites.	Nil	50%	31 March	0.2	(0.2)	0.4	(0.4)
Gallions 2A Developments LLP	To develop phase 2 of the Gallions Quarter sites.	Nil	50%	31 March	1.7	(1.7)	7.0	(7.0)
Gallions 2B Development LLP	To develop phase 3 of the Gallions Quarter sites.	Nil	50%	31 March	-	-	10.3	(10.3)
Rainham and Beam Park Regeneration LLP	To acquire and develop site in Rainham and Beam Park in the London Borough of Havering. The scheme will consist of 744 units of mixed tenure.	Nil	50%	31 March	2.5	(2.5)	2.4	(2.4)
Triangle London Developments	Established to bid for Transport for London sites.	Nil	50%	31 May	0.1	(0.1)	0.1	(0.1)
Gallions new LLP	To acquire completed commercial units for rental on open market. It is operating as a commercial letting business.	Nil	50%	31 March	(0.1)	0.1	-	-
					23.2	(23.2)	40.6	(40.6)
Spray Street Quarter LLP	To acquire and develop site in Woolwich town centre to construct 612 residential units and 8,770 square metres of non-residential space.	Nil	100%	31 March	12.8	(12.8)	8.0	(8.0)
					12.8	(12.8)	8.0	(8.0)

Note 34 - Transactions with related parties

In 2023/24, there was a member on the board, Stephen Bitti, who had a tenancy with NHS. His tenure as a non-executive director ended on 21 September 2023. The tenancy agreements have been granted on the same terms as for all other tenants, and the housing management procedures, including those relating to management of arrears, have been applied consistently to these tenants. During the period, rents of £5,994 (2023: £8,300) were charged. A credit balance of £139.31 (2023: £(18)) was outstanding at period end.

There was a member on the board, Arike Oke, who had a lease with NHG. The lease had been granted on the same terms as for all other leases and the housing management procedures, including those relating to management of arrears, have been applied consistently to the leaseholder. During the year rents and service charges of £8,983 (2023: £8,428) were charged. The amount outstanding at the year-end was a credit balance of £288 (2023:£(132))

There was a member on the board, Emma-Louise Stewart who had a tenancy with NHG. The tenancy agreements have been

granted on the same terms as for all other tenants, and the housing management procedures, including those relating to management of arrears, have been applied consistently to these tenants. During the period, rents of £4,897 (2023: £nil) were charged. The balance of £202 (2023: £nil) was outstanding at year-end.

Chobham Farm North LLP

During the year NHHO charged Chobham Farm North LLP, a joint venture of Notting Hill Commercial Properties Limited, a subsidiary of NHG and Telford Homes plc £14,570 (2023: £37,603) in respect of administration costs. At the year ending 31 March 2024 £nil (2023: £nil) was owed to NHHO. During the year the joint venture sold £nil (2023: £nil) properties in the course of construction to NHHO.

During the year the LLP distributed £2,900,000 (2023: £745,034) to its joint venture partners.

Armada 1 South Development LLP

During the year NHHO charged Armada 1 South Development LLP, a joint venture of Notting Hill

Commercial Properties Limited, subsidiary of NHG and Telford Homes plc £nil (2023: £nil) in respect of administration costs. At the year ending 31 March 2024 £nil (2023: £nil) was owed to NHHO. At 31 March 2024 the amount receivable from NHHO was £nil (2023: £nil). During the year the joint venture sold £nil (2023: £nil) properties in the course of constructions to NHHO and its group undertakings.

During the year members of Armada 1 South Development LLP received a profit of £700,000 (2023: £3,812,102).

Spray Street Quarter LLP

During the year NHHO charged Spray Street Quarter LLP, a joint venture of Notting Hill Commercial Properties Limited, subsidiary of NHG and Notting Hill Developments Limited, a subsidiary of NHG £1 (2023: £1) in respect of administration costs. At the year ending 31 Mar 2024 £nil (2023: £1) was owed to NHHO.

During the year the members of Spray Street Quarter LLP contributed a total of £4,698,752 (2023: £1,061,500) into the members' capital.

Gallions 2B Development LLP

During the year NHHO charged Gallions 2B Development LLP, a joint venture of Notting Hill Commercial Properties Limited, subsidiary of NHG and Gallions Limited £81,399 (2023: £74,195) in respect of administration costs. At the year ending 31 March 2024 £nil (2023: £nil) was owed to NHHO. During the year the joint venture sold £12,210,615 (2023: £5,708,569) properties in the course of constructions to NHHO and its group undertakings.

During the year the members of Gallions 2B Development LLP contributed £3,127,168 into the members' capital (2023: £11,115,000).

Kidbrooke Partnership LLP

During the year TLD Kidbrooke LLP charged Kidbrooke Partnership LLP, a joint venture of Notting Hill Commercial Properties Limited, subsidiary of NHG and Transport for London plc £728,509 (2023:£1,135,887) in respect of administration costs. At the year ending 31 March 2024 £nil (2023: £53,724) was owed to TLD Kidbrooke LLP.

Note 34 - Transactions with related parties (continued)

During the year the joint venture sold £27,759,595 (2023: £42,077,028) properties in the course of constructions to NHHO and its group undertakings.

Rainham and Beam Park Regeneration LLP

During the year NHHO charged Rainham and Beam Park Regeneration LLP, a joint venture of Notting Hill Commercial Properties Limited, subsidiary of NHG and the London Borough of Havering, £194,972 (2023: £518,122) in respect of administration costs. At the year ending 31 March 2023 £50,478 was owed to NHHO and in 2023 £13,140 was owed by NHHO.

During the year the members of Rainham and Beam Park Regeneration contributed £122,660 into the members' capital (2023: £582,000)

Gallions 2A Developments LLP

During the year Gallions 2A Developments LLP, a joint venture of Notting Hill Commercial Properties Limited, a subsidiary of NHG and Vistry partnership Limited, reimbursed capital of £3,027,820 (2023: £34,290,000) to the members.

During the year Gallions 2A Developments LLP sold completed commercial properties to Gallions New LLP, a joint venture of Gallions 2A Developments LLP and Gallions Commercial Limited for £2,512,371.68. At 31 March 2024, Gallions 2A Developments LLP was owed £2,512,371.68.

NHG had investment equity in the following subsidiaries.

	2024 £m	2023 £m
Notting Hill Commercial Properties Limited	209.0	177.5
Folio London Limited	264.9	264.9
Igloo Insurance Protected CaptiveCell NOT 6	0.7	0.7
Pathmeads Property Services Limited	0.9	0.9
Genesis Oaklands Limited	0.1	0.1
Choices for Grahame Park Limited	2.0	2.0
At 31 March	477.6	446.1

NHG had invested the following loans in its non-regulated subsidiaries.

	2024 £m	2023 £m
Notting Hill Developments Limited	28.7	1.7
Folio London Limited	23.8	-
Touareg NHG	38.0	22.9
Notting Hill Community Housing	138.1	107.4
Canonbury Developments Limited	-	2.0
Genesis Oaklands Limited	-	0.1
Choices for Grahame Park Limited	51.5	74.9
Folio Porter's Edge Limited	0.5	0.5
Folio Bakersfield Limited	0.2	0.2
Folio City Park West Limited	0.3	0.3
Folio Sterling Place Limited	0.3	0.3
Folio New Garden Quarter Limited	0.2	0.2
Folio St James Limited	0.2	0.2
Folio Buildings Limited	0.3	0.3
Folio New Hendon Village Limited	0.1	0.1
Walworth Homes Limited	35.1	18.0
At 31 March	317.3	229.1

Note 34 - Transactions with related parties (continued)

Details of other transactions between NHG and its non-regulated subsidiaries during the year are shown here.

The transactions relate to: Notting Hill Commercial Properties Limited, Notting Developments Limited, Canonbury Developments Limited, Folio London Limited, Touareg Trust, Goat Wharf Limited, Notting Hill Community Housing, Walworth Homes Limited, Igloo Insurance Protected Captive Cell NOT6, Choices for Grahame Park Limited, Genfinance Limited, GenFinance 2plc, Genesis Purchasing Limited, Genesis Oaklands Limited, Genesis Community Foundation, Stoke Quay New Homes Limited, Central Chelmsford Development Agency Limited, Folio Treasury Limited and Folio New Hendon Village Limited.

In accordance with the treasury policy, excess cash held by subsidiaries is invested in NHG to manage interest charges.

Purchases relate to invoices that are charged to NHG but relate to other group companies. They include temporary staff costs, utility bills and courier charges.

Overhead recharges are recharges made by NHG to the rest of the group based on the budget taking into account staff numbers, floor space and turnover per subsidiary.

Payroll relates to payroll costs for specific staff who work directly for the said subsidiaries.

Service charges relate to invoices that are charged to NHG but relate to other group companies.

Transfers of housing stock were made between various entities to reflect the correct entity ownership.

Gift aid relates to adjustment to gift aid in various subsidiaries after the group accounts were signed.

Merger balance relates to transfer of balances from dormant intercompany accounts.

Other inter-company transactions	2024 £m	2023 £m
Excess cash invested	24.6	72.3
Purchases	(0.8)	(1.0)
Overhead recharges	(1.9)	0.1
Payroll	(2.6)	(2.6)
Interest	(19.7)	(4.0)
Service charges	(1.6)	(1.1)
Transfer of housing stock	(1.2)	-
Gift aid	(2.6)	-
Merger balance	(9.6)	-
Design and build	-	5.1
	(15.4)	68.8

Note 35 - Financial instruments and risk management

Group	Financial assets at fair value		Financial assets at amortised cost	
	2024 £m	2023 £m	2024 £m	2023 £m
Financial assets that are debt instruments measured at amortised cost				
Current asset investments	-	-	69.3	65.8
Cash	-	-	95.2	60.2
Debtors	-	-	170.4	127.7
Debtors falling due after one year	-	-	8.7	8.1
Financial assets measured at fair value through the statement of comprehensive income				
Interest rate swaps fixed to float	8.4	4.8	-	-
Designated currency hedge	(0.3)	4.9	-	-
Total	8.1	9.7	343.6	261.8

NHG	Financial assets at fair value		Financial assets at amortised cost	
	2024 £m	2023 £m	2024 £m	2023 £m
Financial assets that are debt instruments measured at amortised cost				
Current asset investments	-	-	15.8	14.7
Cash	-	-	80.3	39.3
Debtors	-	-	575.6	595.4
Debtors falling due after one year	-	-	406.2	393.8
Financial assets measured at fair value through the statement of comprehensive income				
Interest rate swaps fixed to float	11.4	5.7	-	-
Total	11.4	5.7	1,077.9	1,043.2

All financial assets or liabilities at fair value are calculated using measurements based on inputs that are observable for the asset/liability either directly or indirectly from prices. The valuation techniques used to measure the above interest rate swaps financial instruments maximise the use of market data where available. For all other financial instruments where fair value cannot be measured reliably, the fair value is considered to approximate to the carrying value of the instrument at historic cost less impairment.

Credit risk is assessed on all financial instruments in the tables above and an adjustment is made to the valuation to reflect the credit risk associated with each counterparty.

Note 35 - Financial instruments and risk management (continued)

Group	Financial liabilities at fair value		Financial liabilities at amortised cost	
	2024 £m	2023 £m	2024 £m	2023 £m
Financial liabilities that are measured at amortised cost				
Trade and other payables	-	-	333.3	338.3
Public bonds	-	-	2,289.0	2,288.4
Loans and borrowings	-	-	1,296.0	1,016.8
Other long-term creditors	-	-	1,232.1	1,219.1
Financial liabilities that are measured at fair value through the statement of comprehensive income				
Cancellable interest rate swaps	0.1	0.3	-	-
Interest rate swaps float to fixed	3.7	2.5	-	-
Designated interest rate hedges	33.8	41.8	-	-
Total	37.6	44.6	5,150.4	4,862.6

NHG	Financial liabilities at fair value		Financial liabilities at amortised cost	
	2024 £m	2023 £m	2024 £m	2023 £m
Financial liabilities that are measured at amortised cost				
Trade and other payables	-	-	387.7	401.2
Public bonds	-	-	2,040.6	2,040.5
Loans and borrowings	-	-	1,039.1	822.7
Other long-term loans	-	-	1,011.7	1,017.3
Financial liabilities that are measured at fair value through the statement of comprehensive income				
Cancellable interest rate swaps	0.1	0.3	-	-
Interest rate swaps float to fixed	10.6	10.7	-	-
Designated interest rate hedges	33.8	41.8	-	-
Total	44.5	52.8	4,479.1	4,281.7

Note 35 - Financial instruments and risk management (continued)

Group	2024		2023	
	Book value £m	Fair value £m	Book value £m	Fair value £m
A comparison of the book value to the fair value of the group's long-term borrowings at 31 March				
Current portion of long-term debt	29.9	29.9	30.1	30.1
Long-term debt	3,555.1	3,555.1	3,275.1	3,275.1
	3,585.0	3,585.0	3,305.2	3,305.2

NHG	2024		2023	
	Book value £m	Fair value £m	Book value £m	Fair value £m
A comparison of the book value to the fair value of NHG's long-term borrowings at 31 March				
Current portion of long-term debt	21.5	21.5	27.3	27.3
Long-term debt	3,058.2	3,058.2	2,835.9	2,835.9
	3,079.7	3,079.7	2,863.2	2,863.2

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
Gains in respect of financial derivatives held at fair value through the statement of comprehensive income				
Gains in respect of financial derivatives	8.7	20.6	14.8	14.8
	8.7	20.6	14.8	14.8

	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
(Losses)/gains in respect of financial derivatives held at fair value through the statement of other comprehensive income				
Gains in respect of financial derivatives	(3.2)	25.6	(0.7)	23.5
	(3.2)	25.6	(0.7)	23.5

Risk

The main risks arising from the group's financial instruments are interest rate risk, credit risk and liquidity risk.

Interest rate risk

The group finances its development through a mixture of retained surplus, grant and borrowings. The group's interest rate management

ensures that a minimum of 40% of its drawn funds should be fixed on a long-term basis and the remaining 60% is either hedged or kept at variable rates depending on prevailing market conditions and requirements of the business.

The group has entered into interest rate swap agreements to hedge exposure to the variability in cash flows attributable to movements in interest rates. This is documented in

the treasury policy and allows the group to enter into contracts where the group agrees to pay interest at a fixed rate and receives interest at a floating rate. The interest rate swaps are designated as a hedge of the variable debt interest payments which are linked to changes in the benchmark interest rate (LIBOR) which is the quoted price in an active market. This method reflects the risk management objective of the hedging relationship that swaps

a series of future variable cash flows to a fixed rate. The interest rate swap agreements which do not meet the hedging tests contained in FRS102 are accounted for through the statement of comprehensive income.

The cash flows from the interest rate swaps are expected to occur monthly, quarterly or on a semi-annual basis dependent on each contract.

Note 35 - Financial instruments and risk management (continued)

Hedge accounting

Where the group hedges its exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt, or future currency payment on debt denominated in a foreign currency) or a highly probable forecast transaction and that transaction could affect profit or loss, the hedging relationship is designated as a cash flow hedge.

The tables above indicate the periods in which cash flows associated with cash flow hedging instruments are expected to occur.

The key assumption used in valuing the interest foreign currency derivatives is the GBP:JPY forward exchange rates.

Hedge accounting is discontinued where the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged instrument is derecognised or the hedging instrument is terminated.

A cash flow hedge is accounted for as follows:

The proportion of the gain or loss on the hedging instruments that is determined to be an effective hedge are recognised directly in equity and the ineffective portion of the gain or loss on the hedging instrument is taken to the statement of comprehensive income.

Where the forecast transaction results in a financial asset or financial liability, only gains or losses previously recognised in the statement of comprehensive income are reclassified to the statement of comprehensive income in the same period as the asset or liability affects income or expenditure. Where the forecasted transaction or commitment results in a non-financial asset or a non-financial liability, any gains or losses previously deferred in the statement of comprehensive income are included in the cost of the related asset or liability. If the forecasted transaction or commitment results in future income or expenditure, gains or losses deferred in the statement of comprehensive income are transferred to the statement of comprehensive income in the same period as the underlying income or expenditure.

Liquidity risk

The group has a policy to maintain sufficient liquidity in cash and lending facilities to cover 18 months of operational activity. At the year-end, 69% of the group's borrowings were due to mature in more than five years. The liquidity risk of each group entity is managed centrally by the group treasury function on a monthly basis to adhere to group policy.

Hedge of variable interest rate risk arising from bank loan liabilities

As disclosed in note 21, the group has applied the amendment to FRS 102: interest rate benchmark reform (phase 1 and phase 2). The amendments provide relief in applying the requirements of hedge accounting to certain hedges, including allowing the group to assume that interest rate benchmarks on which hedged cashflows are based (e.g. LIBOR) will not be altered as a result of interest rate benchmark reform. Consequently, hedging relationships that may have otherwise been impacted by interest rate benchmark reform have remained in place and no

additional ineffective portion of the hedge has been recognised. The group has taken advantage of these amendments in relation to the LIBOR interest rate noted above.

Note 36 - Contingent liability

Contingent liabilities

A contingent liability is disclosed for a possible obligation for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources, or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate if the amount cannot be made. This includes a contingent liability reflecting the potential future obligation to repay social housing grant where properties are disposed of.

Contingent liabilities for social housing grant	Group		NHG	
	2024 £m	2023 £m	2024 £m	2023 £m
At 1 April	1,541.5	1,552.5	1,409.5	1,416.9
Realised on disposal	(5.3)	(6.2)	(1.6)	(1.6)
Additions	14.2	13.1	13.8	12.1
Transfers to other registered provider	0.4	(17.9)	1.0	(17.9)
At 31 March	1,550.8	1,541.5	1,422.7	1,409.5

Contingent liabilities relate to grant recognised in general reserves under the performance method upon transition to deemed cost.

Bonham Carter House contingent liability note

NHG's lease of part of the premises was surrendered on 1 September 2022. NHG previously occupied by way of an underlease from UCLH, who in turn was a tenant under a lease from the University of London (UoL). The resolution of dilapidations is outstanding between all parties. Therefore, as proceedings are yet to be issued, we cannot reliably assess an outcome.

GLA contingent liability note

NHG bought the land at Mildmay Hospital from the GLA in March 2007, and a funding agreement was entered into in March 2007, with subsequent variation in March 2016. Included in the funding agreement, and as revised with the subsequent variations, was an overage provision that creates an obligation on NHG to pay 25% of a sum above a predetermined value threshold contingent on NHG changing the use or the sale of the market homes within a specified period of 15 years. The contingent liability at 31 March 2024 was £5,185,949.

The overage is arrived at using the agreed formula of 25% x (A+B+C+D)-E. Where:

A - means the total aggregate of all the proceeds arising from the disposals (whether by the developer or GSPV) of each of the private residential units and the commercial unit prior to the specified date (whether received or receivable by the developer or GSPV);

B - means the market value on the specified date of all the estate and interests in the market sale units and each and every part thereof then remaining vested in the developer and/or GSPV including (without limitation) the market value of the unencumbered freehold interest in market sale units which have not then been the subject of a disposal and the market value of any freehold reversion of any market sale units in respect of which any lease or tenancy has previously been granted in accordance with this agreement;

C - means the market value on the specified date of the freehold estate and interest in the PRSI units and each and every part then vested in the developer or GSPV assuming the PRSI units are not subject to any lease or tenancy other than assured shorthold tenancies and that they are subject to the restrictions contained in paragraph 7.3 of schedule 2 but only for the unexpired residue of the relevant period;

D - means the market value on the specified date of all the estate and interests in the commercial unit and each and every part thereof then remaining vested in the developer;

E - means twenty-three million six hundred thousand pounds (£23,771,904).

67 units are developed and let as private rental sector units by an associate member (Linq Housing Plc) of the group with a current estimated value of £44,515,698.

Therefore, the contingent liability is calculated as follow:

$$25\% \times (£0 + £0 + £44,515,698 + £0) - £23,771,904 = £5,185,949.$$

Note 37 - Exceptional items

Exceptional costs relate to one-off costs arising from normal activity but are much larger than usual. The following category of costs are included:

Derecognition of financial asset

The income from variable service charges is determined by the year's budget, with adjustments made to account for unders and overs recognised in the following year. Our residents will receive the clarity they require faster thanks to the greatly improved 2023/24 account process. In making those improvements, we have examined all previous balances and adopted a resident-centric perspective on the robustness of the information. This has resulted in the decision to write-down a total of £21.2 million as a one-time expense rather than seek recovery of significant historical (pre-2023/24) amounts.

Major repairs, impairment and stock write-downs

The group has a diverse portfolio of properties which vary in age, tenure and type including a number of high-rise buildings. All properties were built in accordance with building regulations and accepted practices at the time of being built, however the group is committed to comply with the latest health and safety standards. Following fire safety assessments across the portfolio, required remediation works have been identified in order to comply with updated government regulation. The group provides for the costs of fire safety works to the extent that it has a legal or constructive obligation. Impairment and stock write-downs have also been assessed on some of the properties. In view of the unusually material number of write-offs, the amount has been classified an exceptional item.

Recognition of increase in financial asset

During the year, the assessment of overage relating to the Greater London Authority's land at Mildmay resulted in it being a contingent liability. (See note 36). As a result, the long-term creditor was transferred to the statement of comprehensive income in the amount of £6.4million (2023: £nil).

Exit from pension scheme

During the year the group withdrew from the multi-employer scheme provided by the Social Housing Pension Scheme (SHPS). This was done to achieve flexibility of investment decisions and to manage exposure to the SHPS cell.

Detailed breakdown is shown below

	Group	NHG
	2024	2024
	£m	£m
Recognition of increase in financial asset	(6.4)	(6.4)
Derecognition of financial asset	21.2	13.3
Recognition of building safety liabilities	53.7	52.4
Impairment of building safety (capital)	10.1	10.0
Impairment of stock and housing properties	19.2	9.4
Exit from pension scheme	3.7	3.7
Total	101.5	82.4





Annual report and financial statements

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