one manchester

Annual Report and Financial Statements

For the year ended 31 March 2023

Contents

Board Members, Company Secretary and Executive Directors

Board

Yashar Turgut	Chair – Board Member	
Nicole Kershaw	CEO	
John Atkins	Board Member	Resigned 21 April 2022
Angela Robinson	Chair of Remuneration & Governance Committee – Board Member	Resigned 20 April 2022
Susan Webster	Chair of Place Committee – Board Member	Resigned 21 April 2022
Lyndsey McDonald	Resident Board Member	Resigned 17 May 2022
Joanne Seymour	Chair of Remuneration & Governance Committee - Board Member	
Sue Lock	Chair of Place Committee – Board Member Chair of Place Committee – Board Member	Appointed 18 May 2022
Gordon Perry	Chair of Audit & Risk Committee – Board Member	Appointed 18 May 2022
Dave Bullock	Chair of Growth Committee – Board Member	Appointed 18 May 2022
Cath Wilson	Senior Independent Director	Appointed 23 June 2022
Theo Cranston	Resident Board Member	Appointed 31 August 2022 Resigned 24 October 2022
Mick Warner	Board Member	Appointed 1 February 2023
Cllr Rabnawaz Akbar	Board Member	Appointed 21 September 2022

Company Secretary

Christopher Murphy

Executive Directors

Nicole Kershaw	CEO	
Anna Bishop	Chief Operating Officer	Resigned 4 Nov 2022
Charlotte Grover	Chief Experience Officer	
Barry Wears	Chief Finance Officer	

Funders and Advisors

Registered Office

Lovell House
Archway 6
Hulme
Manchester M15 5RN

Company registration Number

RS007018

Regulator of Social Housing Number

4808

External auditor

BDO LLP
3 Hardman Street
Manchester M3 3AT

Internal auditor

To 31 March 2023:
PricewaterhouseCoopers LLP
1 Hardman Square
Manchester M3 3EB

From April 2023:
Beever and Struthers
1 George Leigh St
Manchester M4 5DL

Treasury Advisors

Savills Financial Consultants
33 Margaret Street
London W1G 0JD

Bankers

Royal Bank of Scotland
1 Spinningfield Square
Manchester M3 3AP

Barclays Bank plc
1st floor, 3 Hardman Street
Manchester M3 3HF

Funders

Barclays Bank plc
1st floor, 3 Hardman Street
Manchester M3 3HF

Legal and General Assurance
Society Limited
1 Coleman Street
London EC2R 5AA

Royal Bank of Scotland
Kirkstane House
139 St Vincent Street
Glasgow G2 5JF

Chair's Introduction

It is with pleasure that I present the financial statements of One Manchester Group for the year ending on 31 March 2023.

One Manchester owns and manages over 12,000 homes in central, south and east Manchester. Our purpose is to provide good quality homes, great services and real opportunities for our customers and communities. We pride ourselves on being more than just a landlord, and our business, homes, and communities reflect the diversity of our city. Fundamental to our work, purpose, and values is the promotion of equality, diversity, and inclusion.

Customers are at the heart of everything that we do at One Manchester. We actively listen to customers' feedback and learn from their experiences so we can improve our service. For example, customers told us they wanted a consistent point of contact and improved visibility within their neighbourhoods. As a result, we have significantly increased the number of Neighbourhood Officers in our communities, allowing us to offer a more local, tailored service.

We also recognise the economic challenges and growing inequalities faced by our customers, compounded by the pressures of the rising cost of living. To alleviate some of these pressures, we continue to support those in need through our financial support services and our Thrive fund.

The sector continues to go through a period of rapid changes. We are fully committed to the recommendations of The Social Housing Regeneration Bill, that aims to strengthen the rights of our customers and ensure better quality and safer homes. Additionally, new Tenant Satisfaction Measures require annual reporting, consumer regulations are evolving, and there is an ongoing need to deliver new affordable homes to meet housing demands. Our commitment to building affordable homes persists as we aim to contribute to alleviating the housing crisis and collaborating with partner organisations.

Over the past year, we are pleased to have successfully delivered 187 new affordable homes and supported 260 individuals to find employment.

In December, an independent panel, the Better Social Housing Review, published its findings and recommendations for social housing providers. They include a focus on the core duties of a landlord and the importance of listening to customers. One Manchester agrees with the findings and recommendations of the review, pledging to fully implement them. This year we have already increased focus on existing stock investments to improve building safety, energy efficiency, and to address damp and mould issues.

To continue delivering on our aims, we know that an organisation is only as strong as its people. We are committed to making One Manchester a great place to work and are dedicated to the professional development of our colleagues, providing them with relevant qualifications and rewarding career paths. I would like to take this opportunity to thank all our colleagues, committee members, and the Board for their hard work, dedication, and commitment to our shared purpose, vision, and values.

Yashar Turgut

Group Chair

Yashar Turgut

Report of the Board

Principal activities and review of the business

The One Manchester Group comprises the Group parent (One Manchester Limited) and three subsidiaries: One Manchester Treasury Limited, One Manchester Property Limited, and One Manchester Developments Limited. One Manchester Limited is a Charitable Community Benefit Society (registration number RS007018) and a Registered Social Housing Provider with the Regulator of Social Housing (registration number 4808).

These Group financial statements include the accounts of One Manchester Developments Limited, One Manchester Treasury Limited, and One Manchester Property Limited. One Manchester Limited is the largest social landlord in central, south and east Manchester, owning and managing more than 12,000 homes.

The principal activity of the Group is the provision, management, maintenance, and improvement of affordable social housing. In addition, the Group is working closely with key agencies for the wider public benefit of its communities; to improve and regenerate those communities and provide a positive environment for people to live in. The strategic report considers these activities in further detail.

Each subsidiary has its own Board of Directors. The One Manchester Limited Board acts as the Group Parent and oversees the activities of these wholly owned subsidiaries, namely:

- One Manchester Developments Limited (company number 09246629). A 100% owned subsidiary of One Manchester Limited and a private limited company. It was established to enable non-charitable activity to be undertaken.
- One Manchester Treasury Limited (company number 09456700). A 100% owned subsidiary of One Manchester Limited and a private limited company. It was established to facilitate efficient treasury management for the Group.
- One Manchester Property Limited (company number 11384233). A 100% owned subsidiary of One Manchester Limited and a private limited company. It was established to enable non-charitable purpose, vision, and values activity to be undertaken.

Qualifying third party indemnity provisions

The Group has qualifying third party indemnity provisions in place for the Board members of One Manchester Limited.

"One Manchester Limited is the largest social landlord in central, south and east Manchester, owning and managing more than 12,000 homes."

Compliance with Governance & Financial Viability Standard

The Regulator of Social Housing's (RSH) Governance & Financial Viability Standard (the 'Standard') was updated in April 2015 and reviewed in July 2017. This review emphasised the importance of the Board's responsibility for health and safety of residents, strengthened stress testing, and ensured organisations were keeping live their Assets & Liabilities Registers and used the information contained within them in strategic decision-making. The Standard was accompanied by a Code of Practice, which provides guidance to registered providers to ensure compliance with the Standard.

The overall required outcomes of the Standard are:

- To ensure there are effective governance arrangements that deliver the aims, objectives, and intended outcomes for tenants and potential tenants in an effective, transparent, and accountable manner.
- To manage resources effectively to ensure registered providers' viability is maintained, ensuring that social housing assets are not put at risk. The Standard requires registered providers to assess their compliance with the Standard at least annually, and Boards are required to report their compliance with the Standard within their annual accounts.

The definition of assurance means that this is not just an internal and external audit issue. Boards need to determine how they are obtaining assurance to demonstrate to the Regulator of Social Housing:

- A clear understanding of asset values, related security, potential losses, and potential chains of recourse. Note that Boards need to know exactly what information will be required in the event of distress and social housing asset exposure to value the assets without delay.
- Evidence of application of the principles.
- The assurance they receive on quality of records.

On 22 February 2023, the Regulator issued a regulatory judgement, maintaining the existing G1 grade for One Manchester's governance and moving it from V1 to V2 for financial viability. The viability regrade has been a common theme across the sector and reflects the current challenging economic conditions. In moving to V2, the Regulator recognises that One Manchester is focused on significantly increasing investment in its existing homes and planning for carbon net zero. This increase in investment, coupled with economic uncertainty in relation to inflation, interest rates, and rent increases, means that One Manchester has reduced interest cover ratios and a lower capacity to respond to adverse events. The Board accept the regrade and are confident the organisation is prudently managed financially, with significant headroom budgeted against funder covenants and robust financial controls in place including golden rules.

Compliance with the Standard was assessed by the Board in **July 2023** for the year ending 31 March 2023. After considering the self-assessment, the Board can confirm that the Group complies with the Standard.

The Group has also adopted the National Housing Federation Code of Governance (2020). A self-assessment against the Code is carried out annually and the Board can confirm that the Group complies with the Code.

Going concern

The Group's business activities, its current financial position, and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term debt facilities that provide adequate resources to finance the committed investment and development programmes, along with the Group's day-to-day operations. The Group also has an updated long-term Business Plan, taking in to account the impact of the current economic volatility, that demonstrates the Group can service these debt facilities whilst continuing to comply with funders' covenants. A series of stress tests have also been carried out to evidence the impact of various scenarios. The 2023 Business Plan has been updated and reflects the current economic circumstances experienced including rent caps, higher interest, higher inflation, and supply chain uncertainty. Our Board is continually monitoring the Business Plan in relation to these pressures and are appropriately stress testing the Business Plan for deteriorating conditions including higher interest and inflation, and lower rent levels and rent collection.

On this basis, the Board has a reasonable expectation that the Group has 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, it continues to adopt the going concern basis in the financial statements.

Internal Control and Risk Management

The Board is the ultimate governing body and is responsible for ensuring that an adequate system of internal control and risk management is in place and for reviewing its effectiveness.

> **"The 2023 Business Plan has been updated and reflects the current economic circumstances experienced including rent caps, higher interest, higher inflation, and supply chain uncertainty."**

Internal Control

The system of internal control is designed to manage and reduce, not eliminate, risk, and provide reasonable assurance that key business objectives will be met. It also gives assurance and support to the preparation and reliability of financial and performance information, and the safeguarding of the Group's assets. The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. Risks may be defined as those factors which may adversely affect the achievement of the Group's objectives. The internal control framework manages and mitigates risks by identifying those risks and ensuring controls are in place.

The key elements of internal control include:

- Corporate governance arrangements including the adoption of the National Housing Federation Code of Governance (2020).
- The Delegation Framework (reapproved in December 2022) including the Board approved terms of reference and delegated authorities for its Committees, Financial Regulations and Scheme of Delegation.
- Following extensive consultation with stakeholders, the Board agreed a new three-year Corporate Plan for 2022/2025 at its meeting in June 2022 supported by annually agreed corporate priorities.
- Strategic and business planning processes within which the Board approves strategy and Business Plan objectives supported by a performance monitoring framework.
- Development, monitoring, and approval of the long-term financial Business Plan updated with the annual budgeting cycle and in response to all significant environmental changes, which includes robust stress testing and assessment of key risks and mitigation analysis.
- The review and approval of annual budgets by the Board; review of results against the approved budget, and revised forecasts prepared at regular intervals. The annual budgeting cycle informs, and is informed, by the long-term financial Business Plan when setting the overall resources of the organisation, in both the short and medium term.
- The annual Treasury Strategy to control exposures in connection with treasury management activities, regular monitoring of loan covenants and requirements for new loan facilities.
- Performance indicators generated monthly to identify trends that are reported to Board quarterly to monitor progress towards objectives and to identify intervention.
- Board approved Value for Money Strategy dated May 2021, reinforcing our commitment to the Group's economy, efficiency, and effectiveness objectives.
- Financial appraisals of all proposed major investments in new properties and place regeneration initiatives that are subject to individual approval by the Executive Leadership Team, Growth Committee or Group Board and as defined within the Delegatory Framework.
- A Group-wide risk management system (including health and safety) which identifies, evaluates, and manages the significant risks faced by the Group.
- Board approved financial 'golden rules' to support quantification of the Group's financial risk appetite to augment covenant headroom monitoring and stress testing.
- Audit & Risk Committee develop and approve a risk based internal audit plan receiving internal audit reports, tracking implementation of recommendations. The Audit & Risk Committee used the services of PricewaterhouseCoopers (PwC) to provide internal audit services to 31 March 2023. Following a competitive tendering process, Beevers and Struthers were appointed as internal auditors in April 2023.
- Formal recruitment, training, and development policies for all colleagues.
- A Board approved Whistle Blowing Policy.
- A Board approved Probity Policy.
- A Board approved Anti-Money Laundering Policy and an Anti-Bribery, Fraud and Corruption Policy, together with a Fraud Response Plan, including tenancy fraud.
- Ongoing programme of Board training.
- A Crisis Management Plan, including scenario testing with all relevant colleagues, facilitated by an external specialist.

Going concern - continued

The effectiveness of the controls is assured by:

- Independent assurance by internal auditors as to the existence and effectiveness of the risk management activities described by management.
- Board and Audit & Risk Committee review and approval.
- External audit.
- External regulatory scrutiny, including In Depth Assessments, and other reports.
- Review and assurance by management.

The internal control framework, the risk management process, and fraud register are subject to regular review by internal audit, which has responsibility for providing independent assurance to the Board via its Audit & Risk Committee. All reports to Board and Committees consider risk and risk appetite and separately the Board and Audit & Risk Committee considers the overarching risk strategy, register and controls.
A fraud register is maintained and is reviewed by the Audit and Risk Committee on an annual basis. During the year, there were no dismissals in relation to fraud. In addition, instances of fraud in relation to tenancies are investigated and, where fraud has taken place, these are actioned and recorded.

The Audit & Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for the Company and the annual report of the internal auditor and has reported its findings to the Board. The report concluded that controls were good and worked effectively.
The Board confirms that there is an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group. This process has been in place throughout the year under review and up to the date of the Annual Report and Financial Statements and is reviewed at least quarterly by the Board. The Board has responsibility for the Group as a whole.

Risk management

The Regulator of Social Housing's (RSH) Governance & Financial Viability Standard (the 'Standard') was updated in April 2015 and reviewed in July 2017. This review emphasised the importance of the Board's responsibility for health and safety of residents, strengthened stress testing, and ensured organisations were keeping live their Assets & Liabilities Registers and used the information contained within them in strategic decision-making. The Standard was accompanied by a Code of Practice, which provides guidance to registered providers to ensure compliance with the Standard.

"The Audit & Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for the Company and the annual report of the internal auditor and has reported its findings to the Board. The report concluded that controls were good and worked effectively."

Key risks and risk appetite

The Board maintains a Corporate Risk Register which captures those risks across the business that could have the most significant impact on the achievement of its Corporate Plan.
The Board developed a Risk Appetite Statement in 2022/23 as follows, articulating its attitude to risk across a range of risk categories.

Risk taking is generally of a cautious nature to protect assets, comply with regulatory requirements, and provide social value rather than seek rapid growth and large profits.
We will not compromise the safety of our customers and will always strive to deliver the best value that we can.

We have a 'zero tolerance' to any risks that would breach our covenants, legal, or regulatory duties, or risks that would jeopardise our social housing assets.
We set our financial 'golden rules' with caution and then apply a 'zero tolerance' to any schemes or proposals that would breach those rules.
The Board is prepared to tolerate some levels of risk that will further our corporate strategies and aims to improve the quality and investment in our neighbourhoods. Risk decisions will be viewed on their own merits and in the context of our wider strategies, using all available intelligence at the time.

The Board has articulated risk appetite across a range of categories to reflect the complexity of the risks it manages, the changing nature of the environment in which it operates, and to provide parameters to support the Executive in delivering products and services.
The Board recognises that to deliver its Business Plan with the levels of uncertainty and challenge, particularly around external macroeconomic factors, it will need to assess the level of risk it takes on a considered basis. It also recognises that the risks it faces and its attitude to risk will change with time and circumstance, and it will always consider the longer-term impacts from the short-term decisions it makes and will take into account the voice of the customer.

Where the Board chooses to accept an increased level of risk, it will:

- Do so in a considered way, taking into account the benefits, threats, and longer-term impacts.
- Confirm that sensible and proportionate measures to mitigate risk can be established.
- Review its risks and risk appetites on a regular basis to respond accordingly.

The Board considered the following as the key risks for the 2022/23 financial year:

Risk Summary
1. Strategic Choices
Recognition of the competing pressures and trade-offs in setting the direction and utilising One Manchester's financial capacity and resources.
2. Macroeconomic Risk
The full impact of Covid, Brexit, and the recent conflict in Ukraine continue to develop with labour market and supply chain disruption, increased prices, and rising inflation. Recognition of the economic pressures on our customers. Interventions required to enable some customer groups gain access to quality, affordable housing. Further affected by the impact of slow wage growth, rising inflation, and benefit changes.
3. Reputation
Strategic decisions and competing demands from different stakeholders may have an adverse impact on some of these stakeholders such as tenants, local communities, national and local government, lenders, regulators, and the media. Failure to have regard to stakeholders' expectations can have serious ramifications for One Manchester's reputation and that of the sector as a whole.
4. Data and Security
Accurate, up-to-date, complete, and consistent data are fundamental for the Board, and the need to manage the ongoing risks arising from agile working and cyber threats.
5. Financing
The risk of reliance on debt to fund strategic objectives such as investment in new and existing housing, and weaker operating margins and lower interest cover therefore.
6. Stock Quality
The need for investment in stock to meet the evolving requirements of the new Decent Homes Standard and the decarbonisation agenda. The need for robust data on the quality of stock and an effective repairs and maintenance service.
7. Health and Safety
Properties must meet all the relevant statutory health and safety obligations.
8. Service Delivery
Failure to provide effective and transparent communication with customers and improve the services they receive (in line with the direction of the White Paper for Social Housing).
9. Growth (New Supply and Housing Market)
The need for all risks associated with the development, rental, and sale of the full range of products of new units to be understood, including the potential impact on financial viability and the achievement of strategic objectives.
10. Culture and Change
The need to demonstrate engagement and performance to our residents. The commitment to improving equality, diversity, and inclusion, highlighting and tackling inequality and discrimination with a workforce that reflects the communities served.

Audit

All the current Directors have taken all necessary steps to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.
An external tender process is underway to appoint a new auditor for 2023/24, a resolution to appoint will be put to the AGM members on 27th September 2023.

By order of the Board

Chris Murphy
Company Secretary
27 September 2023

Strategic Report

Our Purpose and Vision

One Manchester is a provider of housing and community services that currently owns and manages over 12,000 homes in central, south and east Manchester.

Our purpose is to provide good quality homes, great services, and real opportunities for our customers and communities.

Our vision is to create inclusive, connected, and sustainable places where people can thrive and live well.

Times are challenging, with growing inequalities, poverty, cost of living pressures, and climate change. One Manchester is committed to working in partnership with other organisations to address these issues for the benefit of customers, the City and Greater Manchester. At the same time, One Manchester is determined to provide better quality, safer homes and be more accountable to customers. We want those who live in our homes, both now and in the future, to prosper and live well as part of a thriving Manchester.

Strategies to achieve our purpose and vision

In 2022, Board approved a three-year Corporate Plan for 2022/25 with three new strategic priorities. Underpinning all of this work is the Shaping our Future programme, which has been designed to deliver a customer focused organisation that is structured to operate in an efficient manner.

Strategic priority one: People

Customers and colleagues are at the heart of everything we do. We're committed to keeping everyone safe and treating people equally and fairly. We are committed to listening to our customers and using their feedback to shape brilliant services. We want to recruit and keep talented colleagues who feel rewarded and inspired to do great work.

During 2022/23, One Manchester were focused on the following against this priority:

- Keeping people safe – continuing to invest in homes and buildings, including installing sprinklers and other fire safety improvements, so we continue to meet all our legal and regulatory requirements.
- Listening to customers – focusing more on getting things right first-time, understanding customers better, using what they tell us to improve and measuring our performance against the regulator's new standards.
- Creating a great place to work – involving, rewarding, and developing colleagues, supporting agile working, embracing equality, diversity, and inclusion, and living our values to deliver the best work.

Strategic priority two: Place

Where you live can determine what happens in your life. We want to help people succeed by providing quality, affordable, secure homes to rent and buy – and build more to meet future needs. We're investing in sustainable communities that people are proud to live in.

During 2022/23, One Manchester were focused on the following against this priority:

- Providing quality homes – continuing to maintain and invest in homes, reviewing the quality of our properties against the latest government standards.
- Improving energy efficiency and the environment – seeking funding for future "green" improvements to homes, focusing on affordable energy, and working with partners on sustainability projects, including educating customers and colleagues.
- Providing more homes – we are committed to building homes and investing in our places, growing through partnerships and joint ventures, and reducing the carbon impact of new developments.

Strategic priority three: Prosperity

We want our customers and communities to thrive, so we're committed to tackling inequalities and creating opportunities. We're determined to build more homes and regenerate more places. To help more people find work and training, make their money go further, and live well.

During 2022/23, One Manchester were focused on the following against this priority:

- Enabling communities to thrive – reducing inequalities to the diverse communities we serve through work, skills, and wellbeing services.
- Increasing social impact – attracting more funding to invest in our communities, maintaining existing partnerships and starting new ones to help enable a more prosperous city and greater Manchester.
- Being financially strong and well governed – we are focused on efficiency, delivering value for money, managing our finances and business well so we can do more for our people and places, and increase prosperity.

Strategies - continued

This is a dynamic Corporate Plan, responding to a time of great change in the housing sector. Beneath each of the strategic priorities, we have identified three focus areas for 2023/24. The focus areas behind the priorities for 2024/25 will be approved by the Board at the same time as the Business Plan and budget in March 2024.

The business also had to develop emerging strategies throughout the year in addition to the focus areas above to react to the emerging cost-of-living crisis, and in creating the Healthy Homes team to develop and implement a proactive approach to the ongoing management of condensation, damp and mould, with the aim of improving customers' homes and minimising future disrepair in the stock.

Business Model

The Corporate Plan is overseen and directed by the Group Board and Executive team. The Plan is delivered though of One Manchester Limited. Property services are delivered in-house, with a directly employed team responsible for gas safety, responsive maintenance, grounds maintenance, and estate cleaning.

The One Manchester Group adopted an efficient treasury structure upon its formation of the treasury vehicle, One Manchester Treasury Limited, which provides the private finance facilities for the Group. This structure allows for a more efficient use of the Group's security and private finance facilities enabling more efficient borrowing costs. The loan facilities and lending covenants apply to the whole Group which collectively form the loan facility obligors.
The treasury section of the financial review of the year ended 31 March 2023 details the current, historic, and undrawn facilities.

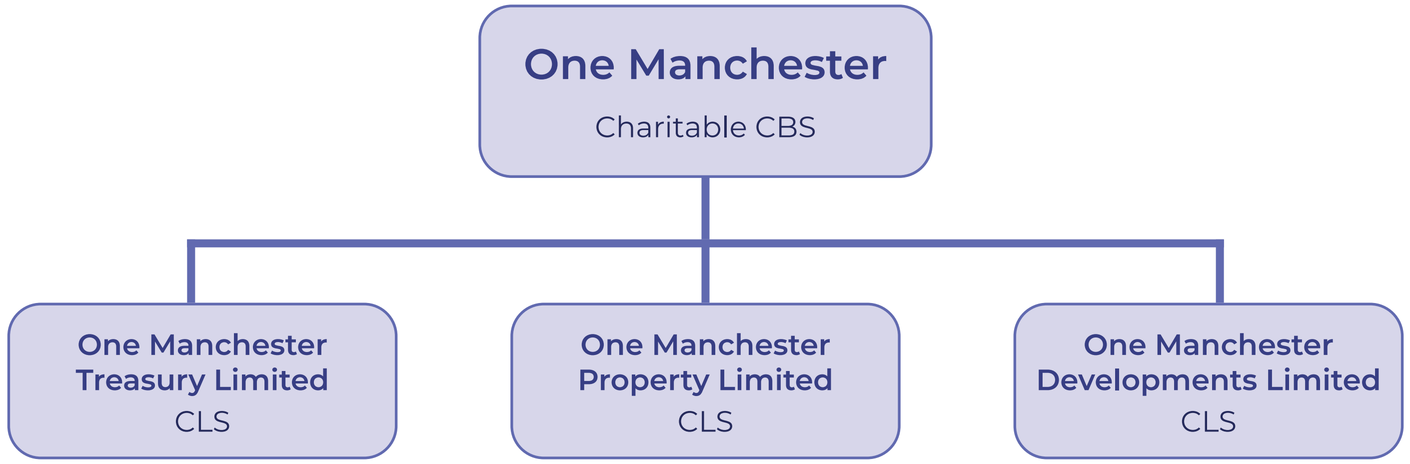
One Manchester Developments Limited is the vehicle through which the Group develops new housing, performing the role of principal development contractor for the Group, ensuring efficient development of new homes in accordance with our Growth Strategy.
To address the lack of housing supply in the region, we are a partner in a joint venture between RPs and the GMCA to set up an investment fund to deliver over 800 homes for sale over seven years. The total contribution to be invested by One Manchester is £2.99m, with the contributions forecast to complete during the 2023/24 financial year.

The Group (for the purposes of statutory reporting in 2022/23) comprises:

- One Manchester Limited, the Group parent and a Registered Social Housing Provider
- One Manchester Developments Limited
- One Manchester Treasury Limited
- One Manchester Property Limited

One Manchester Group Structure

The graphic below shows the Group structure and the relationships between the members as at the balance sheet date of 31 March 2023.



A **Charitable CBS (Community Benefit Society)** conducts business on behalf of its community and invests its profits into the Society for the benefit of its community.

A **CLS (Company Limited by Shares)** is a limited company which gift aids its trading surpluses in a tax efficient manner.

Financial review of the year ended 31 March 2023

Overall, the Group, before actuarial gain, generated a surplus of £18.2m (2022: £13.2m) for the period, against a budgeted surplus of £11.8m. The Group took advantage of increased income from Right to Buy sales in the period, to take positive decisions to invest more in customers' homes, provide additional support through the Thrive fund during the cost-of-living crisis, support colleagues and to react to the macroeconomic environment that unfolded after budgets were set for the financial year.

The main factors contributing to the variance of £0.6m, were as follows:

- Income streams were £0.6m lower than budgeted due to the combined impact of delayed development handovers and higher than budgeted sales of housing properties to tenants.
- Increased management costs due to awarding an interim cost-of-living payment to colleagues of £0.5m, additional resource to support service delivery during implementation of the change programme of £0.4m, and additional investment in Apprenticeships of £0.4m.
- Service costs were £1.8m higher than estimated due to increased energy costs of £0.7m, increased asset investment including fire doors and lifts of £0.4m, and an increase in grounds maintenance costs of £0.5m, including unplanned tree work.
- Changes to the programme of major works and the introduction of our Healthy Homes initiative resulted in an additional investment in homes of £2.4m.
- Depreciation charges were higher than budgeted by £1.5m due to the decision to accelerate investment in customers' homes which will reduce the Useful Economic Lives (UEL) of key components in the asset investment programme over future years.
- Surpluses on the sale of Right to Buy and Right to Acquire properties were higher than prudently budgeted by £8.0m, as demand over the year resulted in 150 properties being sold.

Group Financial Results

	2023	Restated 2022
Highlights of Comprehensive Income		
Turnover	66,622	63,353
Operating costs	(60,786)	(50,857)
Operating surplus	21,472	20,845
Surplus after taxation, before actuarial gain	18,191	13,180
Actuarial (loss) / gain	(74)	9,564
Total comprehensive income for the year	18,117	22,744
Highlights of Financial Position		
Social housing properties Net Book Value	281,977	257,357
Non-social housing properties at valuation	56,371	49,439
Cash at bank and in hand	23,223	50,733
Net current (liabilities)/assets	(1,739)	24,824
Debt drawn	(181,567)	(193,810)
Revenue reserve	70,516	52,399
Number of homes in management		
Social housing	11,890	11,938
Market rent	373	310
Total	12,263	12,248

The Group Statement of Comprehensive Income is on page 37.

Company Financial Performance

The Company achieved a surplus for the year of £18.2m largely in line with Group performance.

Group Financial Performance

Group turnover increased in the year by £3.2m to £66.6m. The increase results from higher income generated from Shared Ownership property sales of £0.7m more than the previous year, this is specific to the schemes underway each year. There was also an additional £2.2m from social housing rents, and a further £0.3m from non-social housing rents largely reflecting allowable rent increases from the rent settlement.

Operating costs (including costs of sale) increased in year by £9.9m to £60.8m. The key variances were:

- An increase in service cost expenditure of £1.2m, incorporating inflation, increased energy costs, and cost provision to new properties handed over.
- An increase in management costs of £2.6m which include a £0.9m charge to reflect changes to actuarial assumptions made by the pension scheme administrators at SHPS and GMPF, and also increases in employee costs.
- An increase on planned and routine maintenance of £0.4m. This is due to both an increased number of repairs and costs inflation.
- An increase to the major repairs programme of £3.0m, which is due to the acceleration of our investment programme and remedial fire works at Cundiff Court.
- An increase in depreciation of £1.5m due to accelerated depreciation to reflect the new UEL's.
- Cost of sales from Shared Ownership property sales increased year on year by £1.2m, in line with the increase of handovers from the development programme.

The total Comprehensive Income for the year was £18.1m (2022: £22.7m). The key difference between the two years is that the year ended March 2022 there was an actuarial gain of £9.5m on the pension schemes, whereas in the year ended March 2023 there was an actuarial loss of £74k, an overall difference of £9.5m.

Healthy Homes initiative

In September 2022 we set up our Healthy Homes Team. The team was brought together to develop and implement a proactive approach to the ongoing management of condensation, damp and mould with the aim of improving customers' homes and minimising future disrepair in the stock. A new condensation, damp and mould policy was developed outlining our framework and response – the policy is clear that we will always investigate any report of condensation, damp and mould. We will also identify and treat the root cause. The team comprises of a manager, team leader, four building surveyors, administration, and operatives. The workload of the team increased dramatically from November onwards and at its peak was managing over 800 enquiries and service requests per month. New processes have been introduced with all surveyors fully utilising dynamic scheduling systems to manage appointment. We have also embedded a new data capture process for this team to support regular assurance reporting. The set up of the team was supported with an additional £1m funding during 2022/23.

Alongside the reactive approach to condensation, damp, and mould, we are also introducing proactive programmes of work to install ventilation and monitoring systems. We will be trialling new products that support the eradication of condensation, damp and mould. Any property that has previously had repairs completed will also undergo a reassurance survey to ensure that root cause has been appropriately treated. The budget allocated for the team through 2023/24 is £5m.

Asset Management

A review of the Asset Management Strategy is currently ongoing and is expected to be approved during July 2023. The new strategy is customer led with 8 key principles underpinning the strategy and prioritising investment. A significant amount of work has been completed during 2022/23 in improving our data but we recognise more needs to be done. Over the next two years we will complete 100% stock condition surveys, initially this will be outsourced whilst the shaping our future structure review completes but following recruitment will be completed by the Asset Management Team with 10% validation from a third-party provider.

Following a review of our data and our lifecycles during 2022/23 we reintroduced a number of key programmes of work, this included kitchen, bathroom, windows and door programmes. We also replaced EPS cladding to Cundiff Court with Platt Court, Worsley Court and Bickerdike Court to follow in 2023/24. Our sprinkler installation programme is now nearing completion with 90% properties installed. Positively, we were successful in a matched funding bid under the Social Housing Decarbonisation Fund (SHDF) Wave 2. Work will start to just over 100 properties at the end of 2023/24, it is expected the value of work will be in the region of £1.2m.

During 2023/24 we will implement our new Asset Management Strategy and commence a review of our repairs service, this will commence with the 'Big Listen' to customers' during summer leading to a wider service review.

Group Financial Position

The financial position remains strong with social housing properties shown at historic cost of £282.0m (2022: £257.3m), representing an increase of 9.6%.

This is due to an additional £20.6m from new development handovers and capital work to existing properties of £15.3m, offset by property disposals through RTB and RTA (discussed above) and depreciation. This compares to an underlying valuation, on an Existing Use Value – Social Housing (EUV-SH) basis of the Group's properties used as security of £387.5m at the end of the period. This valuation does not include those additional properties owned, developed or acquired but not currently used as security, totalling 3,967 units, which could be valued and charged subject to legal due diligence.

We currently have 373 investment properties (our market rent properties) which are held at current Market Value. The total value of the investment properties including those under construction is £56.4m. Market values in a number of our areas have seen some upward movement since the prior year, resulting in a surplus on revaluation of £3.6m for the 2022/23 financial year.
The cash balances have decreased by £27.5m to £23.2m in 2023

- The underlying business generated £12.2m of cash (2022: £21.7m) before debt servicing of £21.2m (interest and capital repayments).
- The spend on investing activities during the year was £20.3m (2022: £21.6m). This includes expenditure of £20.9m (2022: £26.9m) on the construction of new housing properties less sales receipts of £19.2m (2022:£10.6m).
- There have been no loan drawdowns in the year (2022: £12.5m), and repayments of £12.2m (2022: £3.8m).

Overall, the cash position reduced significantly in the year as forecast. Cash generated from normal operations and from the sale of housing assets funded the investment in existing homes and new properties. The payment of interest and loan repayments were funded by the cash in deposit accounts. The revenue reserve now shows an accumulated gain of £70.8m (2022: £63.1m gain), reflecting the surplus made during the financial year.

Financial Covenants

The Group has three financial covenants:

- Interest cover – calculated as the sum of: Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), add surplus from property sales, less capitalised major repairs; expressed as a ratio in comparison to net interest paid. In 2022/23, the tightest ratio was 1.78 (2022: 2.5) which provide sizable headroom against the minimum ratio of 1.10.
- Net debt per unit – has increased to £13.2k (2022: £11.9k) being significantly less than the £22.5k per unit maximum. This movement recognises the decrease in drawn debt to £181.6m (2022: £193.7m) relating to repayments made on our RBS and Barclays loans of £12.1m, along with a decrease in cash holding to £23.2m (2022: £50.7m). Loans drawn have financed development and capital investment activity during the year.
- Net debt to housing units at cost – the required level for this measure is that net debt does not exceed 70% of the housing units at cost. For 2022/23 this was 46%.
- Asset cover – expressed as a percentage of the EUV-SH of the properties divided by the drawn loan facilities, resulting in cover for 2023 of 194% across the combined facility (2022: 149%) significantly exceeding the tightest covenant requirement of 110%

Group Performance	2023	2022
Group Operating Surplus as % of Turnover (excluding fixed asset disposal surplus)	8.8%	19.7%
Group Operating Surplus as % of Turnover (including fixed asset disposal surplus)	32.2%	32.8%
Rent losses (voids and bad debts as % of rent and service charge receivable)	1.98%	4.02%
Current Rent arrears (gross arrears as % of net rent and service charge receivable)	7.63%	7.47%
Rent collected % excluding current arrears	99.27%	99.57%
Average re-let time in days	26	17
Net debt to turnover	2.38	2.26
Covenants		
Interest cover per loan agreements (Barclays and RBS/ L&G)	1.78/2.41	2.5/2.54
Net Debt per unit £'s	13,188	11,905
Effective interest rate	4.51%	4.27%
Asset Cover (Barclays / RBS / L&G)	203%/293%/129%	188%/197%/131%

Cash Flow

The Group has had a net outflow of cash and cash equivalents during the year of approximately £27.5m (2022: net inflow £0.2m). The cash balance at 31 March 2023 was £23.2m (2021: £50.7m). Cash inflows and outflows for the year under review are set out in the Group Statement of Cash Flows. Net cash inflows from operating activities are principally from the management of housing stock.

The most significant net cash outflows are from investing activities; the spend on development and acquisition of new properties £20.6m (2022: £23.2m), and major repairs capital expenditure to existing properties of £15.3m (2022: £8.4m). Debt repayments of £12.2m were made in the year (2022: £3.8m) and £9.0m of interest was paid (2022: £8.1m).

Treasury Management

- Treasury management is the responsibility of the Board. The strategy is approved by the Board annually, with quarterly review and monitoring reports provided throughout the year.
- Borrowings at the financial year-end were £181.5m (2022: £193.8m) with a further £75m (2022: £50m) available to draw.
- The Treasury Strategy aims to ensure that loans are not all due for repayment in any one year. The Barclays debt of £63.3m and the RBS debt of £43.3m have agreed phased repayments until 2035. The effective interest rate in the year was 4.14% (2022: 4.27%).
- The Group's approved long term financial Business Plan confirms the existing secured facilities and cash balances meets its development and planned investment for a period of three years. 2023: £181.5m) from Barclays Bank Plc, Royal Bank of Scotland Plc (RBS) and Legal and General Investment Management (L&G); the Group also has fully secured facilities of an additional £75m undrawn revolving credit.
- The Group manages the risk of fluctuations in interest rates through a mixture of variable and fixed rate debt. At 31 March 2023 the Group had 2.0% of drawn debt on a variable interest rate, 98% was on a fixed rate (the Group's Treasury Policy states that a minimum of 70% of debt should be fixed). The fixed rate loans are on an embedded basis and the Group has no standalone derivatives. All the undrawn facilities are variable.
- The Group borrows only in sterling so does not have any currency risk. Any cash surpluses are invested in approved UK institutions in accordance with the approved Group Treasury Management practices.

Accounting policies

The policies are set out in pages 44 to 56 of the financial statements. Accounting policies are consistent across the Group.

Value for Money Self Assessment

Value for Money (VfM) is fundamental to everything we do at One Manchester. There is ever increasing demands on resources which makes the focus on efficiency, effectiveness, and economy more important than ever.

This review is set against the challenging background of the operating environment in 2022/23 which was dominated by the current economic volatility, including the cost-of-living crisis. The Board are committed to increasing and accelerating investment in customer homes through a review of the economic lives of components, increased cyclical maintenance and a programme of work to improve Independent Living schemes whilst also doubling the support available to customers through the Thrive Fund.

One Manchester fully complies with the requirements of the VfM Standard and a separate compliance statement has been prepared, reviewed, and adopted by the Board.

Our Value for Money Approach

- To enhance the return on our assets, focus resources on our growth programme and existing housing stock but also encompassing our offices and people.
- To make best use of our resources by buying intelligently, reviewing our procurement and contract management arrangements.
- To increase productivity, focussed on the best use of information systems and technology.
- Maximising income on both market and social rental elements.
- Improve the efficiency, quality and performance of our maintenance service.
- Achieve growth without a corresponding increase in our overheads.

One of the corporate priorities for 2023/24 is to refresh and align the current Value for Money Strategy to the new business model following the conclusion of the Shaping our Future programme. The current VfM strategy was adopted by One Manchester Board in May 2021 and covered the period 2021-2024. The strategy has six VfM objectives or themes.

The themes within the strategy are:

1. Best use of assets and resources.
2. Maximise our social value.
3. Maximise our procurement opportunities.
4. Meet regulatory compliance and scrutiny requirements.
5. Deliver value for our customers
6. Deliver value for our stakeholders.

Our approach to VfM during 2022/23 is embedded within the three corporate priorities and considered in more detail below. This will also be reflected in our customer report.

Delivering value

The VfM work in 2022/23 was set against the context of the current climate and the practical necessity to support our communities and maintain core services as much as possible.

Throughout the year, key services were maintained and One Manchester actively supported customers in a number of ways. The Thrive fund was launched to allow customers direct access to funding to purchase required items. Adverse weather packages were provided to our vulnerable customers, the works and skills team supported customers and our communities into work and our income support team continued to provide debt advice. Income collection challenges and cost pressure were also a feature of the current economic operating environment.

One Manchester saw a reduction in operating margin from 32.9% (actual - 2021/22) to 32.2% (actual - 2022/23), this is mainly due to accelerated depreciation of £1.5m to reflect the revised accounting policy relating to economic lives as components, increases in repairs costs to support our healthy homes initiative and increased management costs to support service delivery through the Shaping our Future business transformation programme.

In 2020, as part of the business planning process, the Board looked at a structured programme that could deliver both the targeted efficiencies, but also provide a springboard to a more comprehensive overhaul of the business and operations through the Shaping Our Future programme. The Board's objective was also to ensure One Manchester remains cost effective, efficient and with good overall Social Housing Cost Per Unit metrics and most importantly deliver exceptional customer service. Accordingly, Board approved the commencement of the Shaping our Future programme in 2021, to enable One Manchester to navigate the significant and competing demands faced by the organisation and the wider housing sector, as we adapt to living with the current economic pressures.

The programme identified five major drivers for change at the outset, representing many of the macro issues facing One Manchester along with increased pressures from balancing investment in existing stock against new supply, building safety and achieving net zero carbon.

The Shaping our Future programme has progressed well and is due to be completed during 2023/24. The successful outcomes will provide the foundations for One Manchester to deliver great services that customers want in an efficient and effective manner.
In 2022/23 the Shaping our Future programme achieved efficiencies of £0.7m against a £1m target, delivering against multiple workstreams.

Responsive Repairs

£255k of savings have been delivered through procurement savings on our roofing replacement programme and efficiencies created as a result of the new operating model. The operating model efficiencies will continue to deliver efficiencies into 2023/24 and beyond as it is embedded across the whole team.

In addition, new ways of working on the Homes pilot and our new trade offer have generated a reduction of the number of emergencies and follow on works required and increased capacity in the team. We continue to extend the pilot to 50% of stock and include additional activities including empty homes.

Shaping our Future Programme

In year savings of £368k (£555k annualised) have been achieved. The programme has been focused on creating the right structure across front line services and support functions to deliver better customer service, value for money, and positive cultural change. At the beginning of 2023/24 the new neighbourhood model will be launched splitting our homes into three Neighbourhoods – the South, East and Central. Each Neighbourhood Officer will have a patch size of around 500 homes. The neighbourhood officer roles will be supported by specialist teams in income collection, financial inclusion, community safety and onboarding. We are committing to conduct a Tenancy visit each year to build a connection with our customers and to include a property inspection (inside and outside), where we will also order repairs that are outstanding or unreported and incidences of damp and mould.

Other Savings

We have achieved £70k of interest cost savings through effective treasury management by early repayment of more expensive term debt and more actively utilising cash balances.

The Board recognised that as an organisation and as a sector, we are in a period of significant change. We must provide warm, safe homes for our customers and as a result, the Board approved a Business Plan that looks to invest now to save in the future. Over the next two years, increased data and insight gathered by the annual tenancy experience visit and 50% stock condition surveys, will inform improvements in repairs and allow the Healthy Homes team to tackle damp, mould and condensation. This work will generate longer term efficiencies which have been built into the Business Plan, as the standard of homes is increased, leading to a less reactive way of working and a move to proactive, planned investment.

Regulatory compliance and scrutiny

In reviewing the Corporate Plan, the VfM strategy, the Business Plan, and Budget, we have been guided by the following principles:

- Benchmarking data (unit cost measures and analysis of our headline numbers).
- Using Global Accounts to understand our costs for delivering services, the quality this provides and how we compare with others.
- Broadening VfM objective two as 'Our Costs and Metrics' providing a simple way to adopt the key measures of the VfM Standard as detailed below.
- Recognising that our revenue costs, and our income will be the direct drivers in our operating margin. Having a rigorous decision-making process in place to challenge what we spend, the how and why.
- Gearing, ROCE and the EBITDA measures provide an indication of meeting our covenant commitments, measuring financial returns against our wider charitable objectives and further debt capacity.

Understanding our unit costs is a key VfM measure against the Value for Money Standard (the "VfM Standard") and we have adopted and included all the VfM Standard's VfM core measures in the Metrics tables below. By utilising the 'headline social housing cost per unit' (CPU), we can see how we fare with others in the sector. Using this methodology, in 2021/22 One Manchester had a CPU of £3,803 which was impacted by an increase in management costs as we invested to save in our Shaping our Future. Our outturn for 2022/23 is £1,085 higher per unit, this is mainly due to increases in both management costs (pension contributions and a staff cost-of-living payment) and accelerated major repairs spend, which was funded via our increase in sales income. Our current and future direction analysis below is particularly important to us in maintaining and managing our future financial strength.

The table below details historic actual costs up to 2021/22, the accounts for 2022/23 and Business Plan forecast to 2025/26.

Table 1: unit cost measures – actual and target

	Actual					Business Plan		
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total social housing CPU	£3,077	£3,195	£3,206	£3,803	£4,888	£4,623	£4,898	£4,502
Management CPU	£1,137	£1,234	£1,296	£1,457	£1,708	£1,335	£1,349	£1,374
Service Charge CPU	£204	£251	£275	£291	£396	£476	£410	£416
Maintenance CPU	£714	£825	£789	£857	£893	£1,137	£1,186	£677
Major Repairs CPU	£873	£687	£724	£999	£1,677	£1,451	£1,657	£1,650
Other social housing CPU	£149	£198	£122	£199	£215	£223	£297	£385
Stock numbers	11,794	11,944	11,878	11,938	11,890	12,060	12,186	12,409

Overall, the SHCPU figures are reflective of the positive decision made by the Board to accelerate and increase investment in customers' homes and restructure the business through the Shaping our Future programme which will deliver a more efficient model and better services over the long term.

Management Costs

The impact of high inflation has increased these costs in the last financial year. There has also been a number of one-off items which have also had an impact. A cost-of-living payment of £1,000 was made to all staff in October 2022, pension contributions have increased and there has been costs relating to the Shaping our Future programme to restructure the business and support service delivery during the process. The financial impact of these changes is reflected in future years as the cost stabilises.

Service Costs

Inflationary pressures have seen costs increase significantly. The Board took the decision to cap service charge increases for customers in 2023/24 to help with the cost-of-living crisis. There is a service charges review planned as part of the Corporate Priorities in 2023/24 and 2024/25 to assess and deliver efficient services whilst improving cost recovery.

Maintenance Costs

The Board has approved an increase in budget for the Healthy Homes team and repairs team over the next two years to support the new neighbourhood model. Visiting every home through the tenancy experience visits will increase demand for these services in the short term, but this will generate efficiencies in the medium to long term as we move to a more proactive service.

Major Repairs

This cost increase is reflecting the commitment to increase and accelerate investment in customers' homes.

In sector comparative terms, our overall cost per unit has moved into the upper quartile from 2022/23 onwards due to the increased investment in planned maintenance. The Board and Executive team have considered this in detail when approving the Business Plan and accept that the VfM metrics will weaken in the medium term as a result of the strategic decision to accelerate investment in customers' homes. Focus on efficiency in delivering this increased investment is still embedded in everything we do.

It should be noted that the sector comparison is based on 2021/22 data which does not reflect the significant increases in costs the sector has seen over the last financial year. It is reasonable to assume that other RP's will be seeing costs increase due to macro-economic and political pressures which, if reflected in the data above, would put One Manchester at a median level.

Table 2: Sector comparison – actual and target overall cost per unit 2022/23

One Manchester £'000/Unit - Actual 2019/20 to 2022/23 Costs and Projected Costs 2022/23 to 2024/25

	2019/20		2020/21		2021/22		2022/23		2023/24		2024/25		2025/26	
	Actual CPU	Quartile Position	Actual CPU	Quartile Position	Actual CPU	Quartile Position	Actual CPU	Quartile Position	Estimated CPU	Estimated Quartile Postion	Estimated CPU	Estimated Quartile Postion	Estimated CPU	Estimated Quartile Postion
Management	1.23		1.30		1.46		1.71		1.34		1.35		1.37	
Service costs	0.25		0.28		0.29		0.40		0.48		0.41		0.42	
Maintenance	0.83		0.79		0.86		0.89		1.14		1.19		0.68	
Major Repairs	0.69		0.72		1.00		1.68		1.45		1.66		1.65	
Other costs	0.20		0.12		0.20		0.22		0.22		0.30		0.39	
Headline Social Housing	**3.20**		**3.21**		**3.80**		**4.89**		**4.62**		**4.90**		**4.50**	

Regulator of Social Housing (RSH) All RP Sector Data - 2021/22

	Management	Service costs	Maintenance	Major Repairs	Other costs	Headline Social Housing
Upper	1.45	0.83	1.48	1.21	0.44	5.18
Median	1.13	0.47	1.23	0.96	0.20	4.15
Lower	0.88	0.28	1.03	0.75	0.10	3.70

Note: The estimated quartile positions are based on the all RP RSH sector data for 2021/22 (see second table) and are an indication as to where the organisation would sit without using mid-upper and mid-lower markers.

Value for Money Metrics

The table below details historic actual, accounts for 2022/23 and budgeted and Business Plan targets through to 2025/26.

Table 3: Value for Money metrics – actual and target (as at March 2023)

		Actual				Projected		
	VfM Metrics	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
1	Reinvestment	13.18%	13.62%	13.68%	12.73%	13.08%	16.10%	12.98%
2a	% New Supply Delivered (Social Housing Units)	2.13%	0.08%	1.46%	1.04%	1.38%	1.03%	1.82%
	No. New Supply Delivered (Social Housing Limits)	254	9	174	124	170	126	223
	Closed Housing Units	11,944	11,878	11,938	11,890	12,060	12,186	12,409
2b	% New Supply Delivered (Non-Social Housing Units)	0.16%	0.10%	0.00%	0.49%	0.05%	0.12%	0.16%
	No. New Supply Delivered (Non-Social Housing Units)	21	13	0	63	7	16	21
	Closed Housing Units (Social & Non-Social) plus Leasehold	12,892	12,853	12,899	12,954	12,844	12,803	12,924
3	Gearing (Net Book Value of Housing Properties	54.30%	57.30%	54.70%	56.13%	56.00%	58.00%	58.00%
4	EBITDA MRI Interest Cover	159.60%	158.80%	97.70%	-29.00%	54.94%	55.58%	125.48%
5	Headline Social Housing Cost per Unit	£3,195	£3,206	£3,803	£4,888	£4,623	£4,898	£4,502
6a	Operating Margin (Social Housing Lettings only)	26.12%	25.66%	18.73%	8.53%	20.86%	23.65%	32.59%
6b	Operating Margin (Overall)	23.70%	25.22%	19.72%	8.76%	20.84%	23.11%	31.71%
7	Return on Capital Employed (ROCE)	6.58%	6.19%	6.08%	6.22%	5.74%	5.46%	6.63%
	Other Metrics	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
1	EBITDA MRI Social Housing Lettings Interest Cover	172.50%	141.90%	114.50%	-13.40%	53.66%	41.48%	104.60%
2	Net Debt to Social Housing Lettings Turnover	2.8	3.3	3.3	3.2	3.0	3.4	3.7

Note: The detailed calculation of the metrics follow specific definitions to ensure consistency across the sector. The referenced values below follow those definitions.

This table presents the key metrics at the core of the VfM Standard. Specific commentary can be found below:

Reinvestment: this has been consistent over the period of the table with the increases in 2024/25 reflecting the accelerated investment programme.

New Supply: the growth in new home delivery is starting to reflect the handover stage of the Growth Plan which runs to 2027/28 and will deliver 2397 homes. The growth strategy will be refreshed in 2023/24 to ensure continued delivery of new homes for the long term.

The total growth in our social housing stock is impacted by continued disposals; a number of tenants retain the Right-to-Buy or Right-to-Acquire as a vehicle to home ownership. One Manchester saw 150 properties sold in the year.

Gearing: The debt profile continues to increase as we invest in current and new homes. This debt will be paid back over the life of the Business Plan by the cashflows generated by the new and existing homes which will allow for further investment activity.

EBITDA MRI interest cover: In 2022/23, a number of positive decisions were made to utilise surpluses from asset sales to invest in customers' homes. This is reflected in this metric as sales are not included. Over the next two years there are increased budgets for the Healthy Homes and Repairs teams as we get behind every door which reduces this metric. Significant headroom against funders covenants was always maintained during the period.

Operating Margin: the operating margin has been impacted this year with increased management and repair costs, which will continue into 2023/24. Margin performance improves in 2025/26 as the effects of the Shaping our Future programme and investment in homes take effect.

ROCE: at 6.22% for 2022/23 against 6.08% for 2021/22 in line with recent years.

EBITDA MRI Social Housing: As above, in 2022/23, a number of positive decisions were made to utilise surpluses from asset sales to invest in customers' homes. This is reflected in this metric as sales are not included. Over the next two years there are increased budgets for the Healthy Homes and Repairs teams as we get behind every door which reduces this metric. Significant headroom against funders covenants was always maintained during the period.

Table 4: Value for Money metrics 2022/2023 – global accounts sector Comparison

				All RP's (200 Total)		LSVT North West (23 Total)		LSVT>12 Years (84 Total)	
VfM Metric	OM 2022	OM 2023	OM Trend	Median 2022	Variance	Median 2022	Variance	Median 2022	Variance
Reinvestment	13.68%	12.73%	↓	6.50%	6.23%	10.10%	2.63%	7.90%	4.83%
New supply - social	1.46%	1.04%	↓	1.40%	-0.36%	0.70%	0.34%	1.55%	-0.51%
New supply - non-social	0.00%	0.49%	↑	0.00%	0.49%	0.00%	0.49%	0.00%	0.49%
Gearing	54.70%	56.13%	↑	44.10%	12.03%	40.40%	15.73%	49.40%	6.73%
Interest cover - EBITDA MRI	97.70%	-29.00%	↓	145.70%	174.70%	161.00%	190.00%	150.50%	179.50%
Operating margin - social housing	18.73%	8.53%	↓	23.30%	-14.77%	21.40%	1.90%	24.10%	-15.57%
Operating margin - overall	19.72%	8.76%	↓	20.50%	-11.74%	19.70%	-10.94%	21.85%	-13.09%
ROCE	6.08%	6.22%	↑	3.20%	3.02%	4.20%	2.02%	3.85%	2.37%

Overall, the results in this table reflect One Manchester's positive decisions to invest in major works on its customers' homes and to leverage its assets to create capacity to build more new homes as detailed throughout this report. Work is underway to drive efficiencies in management costs and procurement, which is reflected in the CPU metrics in table 2 above and are a more accurate approach to understanding the underlying performance of the business given the number of contingent variables within the high-level metrics. Whilst the EBITDA-MRI interest cover looks low due to income from asset sales not being included, operating margins perform well against the sector comparators, reflecting an efficient and well managed business.

The following paragraphs provide more detail to the figures in this table.

- The reinvestment metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. It demonstrates that finances are being put to good use by maintaining and improving stock as well as adding to the asset base. Nationally, at the median, RPs are spending the equivalent of 6.50% of their assets' value on reinvestment. Stock transfer organisations have higher median reinvestment rates.

- At 12.73% we are markedly above the LSVT NW median. This new and existing homes investment indicates that we are fulfilling our promises to tenants by investing funds to improve stock and develop new homes.

- New supply: at the median, RPs are developing new social housing, nationally of 1.40% of their stock in a year. Our combined result of 1.53% is in line with our growth.

- Gearing measures, the ratio of debt to assets, use a concept similar to mortgage lenders' loan to value measure. While a gearing ratio above the median may demonstrate willingness to leverage assets to fund development, this measure has no real polarity. Gearing can also be affected by funders' lending covenants, which may set conditions in relation to borrowing levels.

- The results show the majority of RP's appear to use borrowing prudently with ratios below 45%. Associations with development programmes tend to have higher gearing than those without – our result of 56.1%, higher than the median results, demonstrates that we are committed to utilise financial capacity to invest in current homes and future supply of housing.

- It should be noted that the majority of historic debt was generated to support decent homes 'catch-up' repairs, and as we move forward, our debt profile increases to support both the development and investment programme. In addition, the bulk of our stock is historic social stock fro both originating associations and came across at transfer at nil value. The current carrying value of this stock only reflects the investment programme works undertaken through the Decent Homes programme.

- EBITDA MRI measures financial performance before factoring in financing decisions, accounting decisions or tax environments. It approximates cash generated; presenting it as a percentage of interest shows the level of headroom on meeting interest payments for outstanding debt. Fundamentally, this metric does not include surpluses from asset sales which is a significant income for One Manchester and is utilised to invest in customers' homes. All funders' covenants allow this income which is reflected in the prudent headroom the budget and Business Plan is operated within. This metric is meaningful for RP's who borrow to invest and cover interest payments with their operating surplus. Whilst it is important for earnings to cover interest payments, a high interest cover ratio could mean there is additional capacity for investment. Our commitment to invest in our homes, using the surplus funds from housing asset sales and supporting both the new homes programme and an increasing spend in major repairs, is reflected in the cost per unit metrics.

- The overall operating margin measures the amount of surplus generated from turnover on a RP's day-to-day activities and is a key measure of operational efficiency as it is influenced by both income and expenditure. Various factors can affect an operating margin including rent charges (lower rents mean lower margins) and increases in costs. Margins of 20%+ indicate financial stability and One Manchester has generally good performance against the sector norms, with the margin expected to increase in the later years.

- ROCE – Return on Capital Employed – shows how well an RP is using both its capital and debt to generate a capital return. It is a commonly used ratio to assess the efficient investment in capital resources. The metric supports RPs with a wide range of capital investment programmes. However, it can be influenced by the nature of a RP's property portfolio e.g. balance between market and social rent, age of stock, historic debt and basis of valuation. Generally, higher returns are seen as better, and the national median point was 3.2%. Our result of 6.22% represents a positive measure against the sector median.

Governance

The Board of One Manchester Limited is the Parent Board for the One Manchester Group and as of 31 March 2023 comprised 9 members as follows:

- Seven Independent Board members who are neither Residents or Local Authority Persons.
- One Manchester City Council Nominee
- The CEO.

The Company Secretary and Executive Leadership team attend all meetings of the Board.

There are five committees that have been established by the Board:

- Audit and Risk
- Remuneration and Governance
- Place
- Growth
- Equality, Diversity & Inclusion

Three other subsidiary companies complete the One Manchester Group namely: One Manchester Treasury Limited, One Manchester Developments Limited and One Manchester Property Limited (all being subsidiaries of One Manchester Limited). They all have their own separate Boards but their activities are monitored by the Parent Board. The CEO and CFO serve on the Boards of the subsidiaries of One Manchester Limited.

Board members are remunerated within the National Housing Federation recommended scale and the Board remuneration scale was last reviewed by an independent third party on 23 March 2022.

Board Composition

In April 2022, One Manchester undertook a programme of recruitment to move to a strategic skills-based Board and to replace the members who had retired.

Recruitment to the Board continued, with the One Manchester customer Board member being appointed on 31 August 2022, however, the individual later resigned on 24 October 2022.

A further Independent Board Member was recruited and appointed on 1 February 2023. Recruitment for a Customer Board Member is ongoing.

Board Attendance

The table on the right sets out the Board membership and attendance which is shown as the number of meetings attended, the number of meetings possible and the overall attendance for both the individual Board Members and the Board in the year. Where Board members are not able to attend a meeting, they are encouraged to communicate their comments and opinions on the matters being considered at the meeting in advance of the meeting to the Chair or relevant Committee Chair.

	Board Meetings			Committee Membership				
Board member	Attended	Possible	%	Audit & Risk	R&G	Place	Growth	ED&I
Yashar Turgut (Chair)	11	11	100		●		●	
Cath Wilson (SID)	7	10	70	●			●	●
Joanne Seymour	11	11	100	●	Chair			
Sue Lock	9	10	90		●	Chair		
Gordon Perry	9	10	90	Chair	●			
Dave Bullock	10	10	100				Chair	
Nic Kershaw	10	11	91				●	●
Rabnawaz Akbar (MCC Nominee)	3	5	60					
Mick Warner	3	3	100			●		Chair
Theo Cranston	1	1	100					
Overall Attendance			90					

Code of Governance

One Manchester Limited has adopted the National Housing Federation Code of Governance (2020) ('the Code') for itself and its subsidiaries.

The four main principles of the Code are:

- Mission and values: The Board sets and actively drives the organisation's social purpose, mission, values, and ambitions, and through these embeds within the organisation resident focus, inclusion, integrity, openness, and accountability.
- Strategy and delivery: The Board sets the organisation's plans and strategies and exercises demonstrable and effective oversight of their delivery.
- Board effectiveness: The organisation is led by a skilled and diverse Board which regularly reviews and capably manages its own performance and effectiveness and ensures that it complies with this code.
- Control and assurance: The Board actively manages the risks faced by the organisation, and obtains robust assurance that controls are effective, and that plans and compliance obligations are being delivered.

One Manchester Limited and its subsidiaries comply in full with the National Housing Federation Code of Governance (2020).

By order of the Board

Chris Murphy
Company Secretary
27 September 2023

Directors' Responsibilities

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

Co-operative and Community Benefit Society law and social housing legislation require Board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards and current Statement of Recommended Practice (SORP) for Registered Housing Providers have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and association will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Group and association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

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

Statement of compliance

The Board has sought assurance of the Group's compliance with all regulatory requirements. A key element of the Regulator for Social Housing, Governance and Financial Viability Standard is the requirement to comply with all relevant laws. The Board has taken reasonable steps to seek necessary assurance. On this basis the Board confirms that the Group complies with the requirements of the Regulator of Social Housing Governance & Financial Viability Standard.

Auditor

An external tender process is underway to appoint a new auditor for 2023/24, a resolution to appoint will be put to the AGM members on 27th September 2023.

Disclosure of information to the auditor

The Board members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Board members have confirmed they have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Independent Auditor's Report to the Members of One Manchester Limited for the year ended March 31 March 2023

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 2023 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 properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of One Manchester Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Group and Association statement of comprehensive income, the Group and Association statement of financial position, the Group and Association statement of changes in reserves, the Group statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Strategic Report, Report of the Board of Management, Statement of the Boards Responsibilities for the Report and Financial Statements and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

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

Responsibilities of the board

As explained more fully in the board members responsibilities statement, 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 members determine 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 are responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

Non-compliance with laws and regulations

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Accounting Direction for Private Registered Providers of Social Housing.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Completing substantive procedures depending on revenue stream to ensure revenue has been included within the appropriate accounting period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP, Statutory Auditor
3 Hardman Street
Manchester
United Kingdom
27 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Group Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 £'000	Restated 2022 £'000
Turnover: continuing activities	3	**66,622**	63,353
Cost of sales	3	**(4,478)**	(3,290)
Operating costs	3	**(56,308)**	(47,567)
Surplus on the disposal of housing properties	6	**15,636**	8,349
Operating surplus	3,5	**21,472**	20,845
Interest receivable and other income	7	**958**	181
Interest payable and similar charges	8	**(7,879)**	(8,309)
Movement in fair value of investment properties	15	**3,640**	463
Surplus on ordinary activities before taxation		**18,191**	13,180
Tax on surplus on ordinary activities	12	**-**	-
Surplus for the financial period and Total comprehensive income		**18,191**	13,180
Other comprehensive income: Actuarial (loss) / gain relating to pension scheme	11	**(74)**	9,564
Total comprehensive income for the year		**18,117**	22,744

The results relate wholly to continuing activities.
The notes on pages 44 to 93 form part of these financial statements.

Association Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 £'000	Restated 2022 £'000
Turnover: continuing activities	3	**66,622**	63,353
Cost of sales	3	**(4,478)**	(3,290)
Operating costs	3	**(56,235)**	(47, 534)
Surplus on the disposal of housing properties	6	**15,636**	8,349
Operating surplus	3,5	**21,545**	20,878
Interest receivable and other income	7	**984**	195
Interest payable and similar charges	8	**(8,069)**	(8,514)
Gift aid from subsidiary undertakings	9	**335**	202
Movement in fair value of investment properties	15	**3,640**	463
Surplus on ordinary activities before taxation		**18,435**	13,224
Tax on surplus on ordinary activities	12		
Surplus for the financial period and Total comprehensive income		**18,435**	13,224
Other comprehensive income: Actuarial (loss) / gain relating to pension scheme	11	**(74)**	9,564
Total comprehensive income for the year		**18,361**	22,788

The results relate wholly to continuing activities.
The notes on pages 44 to 93 form part of these financial statements.

Group Statement of Financial Position

At 31 March 2023

	Note	2023 £'000	Restated 2022 £'000
Tangible fixed assets			
Housing properties	13	**281,977**	257,357
Other tangible fixed assets	14	**13,112**	10,146
Investment properties	15	**56,371**	49,439
Fixed Asset Investments	19	**993**	751
Total non-current assets		**352,453**	317,693
Current assets			
Stock	17	**2,480**	4,626
Debtors	18	**6,715**	6,216
Cash at bank and in hand		**23,223**	50,733
Creditors: amounts falling due within one year	20	**32,418**	61,575
		(34,157)	(36,721)
Net current (liabilities) /assets		**(1,739)**	24,854
Total assets less current liabilities		**350,714**	342,547
Creditors: amounts falling due after more than one year	21	**(279,537)**	(290,139)
Pension assets		**1,093**	2,927
Pension liability	11	**(1,494)**	(2,676)
Net pension (liability) / asset		**(401)**	251
Net asset		**70,776**	52,659
Capital and reserves			
Income and expenditure reserve		**70,516**	52,399
Restricted Reserves		**260**	260
Total reserves		**70,776**	52,659

The notes on pages 44 to 93 form part of these financial statements.
The financial statements were approved and authorised for issue by the Board on 27 September 2023 and are signed on its behalf by:

Yashar Turgut
Chair

Chris Murphy
Company Secretary

Gordon Perry
Chair of Audit & Risk Committee

Association Statement of Financial Position

At 31 March 2023

	Note	2023 £'000	Restated 2022 £'000
Tangible fixed assets			
Housing properties	13	**282,646**	257,890
Other tangible fixed assets	14	**13,112**	10,146
Investment properties	15	**56,371**	49,439
		352,129	317,475
Current assets			
Stock	17	**2,480**	4,626
Debtors	18	**5,363**	6,334
Cash at bank and in hand		**22,107**	49,558
Creditors: amounts falling due within one year	20	**22,950**	60,518
		(30,920)	(35, 245)
Net current (liabilities) /assets		**(970)**	25,273
Total assets less current liabilities		**351,159**	342,748
Creditors: amounts falling due after more than one year	21	**(279,537)**	(290,139)
Pension assets		**1,093**	2,927
Pension liability	11	**(1,494)**	(2,676)
Net pension (liability) / asset		**(401)**	251
Net asset		**71,221**	52,860
Capital and reserves			
Income and expenditure reserve		**71,221**	52,860
Total reserves		**71,221**	52,860

The notes on pages 44 to 93 form part of these financial statements.
The financial statements were approved and authorised for issue by the Board on 27 September 2023 and are signed on its behalf by:

Yashar Turgut
Chair

Chris Murphy
Company Secretary

Gordon Perry
Chair of Audit & Risk Committee

Group Statement of Changes in Reserve

2023

	Income & Expenditure Reserve £ '000
Balance at 1 April 2022 (Restated)	**52,399**
Surplus for the year	**18,191**
Actuarial gain on defined benefit pension schemes	(74)
Total comprehensive income for the year	**18,117**
Balance at 31 March 2023	**70,516**
Restricted reserve	260
Total reserves at 31 March 2023	**70,776**

2022

	Income & Expenditure Reserve £ '000
Balance at 1 April 2022 (Restated)	**29,655**
Surplus for the year	**13,180**
Actuarial gain on defined benefit pension schemes	9,564
Total comprehensive income for the year	**22,744**
Balance at 31 March 2023	**52,399**
Restricted reserve	260
Total reserves at 31 March 2023	**52,659**

The notes on pages 44 to 93 form part of these financial statements.

Association Statement of Changes in Reserve

2023

	Income & Expenditure Reserve £ '000
Balance at 1 April 2022 (Restated)	**52,860**
Surplus for the year	**18,435**
Actuarial gain on defined benefit pension schemes	(74)
Other comprehensive income for the year	18,361
Balance at 31 March 2023	**71,221**

2022

	Income & Expenditure Reserve £ '000
Balance at 1 April 2022 (Restated)	**30,072**
Surplus for the year	**13,224**
Actuarial loss on defined pension schemes (Restated)	9,564
Other comprehensive income for the year (Restated)	22,788
Balance at 31 March 2022 (Restated)	**52,860**

The notes on pages 44 to 93 form part of these financial statements.

Group Statement of Cash Flows

For the year ended 31 March 2023

Cash flows from operating activities	2023 £'000	2022 £'000
Surplus for the year	**18,191**	13,180
Adjustments for: Depreciation of Fixed Assets – Housing properties	**8,491**	6,838
Depreciation of Fixed Assets – Other	**1,356**	1,091
Grant amortisation	**(3,829)**	(3,859)
Impairment	**-**	-
Difference between pension contributions and costs	**576**	1,084
Surplus on disposal of fixed assets	**(15,636)**	(8,349)
Increase in stock	**2,145**	(687)
Increase / (Decrease) in debtors	**(499)**	(607)
(Decrease) / Increase in creditors	**(4,180)**	1,612
Interest receivable	**(958)**	(181)
Interest payable	**7,879**	8,309
Movement on fair value of investment property	**(3,640)**	(463)
Cash from operations	**9,896**	17,968
Corporation Tax paid	**-**	-
Net cash generated from operating activities	**9,896**	17,968
Cash flows from investing activities		
Net proceeds from sales of fixed asset properties	**18,561**	10,758
Investment in Joint Venture	**(242)**	(442)
Social Housing Improvement Programme	**(14,406)**	(8,366)
Purchase of Investment Property	**(3,432)**	(4,988)
Construction of Housing Properties	**(17,860)**	(23,206)
Purchase of other fixed assets	(4,322)	(1,829)
Social Housing Grants received	3,878	10,024
Interest received	570	181
Net cash used in investing activities	(17,253)	(17,868)
Cash from financing activities		
Interest paid	(8,000)	(8,529)
Loans repaid	(12,153)	(3,831)
Loans received	-	12,500
Net cash inflow /(outflow) from financing activities	(20,153)	140
Net increase /(decrease) in cash and cash equivalents in the year	(27,510)	240
Cash and cash equivalents at beginning of year	50,733	50,493
Cash and cash equivalents at end of year	23,223	50,733

Notes to the Financial Statements

1. Legal Status

One Manchester Limited was registered as a Co-operative and Community Benefit Society on 6 October 2014 and is registered with the Regulator of Social Housing as a Registered Provider.

2. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable law and UK Generally Accepted Accounting Practice (UK GAAP).

For One Manchester, this includes the Co-operative and Community Benefit Societies Act 2014 (and related Group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, "Accounting by registered social housing providers" and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historical cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

The numbers in the financial statements are represented in pound sterling and rounded to the nearest thousand unless otherwise stated.

The financial statements are prepared on a going concern basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

2. Accounting policies continued

Basis of consolidation

The consolidated financial statements present the results of One Manchester and its subsidiaries ('the Group') as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.
The accounts of the following companies are included in the consolidation:

- One Manchester Limited
- One Manchester Developments Limited
- One Manchester Treasury Limited
- One Manchester Property Limited

One Manchester Limited has the right to appoint members to the Board of the subsidiaries and thereby exercises control over them. One Manchester Limited is the ultimate parent undertaking.
One Manchester Developments Limited is a property development business that provides build project management services to the Group.

One Manchester Treasury Limited is an investment company providing treasury services to the trading entities of the Group.

One Manchester Property Limited (company number 11384233) was incorporated on 26 May 2018. It was established to enable potential non-charitable, non-core activity to be undertaken.

Going concern

The Group's business activities, its current financial position, and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term debt facilities that provide adequate resources to finance the committed reinvestment and development programmes, along with the Group's day-to-day operations.

The Group also has an updated long-term Business Plan, taking in to account the impact of the current economic volatility that demonstrates the Group can service these debt facilities whilst continuing to comply with lenders' covenants. A series of stress tests have also been carried out to evidence the impact of various scenarios. The Group also has a long-term Business Plan which shows that it can service these debt facilities whilst continuing to comply with lenders' covenants. The 2023 Business Plan has been updated and reflects the current economic circumstances experienced including higher interest, higher inflation and supply chain uncertainty. Our Board is continually monitoring the Business Plan in relation to these pressures and are appropriately stress testing the Business Plan for deteriorating conditions including higher interest and inflation, and lower rent levels and rent collection.
On this basis, the Board has a reasonable expectation that the Group has 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, it continues to adopt the going concern basis in the financial statements.

Income

Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting).
- Service charges receivable.
- Revenue grants.
- Amortisation of Social Housing Grant and Gap funding grant.
- Proceeds from the sale of land and property, including the first tranche sale of shared ownership properties.

Rental income is recognised from the point when properties under development reach practical completion and are formally let. Revenue Grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities. Income from first tranche sales of shared ownership property and sales of properties built for sale is recognised at the point of legal completion of the sale.

Schemes managed by agents

Income is shown as rent receivable and management fees payable to agents are included in operating costs.

Should the Group carry the financial risk on property managed by agents, all the income and expenditure arising from the property during the year will be included in the Statement of Comprehensive Income. Should an agency carry the financial risk, then the Statement of Comprehensive Income will include only that income and expenditure that relates solely to the Group.

Service charges

The Group adopts the variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Pension costs

Contributions to the Group's defined contribution pension scheme are charged to the Income Statement in the year in which they become payable.

The Group participates in two funded defined benefit schemes, the Social Housing Pension Scheme (SHPS), and the Greater Manchester Pension Fund (GMPF – four separate schemes).

GMPF

The difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's statement of financial position as a pension asset or liability as appropriate. 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.

SHPS

For financial years ending on or after 31 March 2019, it has been possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme, similar to the GMPF.
The scheme is classified as a 'last-man standing arrangement'. The company is therefore potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

2. Accounting policies continued

Other pensions issues

There are two issues which affect the One Manchester pension schemes – Guaranteed Minimum Pension Equalisation (GMP) and the McCloud Judgement.

Guaranteed Minimum Pension Equalisation - Employers and employees who contracted out of the additional state pension, paid lower NI contributions. However, for those with pensionable service between 17 May 1990 and 6 April 1997, the pension scheme was required to provide a GMP which was at least equal to the additional state pension foregone.

GMP's are taken at different ages – women at 60 and men at 65. This results in inequality in the GMP value at the point at which benefits are taken. Any scheme that operated a formerly contracted out DB scheme must equalise benefits for men and women.

McCloud Judgement - A series of changes by the government meant public sector workers were moved to new pension schemes in 2015. They were typically offered less generous terms than the one they were to move out of. As part of the changes, transitional arrangements were put in place where older workers could stay in the more generous schemes, while younger workers had to transfer to the new schemes. The court of appeal ruled that these arrangements offered to some workers amounted to unlawful discrimination.

The Government published its decision in February 2021 to allow those scheme members affected by these arrangements a "deferred choice underpin", allowing those affected members, retiring before October 2023, to choose which benefits to receive.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Taxation

The charge for taxation for the year is based on the surpluses arising from non-charitable activities which are liable to tax.
Deferred taxation is provided in full on timing differences which result in an obligation at the Statement of Financial Position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax balances are not discounted.

Value Added Tax

The majority of the Group's income, being rents, is exempt for VAT purposes and this gives rise to a partial exemption calculation for VAT recovery. Expenditure is therefore primarily recorded inclusive of VAT with the small proportion that can be recovered credited to the Statement of Comprehensive Income. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument and amortised over the period of the related loan.

Tangible fixed assets – Social Housing Properties

Housing properties are valued under the historical cost basis and stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Directly attributable costs of acquisition includes capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. Where staff costs are directly attributable to the major refurbishment works, these are included within the amounts capitalised. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Housing properties in the course of construction are included in Property Plant & Equipment and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Expenditure on shared ownership properties are split proportionately between current and fixed assets based on the elements relating to expected first tranche sales. The first tranche proportion is classified as a current asset and the related sales proceeds are included in turnover. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Gains and losses on disposal of social housing property are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Depreciation of housing property

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets on the following basis:

Freehold land is not depreciated. Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

2. Accounting policies continued

Depreciation of housing property (continued)

Component description	Economic useful life (years)
Structure	100
Kitchen	20
Bathroom	25
Roofs	50
Doors	25
Boiler	10
Rewiring	40
Windows	30
Central Heating	40
Lifts	30
Over cladding	60
Fire Sprinklers	25

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease; when the lease and building elements are depreciated separately over their expected useful economic lives.

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

During the year a review of useful lives was carried out on key components to determine if they still reflect the expected life of the asset. Following the review, a decision was made to bring forward the useful lives of three components, kitchens, bathrooms and roofs there by supporting our asset investment strategy. This has created a one-off depreciation cost of £1.5m in the year.

Gap Funding

The Group has been partly funded through Gap Funding Grant from Homes England. This grant was provided to meet the Decent Homes Standard, regenerate the area and improve the environment. Such funding is accounted for by reference to the accounting treatment of the grant eligible costs so funded. The funding of revenue costs is regarded as revenue income with Turnover, and the funding of capitalised additions to Housing Properties is carried as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the assets for which it was received.

Government grants

Grants received in relation to assets that are presented at historic cost have been accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the statement of financial position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018, the useful economic life of the housing property structure has been selected (see table of useful economic lives above).

Where Social Housing Grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Grants relating to revenue are recognised in Income Statement over the same period as the expenditure to which they relate once performance related conditions have been met.

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

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Group to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the Statement of Financial Position under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Disposal Proceeds Fund

Receipts from Right to Acquire (RTA) sales are required to be retained in a ring fenced fund that can only be used for providing replacement housing. The sales receipts less eligible expenses are credited to the Disposal Proceeds Fund. Any sales receipts less eligible expenses held within the Disposal Proceeds Fund, which it is anticipated will not be used within one year is disclosed in the Statement of Financial Position under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Impairment of fixed assets

The housing property portfolio for the Group is assessed for indicators of impairment at each accounting 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. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to Statement of Comprehensive Income.

2. Accounting policies continued

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties, including assets in the course of construction, are measured at cost on initial recognition and subsequently carried at fair value at each reporting date. Fair value is determined annually by an external valuer and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Tangible fixed assets – Other

Other tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Statement of Comprehensive Income during the period in which they are incurred.

Depreciation of other tangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset description	Economic Useful Life (years)
Freehold & Leasehold offices	40
Furniture, Fixtures & Fittings	4
Computers & applications	3
Plant & equipment	4
Motor vehicles	4

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Stock and Properties held for sale

Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

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

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

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Income in other operating expenses.

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Rent and service charge agreements

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and short term deposits

All loans, investments and short term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102.

These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Leased assets

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

Leased assets: Lessor

Where assets are leased to a third party analysis of the lease is undertaken to determine if the lease gives rights approximating to ownership of the asset to the lessee. The Group accounts for lessor transaction based on this analysis:

- Where rights are granted to the lessee approximating to ownership (finance leases), the assets are treated as if they have been sold outright, and
- Where rights are not granted to the lessee approximating to ownership (operating leases), their annual rentals are credited to Statement of Comprehensive Income on a straight-line basis over the term of the lease.

2. Accounting policies continued

Provision for liabilities

The Group has recognised provisions for liabilities of uncertain timing or amounts including those for major repairs on stock transfers and leaseholders, overage for gap funding and restructuring. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date.

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period it arises.

Contingent liabilities

A contingent liability is recognised 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 of the amount cannot be made. A contingent liability exists on grant repayment which is dependent on the disposal of related property.

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the following judgements have had the most significant effect on amounts recognised in the financial statements.

- **Indicators of impairment of the Group's tangible and intangible assets** - Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Group have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash generating units.

Other key sources of estimation uncertainty:

- **Tangible fixed assets** - Tangible fixed assets, other than investment properties, are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. For housing property assets, the assets are broken down into components based on assessment of the properties. Individual useful economic lives are assigned to these components.

- **Rental and other trade receivables (debtors)** - The estimate for receivables relates to the recoverability of the balances outstanding at the year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

- **Borrowings – Negative compensation and funding indemnity clauses** - The Group's loan facilities have been assessed as basic financial instruments. The Group's fixed rate loan facilities allow early payment of the principal and accrued interest in relation to fixed interest tranches. There is an indemnity clause that requires the borrower to pay a compensation premium to the lender if market rates have fallen since the inception of the loan.

  There is also a clause that means that if market rates have increased, the borrower (i.e. the Group) would benefit from a compensation premium.

  The Group does not consider that the clause allowing the Group to potentially receive a compensation premium upon early repayment of some or all of the fixed rate loan liability makes this financial instrument 'non-basic' or 'other' as outlined in FRS 102 section 11. The Group considers that this particular loan clause is specifically compliant with section 11.9b) and 11.9c) of FRS 102 and that the substance of this loan arrangement was always that it was always intended to be a simple fixed rate loan arrangement.

- **Fair Value of Investment Properties** - The Group carries its investment properties at fair value, with changes in fair value recognised in the Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine the fair value at the Statement of Financial position date. The valuer used a valuation technique based on a discounted cash flow model.
- The determined fair value of the investment property is the most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 15 of the financial statements.

- **Pension** - The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation include standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability or asset recorded and annual defined benefit expense.

3. Turnover, operating costs and operating surplus

Group	Year ended 31 March 2023				Year ended 31 March 2022			
	Turnover £ '000	Cost of Sales £ '000	Operating costs £ '000	Operating surplus/ (deficit) £ '000	Turnover £ '000	Cost of Sales £ '000	Operating costs £ '000	Operating surplus/ (deficit) £ '000
Social housing lettings	57,279	-	(52,393)	4,886	55,023	-	(44,717)	10,306
Other social housing activities								
First tranche shared ownership sales	5,009	(4,478)	-	531	4,359	(3,290)	-	1,069
Development costs not capitalised	-	-	(498)	(498)	-	-	(359)	(359)
	5,009	(4,478)	(498)	33	4,359	(3,290)	(359)	710
Non-social housing activities								
Place, Skills, Heath & Wellbeing	155	-	(1,999)	(1,844)	40	-	(1,240)	(1,200)
Market rent lettings	3,470	-	(1,263)	2,207	3,201	-	(1,030)	2,171
Other	709	-	(155)	554	730	-	(221)	509
	4,334	-	(3,417)	917	3,971	-	(2,491)	1,480
	66,622	(4,478)	(56,308)	5,836	63,353	(3,290)	(47,567)	12,496
Surplus: Disposal of fixed asset housing property (note 6)				15,636				8,349
				21,472				20,845

Association	Year ended 31 March 2023				Year ended 31 March 2022			
	Turnover £ '000	Cost of Sales £ '000	Operating costs £ '000	Operating surplus/ (deficit) £ '000	Turnover £ '000	Cost of Sales £ '000	Operating costs £ '000	Operating surplus/ (deficit) £ '000
Social housing lettings	57,279	-	(52,320)	4,959	55,023	-	(44,684)	10,339
Other social housing activities								
First tranche shared ownership sales	5,009	(4,478)	-	531	4,359	(3,290)	-	1,069
Development costs not capitalised	-	-	(498)	(498)	-	-	(359)	(359)
	5,009	(4,478)	(498)	33	4,359	(3,290)	(359)	710
Non-social housing activities								
Place, Skills, Heath & Wellbeing	155	-	(1,999)	(1,844)	40	-	(1,240)	(1,200)
Market rent lettings	3,470	-	(1,263)	2,207	3,201	-	(1,030)	2,171
Other	709	-	(155)	554	730	-	(221)	509
	4,334	-	(3,417)	917	3,971	-	(2,491)	1,480
	66,622	(4,478)	(56,235)	5,909	63,353	(3,290)	(47,534)	12,529
Surplus: Disposal of fixed asset housing property (note 6)				15,636				8,349
				21,545				20,878

3. Turnover, operating costs and operating surplus continued

Particulars of income and expenditure from social housing lettings

Group – Year ended 31 March 2023	2023					2022
	General needs housing	Supported housing & housing for older people	Low-cost home ownership	Intermediate Rent	Total	Total
General needs housing	£'000	£'000	£'000	£'000	**£'000**	£'000
Rent receivable net of identifiable service charges	47,286	893	2,405	894	**51,478**	49,170
Service charge income	1,447	489	30	6	**1,972**	1,998
Capital grant amortisation	3,491	99	174	65	**3,829**	3,855
Turnover from social housing lettings	**52,224**	**1,481**	**2,609**	**965**	**57,279**	**55,023**
Management	18,514	525	925	342	**20,306**	17,990
Services	4,293	122	215	79	**4,709**	3,498
Routine maintenance	9,678	274	484	179	**10,615**	8,143
Planned maintenance	-	-	-	-	**-**	2,035
Major repairs expenditure	5,961	169	298	110	**6,538**	3,212
Major repairs expenditure – Cladding & Fire Safety	92	3	5	2	**102**	289
Bad debts	250	7	13	5	**275**	1,234
Depreciation of housing properties	7,741	220	387	143	**8,491**	6,838
Depreciation of other assets	1,237	35	62	23	**1,357**	1,091
Loss on disposal of other fixed assets	-	-	-	-	**-**	387
Impairment	-	-	-	-	**-**	-
Operating costs on social housing lettings	**47,766**	**1,355**	**2,389**	**883**	**52,393**	**44,717**
Operating surplus on social housing lettings	**4,458**	**126**	**220**	**82**	**4,886**	**10,306**
Void losses	700	46	38	10	**794**	855

Particulars of income and expenditure from social housing lettings

Group – Year ended 31 March 2023	2023					2022
	General needs housing	Supported housing & housing for older people	Low-cost home ownership	Intermediate Rent	Total	Total
General needs housing	£'000	£'000	£'000	£'000	**£'000**	£'000
Rent receivable net of identifiable service charges	47,286	893	2,405	894	**51,478**	49,170
Service charge income	1,447	489	30	6	**1,972**	1,998
Capital grant amortisation	3,491	99	174	65	**3,829**	3,855
Turnover from social housing lettings	**52,224**	**1,481**	**2,609**	**965**	**57,279**	**55,023**
Management	18,447	523	922	341	**20,233**	17,957
Services	4,293	122	215	79	**4,709**	3,498
Routine maintenance	9,678	274	484	179	**10,615**	8,143
Planned maintenance	-	-	-	-	**-**	2,035
Major repairs expenditure	5,961	169	298	110	**6,538**	3,212
Major repairs expenditure – Cladding & Fire Safety	92	3	5	2	**102**	289
Bad debts	250	7	13	5	**275**	1,234
Depreciation of housing properties	7,741	220	387	143	**8,491**	6,838
Depreciation of other assets	1,237	35	62	23	**1,357**	1,091
Loss on disposal of other fixed assets	-	-	-	-	**-**	387
Impairment	-	-	-	-	**-**	-
Operating costs on social housing lettings	**47,699**	**1,353**	**2,386**	**882**	**52,320**	**44,684**
Operating surplus on social housing lettings	**4,525**	**128**	**223**	**83**	**4,959**	**10,339**
Void losses	700	46	38	10	**794**	855

4. Accommodation in management

At the end of the year, units managed for each class of accommodation were as follows:

Group	2022 No.	Additions No.	Disposals No.	2023 No.
Social housing General housing (social rents)				
Social Rents	11,159	**17**	**(162)**	**11,014**
Supported housing	6	**-**	**-**	**6**
Housing For Older People	240	**-**	**-**	**240**
Intermediate Rent	237	**7**	**(2)**	**240**
Affordable rent GN	180	**61**	**(3)**	**240**
Low-Cost home ownership – shared ownership	119	**43**	**(12)**	**150**
	11,941	**128**	**(179)**	**11,890**
Non-social housing Market rent (investment properties)	310	**63**	**-**	**373**
Association	**2022 No.**	**Additions No.**	**Disposals No.**	**2023 No.**
Social housing General-housing (social rents)				
Social Rents	11,159	**17**	**(162)**	**11,014**
Supported housing	6	**-**	**-**	**6**
Housing For Older People	240	**-**	**-**	**240**
Intermediate Rent	237	**7**	**(2)**	**240**
Affordable rent GN	180	**61**	**(3)**	**240**
Low-Cost home ownership – shared ownership	119	**43**	**(12)**	**150**
	11,941	**128**	**(179)**	**11,890**
Non-social housing Market rent (investment properties)	310	**63**	**-**	**373**

5. Operating surplus

This is arrived at after charging:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Depreciation of housing properties	**8,491**	6,838	**8,491**	6,839
Depreciation of other tangible fixed assets	**1,356**	1,091	**1,356**	1,091
Operating lease rentals:				
- vehicles, office equipment & computers	**750**	317	**750**	317
- land & buildings	**78**	21	**78**	21
Auditor's remuneration (including VAT)				
- for external audit services	**66**	56	**61**	45
- for non-audit services (tax advisory, other)	**15**	4	**5**	4

6. Surplus on disposal of fixed assets – housing properties

Group and Association	Shared Ownership	Other Housing	Total	Total
Housing Properties:	2023 £'000	2023 £'000	2023 £'000	2022 £'000
Disposal proceeds	918	18,387	**19,305**	10,392
Cost of Disposals	(605)	(3,868)	**(4,473)**	(2,622)
Selling Costs	(7)	(129)	**(136)**	(91)
Grant Recycled	-	-	**-**	-
Grant Disposed	-	940	**940**	670
	306	15,330	**15,636**	8,349

In line with emerging practice, the surplus on disposal of fixed assets has been presented as part of the operating surplus.

Disposal proceeds attributable to MCC have been included in the cost of disposals for £2,088k.

7. Interest receivable and other income

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest receivable and bank deposits	**590**	36	**616**	50
Net pension fund interest (note 11)	**368**	145	**368**	145
	958	181	**984**	195

8. Interest payable and similar charges

	Group		Association	
	2023 £'000	2023 £'000	2023 £'000	2022 £'000
Loans and bank overdrafts	**8,847**	8,712	**9,038**	8,917
Capitalised Interest	**(1,223)**	(862)	**(1,223)**	(862)
Bank charges	**24**	15	**23**	15
Amortisation of Financing Costs	**148**	199	**148**	199
Interest on Disposal Proceeds Fund	**4**	2	**4**	2
Net pension fund interest (note 11)	**43**	158	**43**	158
Interest on SHPS liability (note 11)	**36**	85	**36**	85
	7,879	8,309	**8,069**	8,514

Capitalised Interest

Interest cost of £1.2m (2022: £862k) was capitalised in the year in relation to new property development. Interest is capitalised at a rate of 4.51% of borrowings and is capitalised when directly related to a scheme.

Capitalised Interest – Housing property developments

The cumulative amount of interest capitalised on housing property is £3.7m (2022: £2.6m).

Capitalised Interest – Investment property developments

The cumulative amount of interest capitalised on investment property is £842k (2022: £669k).

9. Gift aid

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Gift aid received from subsidiary undertakings	**-**	-	**335**	202
	-	-	**335**	202

10. Group and Association Employees, Board members and Executive Directors

All employees of One Manchester Group are employed on joint contracts of employment for all companies within the Group and at any time may be engaged on work for any of the Group's companies.

Employees

Average monthly number of employees expressed in full time equivalents:	2023 No.	2022 No.
Administration	**90**	94
Neighbourhood Services	**167**	160
Property Services	**199**	194
Total Full-time equivalents based on a 35 hour working week:	**456**	448
Employee costs:	2023 £'000	2022 £'000
Wages and salaries	**16,444**	15,026
Social security costs	**1,691**	1,301
Pension costs	**2,870**	2,923
	21,005	19,250

10. Group and Association Employees, Board members and Executive Directors continued

Salary bandings for all Employees (including Directors) earning over £70,000 as at the end of March 2023 was as follows:

Bands	2023	2022
£70,000-£79,999	**2**	5
£80,000-£89,999	**5**	1
£90,000-£99,999	**1**	-
£100,000-£109,999	**-**	-
£110,000-£119,999	**-**	2
£120,000-£129,999	**1**	-
£130,000-£139,999	**1**	-
£140,000-£149,999	**-**	1
£170,000-£179,999	**1**	-
	11	9

Board members and Executive Directors

	2023 £'000	2022 £'000
Aggregate remuneration paid to Directors (including Pension contributions)	**558**	528
Aggregate remuneration paid to Board members	**51**	82
Emoluments paid to the highest paid Director, Chief Executive excluding pension contributions Chief Executive	**180**	149

The Chief Executive is a member of the Social Housing Pension Scheme (SHPS). They were an ordinary member of the pension scheme and no enhanced or special terms apply. The Company does not make any further contribution to an individual pension arrangement for the Chief Executive. Directors comprise the Chief Executive and Executive Directors as listed within the Company Information section at the front of the financial statements.

These individuals are those considered by the Group to be the key management personnel.

Board Member	Remuneration for the period to 31 March 2023	One Manchester Board	Audit & Risk Committee	Place Committee	Growth Committee	Remuneration & Governance Committee	Equality, Diversity & Inclusion Committee
John Atkins	604	Resigned 18/05/2022			Resigned 18/05/2022		
Angela Robinson	604	Resigned 18/05/2022				Resigned 18/05/2022	
Lyndsey McDonald	1,022	Resigned 18/05/2022	Resigned 18/05/2022				Resigned 18/05/2022
Susan Webster	604	Resigned 18/05/2022		Resigned 18/05/2022		Resigned 18/05/2022	
Yashar Turgut (Chair)	14,329						
Joanne Seymour	7,107					Appointed 01/06/2022	
Sue Lock	6,043	Appointed 01/06/2022		Appointed 01/06/2022		Appointed 01/06/2022	
Gordon Perry	6,043	Appointed 01/06/2022	Appointed 01/06/2022	Appointed 01/06/2022		Appointed 01/06/2022	
Dave Bullock	5,438	Appointed 01/06/2022			Appointed 01/06/2022		
Cath Wilson (Senior Independent Director – from 31 August 2022)	6,794	Appointed 01/06/2022	Appointed 01/06/2022		Appointed 01/06/2022		
Theo Cranston	0	Appointed 31/08/2022 Resigned 24/10/2022					
Mick Warner	1,022	Appointed 01/02/2023		Appointed 01/02/2023			Appointed 21/03/2023
Cllr Rabnawaz Akbar	Nil (Council Nominee)	Appointed 21/09/2022					

11. Pensions - Group

Social Housing Pension Scheme

The Group participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004, which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at August 2021. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The next valuation has an effective date of 30 September 2023, results are expected in August / September 2024.

11. Pensions - Group continued

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

Social Housing Pension Scheme

Period Ended 31 March 2023	Assets £'000	Obligations £'000	Net (liability) / asset £'000
Fair Value of plan assets	£13,248	-	13,248
Present value of funded liabilities	-	(14,760)	(14,760)
Opening position at 1 April 2022	**13,248**	**(14,760)**	**(1,512)**
Service costs			
Current service cost	-	-	-
Expenses	-	(10)	(10)
Past service costs (including curtailments)			
Total service cost	**-**	**(10)**	**(10)**
Net interest			
Interest income on plan assets	367	-	367
Interest cost on defined benefit obligation	-	(403)	(403)
Total net interest	**367**	**(403)**	**(36)**
Total defined benefit cost recognised in Profit or (Loss)	**-**	**-**	**-**
Cashflows			
Plan participants contributions	-	-	-
Employer contributions	444	-	444
Benefits paid	(449)	449	-
Expected closing position	**(5)**	**217**	**444**
Remeasurements			
Changes in demographic assumptions	-	17	17
Changes in financial assumptions	-	5,210	5,210
Scheme experience	(6,123)	516	(5,607)
Return on assets excluding amounts included in net interest	-	-	-
Total remeasurements recognised in Other Comprehensive Income (OCI)	**(6,123)**	**5,743**	**(380)**
Fair value of plan assets	7,487	-	7,487
Present value of funded liabilities	-	(8,981)	(8,981)
Closing position as at 31 March 2023	**7,487**	**(8,981)**	**(1,494)**

Social Housing Pension Scheme

Period Ended 31 March 2022	Assets £'000	Obligations £'000	Net (liability) / asset £'000
Fair Value of plan assets	11,373	-	11,373
Present value of funded liabilities	-	(15,280)	(15,280)
Opening position at 1 April 2022	**11,373**	**(15,280)**	**(3,907)**
Service costs			
Current service cost	-	(310)	(310)
Expenses	-	(10)	(10)
Past service costs (including curtailments)			
Total service cost	**-**	**(320)**	**(320)**
Net interest			
Interest income on plan assets	255	-	255
Interest cost on defined benefit obligation	-	(340)	(340)
Total net interest	**255**	**(340)**	**(85)**
Total defined benefit cost recognised in Profit or (Loss)	**-**	**-**	**-**
Cashflows			
Plan participants contributions	-	-	-
Employer contributions	483	-	483
Benefits paid	(217)	217	-
Expected closing position	**266**	**217**	**483**
Remeasurements			
Changes in demographic assumptions	-	204	204
Changes in financial assumptions	-	1,527	1,527
Scheme experience	1,354	(768)	586
Return on assets excluding amounts included in net interest	-	-	-
Total remeasurements recognised in Other Comprehensive Income (OCI)	**1,354**	**963**	**2,317**
Fair value of plan assets	13,248	-	13,248
Present value of funded liabilities	-	(14,760)	(14,760)
Closing position as at 31 March 2023	**13,248**	**(14,760)**	**(1,512)**

11. Pensions – Group continued

Social Housing Pension Scheme

Financial assumptions

	31 March 2023 % per annum	31 March 2022 % per annum
Discount rate	**4.83**	2.77
Inflation (RPI)	**3.16**	3.40
Inflation (CPI)	**2.82**	3.11
Salary growth	**3.82**	4.11
Allowance for commutation of pension for cash at retirement	**75% of Maximum allowance**	75% of Maximum allowance

Mortality assumptions

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

Retiring in 2022/23	2023 No. of years	2022 No. of years
Males	**21.0**	21.1
Females	**23.4**	23.7
Retiring in 2042/43		
Males	**22.2**	22.4
Females	**24.9**	25.2

Social Housing Pension Scheme

Assets	31 March 2023 (£000s)	31 March 2022 (£000s)
Absolute Return	**81**	531
Alternative Risk Premia	**14**	437
Cash	**54**	45
Corporate Bond Fund	**-**	884
Credit Relative Value	**283**	440
Currency Hedging	**14**	(52)
Distressed Opportunities	**227**	474
Emerging Markets Debt	**40**	385
Fund of Hedge Funds	**-**	-
Global Equity	**140**	2,542
High Yield	**26**	114
Infrastructure	**855**	944
Insurance-Linked Securities	**189**	309
Liability Driven Investment	**3,448**	3,697
Liquid Credit	**-**	-
Long Lease Property	**226**	341
Net Current Assets	**19**	37
Opportunistic Illiquid Credit	**320**	445
Opportunistic Credit	**1**	47
Private Debt	**333**	340
Property	**322**	358
Risk Sharing	**551**	436
Secured Income	**344**	494
Total assets	**7,487**	**13,248**

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

11. Pensions - Group continued

Social Housing Pension Scheme

Scheme assets and liabilities	2023 £ '000	2022 £ '000
Fair value of plan assets	**7,487**	13,248
Present value of funded liabilities	**(8,981)**	(14,760)
Net defined benefit liability	**(1,494)**	(1,512)
Amounts charged/(credited) to income statement	2023 £ '000	2022 £ '000
Current service cost	**-**	310
Expenses	**10**	10
Amounts charged to operating costs	**10**	320
Interest income on plan assets	**367**	255
Interest cost of scheme liabilities	**(403)**	(340)
Net interest (credit)	**(36)**	(85)
Amounts charged/(credited) to other comprehensive income	2023 £ '000	2022 £ '000
Changes in demographic assumptions	**17**	204
Changes in financial assumptions - liabilities	**5,210**	(1,527)
Scheme experience (Obligations)	**516**	(768)
Scheme experience (Assets)	**(6,123)**	1,354
Net actuarial movements in other comprehensive income	**(380)**	2,317

Greater Manchester Pension Fund (GMPF)

The GMPF is a multi-employer scheme, administered by Tameside Metropolitan Borough Council ("TMBC") under the regulations governing the Local Government Pension Scheme, a defined benefit scheme.

The Group contributes to three schemes within the GMPF as detailed below:

GMPF Scheme 1

Employees participating in this scheme are those, which transferred from Manchester City Council (MCC) in 2003 with the transfer of housing stock to the Company at that time. MCC has entered into an agreement with TMBC and the Company whereby the contributions payable by the Company are set in relation to the current service cost only (being based on contribution rates applied to MCC employees). In accordance with the provisions set out in FRS 102, the scheme is treated as a defined contribution scheme as the Company's contributions are linked to those of another employer and the actuary has indicated that it is not possible to allocate assets and liabilities to the Company's staff on a consistent and reliable basis given the degree of cross-subsidy that exists and the relative size of the Company compared with other members of the scheme. The income statement charge for the period represents the employer contributions payable.

The Company paid contributions at the rate of between 17.5% and 18.5% during the accounting period. The employers' contribution to the scheme in the period amounted to 2023: £74,904 (2022: £75,201). Member contributions vary between 5.8% and 8.0%. Future contribution rates will be set at the same level as MCC.

GMPF Scheme 2

Employees participating in this scheme are those that transferred from Manchester City Council (MCC) on 30 March 2009 with the transfer of East Manchester housing stock to the Company and those new starters between the 2003 transfer and the 2009 transfer. The most recent formal actuarial valuation was completed as at 31 March 2019 by a qualified independent actuary.

Expected employer contributions for the year 2023/24 are £269,000. Actuals contributions for 2022/23 were £269,000.

11. Pensions - Group continued

Greater Manchester Pension Fund (GMPF)

GMPF Scheme 2

Changes in Fair Value of Plan Assets, Defined Benefit Obligation and Net (Liability)/Asset for year ended 31 March 2023

Period Ended 31 March 2023	Assets £'000	Obligations £'000	Net (liability) / asset £'000
Fair Value of plan assets	53,982	-	53,982
Present value of funded liabilities	-	(40,143)	(40,143)
Restriction of asset surplus	-		(10,912)
Opening position at 1 April 2022	**53,982**	**(40,143)**	**2,927**
Service costs			
Current service cost	-	(641)	(641)
Past service costs (including curtailments)	-	(47)	(47)
Total service cost	**-**	**(688)**	**(688)**
Net interest			
Interest income on plan assets	1,449	-	1,449
Interest cost on defined benefit obligation	-	(1,081)	(1,081)
Total net interest	**1,449**	**(1,081)**	**368**
Total defined benefit cost recognised in Profit or (Loss)	**1,449**	**(1,769)**	**(320)**
Cashflows			
Plan participants contributions	93	(93)	-
Employer contributions	269	-	269
Benefits paid	(938)	938	-
Expected closing position	**54,855**	**(41,067)**	**13,788**
Remeasurements			
Changes in demographic assumptions	-	1,222	1,222
Changes in financial assumptions	-	12,755	12,755
Other experience	813	(1,280)	(467)
Return on assets excluding amounts included in net interest	(269)	-	(269)
Total remeasurements recognised in Other Comprehensive Income (OCI)	**544**	**12,697**	**13,241**
Fair value of plan assets	55,399	-	55,399
Present value of funded liabilities	-	(28,370)	(28,370)
Restriction of asset surplus	-	-	(26,458)
Closing position as at 31 March 2023	**55,399**	**(28,370)**	**571**

GMPF Scheme 2

Changes in Fair Value of Plan Assets, Defined Benefit Obligation and Net (Liability)/Asset for year ended 31 March 2022

Period Ended 31 March 2022	Assets £'000	Obligations £'000	Net (liability) / asset £'000
Fair Value of plan assets	49,788	-	49,788
Present value of funded liabilities	-	(42,332)	(42,332)
Opening position at 1 April 2021	**49,788**	**(42,332)**	**7,456**
Service costs			
Current service cost	-	(668)	(668)
Past service costs (including curtailments)			
Total service cost	**-**	**(668)**	**(668)**
Net interest			
Interest income on plan assets	989	-	989
Interest cost on defined benefit obligation	-	(844)	(844)
Total net interest	**989**	**(844)**	**145**
Total defined benefit cost recognised in Profit or (Loss)	**989**	**(1,512)**	**(523)**
Cashflows			
Plan participants contributions	88	(88)	-
Employer contributions	253	-	253
Benefits paid	(975)	975	-
Expected closing position	**50,143**	**(42,957)**	**7,186**
Remeasurements			
Changes in demographic assumptions	-	289	289
Changes in financial assumptions	-	2,600	2,600
Other experience	-	(75)	(75)
Return on assets excluding amounts included in net interest	3,839	-	3,839
Total remeasurements recognised in Other Comprehensive Income (OCI)	**3,839**	**2,814**	**6,653**
Fair value of plan assets	53,982	-	53,982
Present value of funded liabilities	-	(40,143)	(40,143)
Restriction of asset surplus (Restated)	-	-	(10,912)
Closing position as at 31 March 2022 (Restated)	**53,982**	**(40,143)**	**2,927**

11. Pensions - Group continued

Greater Manchester Pension Fund (GMPF)

GMPF Scheme 3

Employees participating in this scheme are employees of City South Manchester Housing Trust prior to the merger. The most recent formal actuarial valuation was completed as at 31 March 2019 by a qualified independent actuary. Expected employer contributions for the year 2023/24 are £416,000 (Actuals 2022/23: £416,000).

Changes in Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year ended 31 March 2023

Period Ended 31 March 2023	Assets £'000	Obligations £'000	Net (liability) / asset £'000
Fair Value of plan assets	47,486	-	47,486
Present value of funded liabilities	-	(48,650)	(48,650)
Opening position at 31 March 2022	**47,486**	**(48,650)**	**(1,164)**
Service costs			
Current service cost	-	(994)	(994)
Past service costs	-	(304)	(304)
Total service cost	**-**	**(1,298)**	**(1,298)**
Net interest			
Interest income on plan assets	1,275	-	1,275
Interest cost on defined benefit obligation	-	(1,318)	(1,318)
Total net interest	**1,275**	**(1,318)**	**(43)**
Total defined benefit cost recognised in Profit or (Loss)	**1,275**	**(2,616)**	**(1,341)**
Cashflows			
Plan participants contributions	150	(150)	-
Employer contributions	416	-	416
Benefits paid	(1,020)	1,020	-
Expected closing position	**48,307**	**(50,396)**	**(2,089)**
Remeasurements			
Changes in demographic assumptions	-	273	273
Changes in financial assumptions	-	17,672	17,672
Other experience	(513)	(724)	(1,237)
Return on assets excluding amounts included in net interest	(237)	-	(237)
Total remeasurements recognised in Other Comprehensive Income (OCI)	**(750)**	**(17,221)**	**16,471**
Fair value of plan assets	47,557	-	47,557
Present value of funded liabilities	-	(33,175)	(33,175)
Restriction of asset surplus	-	-	(13,860)
Closing position as at 31 March 2023	**47,557**	**(33,175)**	**522**

Greater Manchester Pension Fund (GMPF)

GMPF Scheme 3

Changes in Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year ended 31 March 2022

Period Ended 31 March 2022	Assets £'000	Obligations £'000	Net (liability) / asset £'000
Fair Value of plan assets	43,229	-	43,229
Present value of funded liabilities	-	(50,756)	(50,756)
Opening position at 31 March 2021	**43,229**	**(50,756)**	**(7,527)**
Service costs			
Current service cost	-	(1,233)	(1,233)
Past service cost	-	(136)	(136)
Total service cost	**-**	**(1,369)**	**(1,369)**
Net interest			
Interest income on plan assets	864	-	864
Interest cost on defined benefit obligation	-	(1,022)	(1,022)
Total net interest	**864**	**(1,022)**	**(158)**
Total defined benefit cost recognised in Profit or (Loss)	**864**	**(2,391)**	**(1,527)**
Cashflows			
Plan participants contributions	179	(179)	-
Employer contributions	635	-	635
Benefits paid	(778)	778	-
Expected closing position	**44,129**	**(52,548)**	**(8,419)**
Remeasurements			
Changes in demographic assumptions	-	313	313
Changes in financial assumptions	-	3,677	3,677
Other experience	-	(92)	(92)
Return on assets excluding amounts included in net interest	3,357	-	3,357
Total remeasurements recognised in Other Comprehensive Income (OCI)	**3,357**	**3,898**	**7,255**
Fair value of plan assets	47,486	-	47,486
Present value of funded liabilities	-	(48,650)	(48,650)
Closing position as at 31 March 2022	**47,486**	**(48,650)**	**(1,164)**

11. Pensions - Group continued

Greater Manchester Pension Fund (GMPF)

Sum of GMPF Schemes 2 and 3

Scheme assets and liabilities	**2023 £ '000**	**2022 £ '000**
Fair value of plan assets	**102,956**	101,468
Present value of funded liabilities	**(61,545)**	(88,793)
	41,411	12,675
Amounts charged/(credited) to income statement	**2023 £ '000**	**2022 £ '000**
Current service cost	**1,635**	1,901
Amounts charged to operating costs	**1,635**	1,901
Interest income on plan assets	**2,724**	(1,853)
Interest cost of scheme liabilities	**(2,399)**	1,866
Net interest charge / (credit)	**325**	13
Amounts charged/(credited) to other comprehensive income	**2023 £ '000**	**2022 £ '000**
Changes in demographic assumptions	**1,495**	602
Changes in financial assumptions - liabilities	**30,427**	6,277
Other experiences gains/(losses) - liabilities	**(1,704)**	(167)
Return on net assets excluding amounts in net interest	**(506)**	7,196
Net actuarial movements in other comprehensive income	**29,712**	13,908

GMPF Schemes 2 and 3 Key Assumptions

Financial assumptions

	31 March 2023 % per annum	**31 March 2022 % per annum**
Discount rate	**4.75**	2.7
Future salary increases	**3.8**	3.95
Future pension increases	**3**	3.2

Mortality assumptions

The post-retirement mortality assumptions adopted to value the benefit obligation at 31 March 2023 is based on the CMI2018 model (2022: CMI2018 model). The assumed life expectations on retirement at age 65 are:

Current pensioners:	**2023 No. of years**	**2022 No. of years**
Males	**19.9**	20.3
Females	**23.4**	23.2
Future Pensioners:		
Males	**20.3**	21.6
Females	**24.3**	25.1

Major categories of plan assets as a percentage of total plan assets	**2023 %**	**2022 %**
Equities	**70**	69
Bonds	**14**	13
Properties	**8**	8
Cash	**8**	10

12. Tax on surplus on ordinary activities

The association did not suffer a tax charge during the period due to its charitable status and the charitable nature of its activities.

The group tax charge was £Nil (2022: £Nil). A deferred tax charge of £43.6k has been recognised in One Manchester Property in the current period.

Current tax reconciliation – Group	2023 £ '000	2022 £ '000
Surplus on ordinary activities before tax	**18,191**	13,180
Tax on surplus on ordinary activities at standard CT rate of 19% (2022: 19%)	**3,456**	2,502
Deferred tax not recognised	**-**	-
Charitable income not chargeable to tax	**(3,456)**	(2,502)
Over Provision in Previous Year	**-**	-
Actual current and total taxation charge / (Credit)	**-**	-

13. Tangible fixed assets – housing properties

Group	Social housing properties held for letting £ '000	Housing properties for letting under construction £ '000	Shared ownership properties completed £'000	Shared ownership properties under construction £ '000	Total housing properties £ '000
Cost					
At 1 April 2022	285,526	36,250	6,920	7,489	**336,185**
Reclassification from Investment Properties	140	-	-	-	**140**
Reclassification	-	-	-	-	**-**
Additions	-	18,657	-	1,924	**20,581**
Schemes Completed	6,296	(6,296)	623	(623)	**-**
Works to existing properties	15,315	-	-	-	**15,315**
Impairment	-	-	-	-	**-**
Disposals	(4,047)	-	(838)	-	**(4,885)**
At 31 March 2023	**303,230**	**48,611**	**6,705**	**8,790**	**367,336**
Depreciation					
At 1 April 2022	76,616	-	2,212	-	**78,828**
Charged in year	8,415	-	76	-	**8,491**
Eliminated on disposal	(1,933)	-	(27)	-	**(1,960)**
At 31 March 2023	**83,098**	**-**	**2,261**	**-**	**85,359**
Net book value At 31 March 2023	**220,132**	**48,611**	**4,444**	**8,790**	**281,977**
At 31 March 2022	**208,910**	**36,250**	**4,708**	**7,489**	**257,357**

Interest cost of £1.05m (2022: £803k) was capitalised in the year in relation to new property development. The cumulative amount of interest capitalised on housing property is £3.7m (2022: £2.6m). Interest is capitalised at a rate of 4.51% of borrowings and is capitalised when directly related to a scheme.

13. Tangible fixed assets – housing properties continued

Group	Social housing properties held for letting £ '000	Housing properties for letting under construction £ '000	Shared ownership properties completed £'000	Shared ownership properties under construction £ '000	Total housing properties £ '000
Cost					
At 1 April 2022	285,614	36,566	6,934	7,604	**336,718**
Reclassification from Investment Properties	140	-	-	-	**140**
Reclassification	(318)	-	318	-	**-**
Additions	-	18,768	-	1,949	**20,717**
Schemes Completed	6,317	(6,317)	625	(625)	**-**
Works to existing properties	15,315	-	-	-	**15,315**
Impairment	-	-	-	-	**-**
Disposals	(4,047)	-	(838)	-	**(4,885)**
At 31 March 2023	**303,021**	**49,017**	**7,039**	**8,928**	**368,005**
Depreciation					
At 1 April 2022	76,615	-	2,213	-	**78,828**
Charged in year	8,415	-	76	-	**8,491**
Eliminated on disposal	(1,933)	-	(27)	-	**(1,960)**
At 31 March 2023	**83,097**	**-**	**2,262**	**-**	**85,359**
Net book value At 31 March 2023	**219,924**	**49,017**	**4,777**	**8,928**	**282,646**
At 31 March 2022	**208,999**	**36,566**	**4,721**	**7,604**	**257,890**

Interest cost of £1.1m (2022: £803k) was capitalised in the year in relation to new property development. The cumulative amount of interest capitalised on housing property is £3.7m (2022: £2.6m). Interest is capitalised at a rate of 4.51% of borrowings and is capitalised when directly related to a scheme.

Group Housing Properties Book Value net of depreciation and impairment

	2023 £ '000	2022 £ '000
Freehold land and buildings	**248,276**	162,271
Long leasehold land and buildings	**33,701**	41,565
Total	**281,977**	203,836

Group expenditure on works to existing properties	2023 £ '000	2022 £ '000
Amounts capitalised	**15,315**	8,366
Amounts charged to income and expenditure account	**4,622**	3,501
Total	**19,937**	11,867

14. Group and Association Tangible fixed assets - other

	Freehold offices £ '000	Furniture fixtures and fittings £ '000	Computers and office equipment £ '000	Plant and equipment £ '000	Motor Vehicles £'000	Total £'000
Cost						
At 1 April 2022	11,682	421	6,102	178	23	**18,406**
Additions	-	2,445	1,877	-	-	**4,322**
Disposal	(660)	-	-	-	-	**(660)**
At 31 March 2023	**11,022**	**2,866**	**7,979**	**178**	**23**	**22,068**
Depreciation						
At 1 April 2022	3,771	309	4,013	146	21	**8,260**
Charged in year	235	73	1,023	23	2	**1,356**
Disposal	(660)	-	-	-	-	**(660)**
At 31 March 2023	**3,346**	**382**	**5,036**	**169**	**23**	**8,956**
Net book value At 31 March 2023	**7,676**	**2,484**	**2,943**	**9**	**0**	**13,112**
At 31 March 2022	7,911	112	2,089	32	2	**10,146**

15. Group Tangible fixed assets - investment properties

	Market Rent properties held for letting £ '000	Investment Properties under construction £ '000	Total £ '000
At 1 April 2022	41,265	8,174	**49,439**
Additions	-	3,432	**3,432**
Disposal	-	-	**-**
Transfer to Social Property	(140)	-	**(140)**
Schemes Completed	10,645	(10,645)	**-**
Revaluation	3,640	-	**3,640**
At 31 March 2023	**55,410**	**961**	**56,371**

Interest cost of £173k (2022: £59k) was capitalised in the year in relation to new property development. The cumulative amount of interest capitalised on investment property is £842k (2022: £669k). Interest is capitalised at a rate of 4.51% of borrowings and is capitalised when directly related to a scheme.

15. Association Tangible fixed assets - investment properties

	Market Rent properties held for letting £ '000	Investment Properties under construction £ '000	Total £ '000
At 1 April 2022	41,265	8,174	**49,439**
Additions	-	3,432	**3,432**
Disposals	-	-	**-**
Transfer to Social Property	(140)	-	**(140)**
Schemes Completed	10,645	(10,645)	**-**
Revaluation	3,640	-	**3,640**
At 31 March 2023	**55,410**	**961**	**56,371**

The Group's completed investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer.

The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' (RICS) Appraisal and Valuation Manual. Investment properties are held at open market value subject to existing tenancies.

The surplus on revaluation of investment property arising of £3,640k (2022: surplus of £463k) has been credited to the Statement of Comprehensive Income for the year. The historic cost of investment properties is £44,682k (2022: £41,500k).

16. Investments in subsidiaries

The following are wholly owned subsidiaries of One Manchester Limited:

Name	Country of incorporation	Proportion of voting rights	Nature of Business
One Manchester Treasury Limited	UK	100%	Financing vehicle - funding
One Manchester Developments Limited	UK	100%	Property development
One Manchester Property Limited	UK	100%	Property development

The registered address of all companies is Lovell House, Archway 6, Hulme, Manchester, M15 5RN.

17. Stock Group

Shared ownership properties:	2023 £ '000	2022 £ '000
Under construction	**2,480**	4,626
Materials stock	**-**	-
	2,480	4,626

17. Stock Association

Shared ownership properties:	2023 £ '000	2022 £ '000
Under construction	**2,480**	4,626
Materials stock	**-**	-
	2,480	4,626

18. Debtors

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Due within one year				
Rent and service charges receivable	**7,578**	6,790	**7,578**	6,790
Less: Provision for bad and doubtful debts	**(4,264)**	(4,325)	**(4,264)**	(4,325)
Net rent and service charges receivable	**3,314**	2,465	**3,314**	2,465
Other debtors	**1,359**	2,281	**1,321**	2,277
Amounts owed to group undertakings	**-**	-	**-**	908
Prepayments and accrued income	**2,042**	1,470	**728**	684
	6,715	6,216	**5,363**	6,334

19. Fixed Asset Investments

Shared ownership properties:	2023 £ '000	2022 £ '000
One Manchester Property Limited investment in Joint Venture.	**993**	751

This JV investment is funded by the intercompany loan referred to on page 43.

20. Creditors: amounts falling due within one year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	**1,968**	2,307	**1,838**	2,156
Rent and service charges received in advance	**2,906**	2,906	**2,906**	2,906
RTB Sharing agreements – MCC Council	**2,201**	1,358	**2,201**	1,358
Accruals and deferred income	**12,727**	12,042	**8,587**	8,823
Other taxation / social security creditors	**731**	683	**731**	683
Disposal Proceeds Fund (note 22)	**-**	-	**-**	-
Other creditors	**750**	1,204	**725**	1,192
Deferred capital grant (note 23)	**4,307**	4,068	**4,307**	4,068
Loans payable within one year (note 24)	**8,567**	12,153	**-**	-
Amounts owed to group undertakings	**-**	-	**9,625**	14,059
	34,157	36,721	**30,920**	35,245

21. Creditors: amounts falling due after more than one year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Loans payable after one year (note 24)	**173,000**	181,567	**-**	-
Amounts owed to group undertakings	**-**	-	**173,000**	181,567
Less unamortised Arrangement Fees	**(2,356)**	(2,292)	**(2,356)**	(2,292)
Deferred capital grant	**108,291**	110,550	**108,291**	110,550
Recycled Capital Grant Fund > 1 yr. (note 22)	**602**	314	**602**	314
	279,537	290,139	**279,537**	290,139

22. Recycled Capital Grant Fund (RCGF)

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 April 2022	**314**	215	**314**	215
Additions	**366**	190	**366**	190
Utilised	**(78)**	(91)	**(78)**	(91)
Balance at 31 March 2023	**602**	314	**602**	314

23. Deferred capital grant - Group

	2023 £ '000	2022 £ '000
Net deferred capital grant at start of year	**114,618**	109,526
Total Grant received	**3,878**	10,024
Less Grant Received in advance	**(585)**	-
Grant disposals	**(1,469)**	(1,073)
Grant amortisation	**(3,829)**	(3,859)
	112,613	114,618
Net deferred capital grant due in less than one year	**4,307**	4,068
Net deferred capital grant due in more than one year	**108,306**	110,550
	112,613	114,618

Gross accumulated capital grant received is £187,206k (2022:£183,913k). Total accumulated revenue grant received is £41,966k (2022: £41,966k).

24. Debt analysis

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Within one year	**8,567**	12,153	**8,567**	12,153
Between one and two years	**12,215**	8,567	**12,215**	8,567
Between two and five years	**28,562**	35,695	**28,562**	35,695
After five years	**132,223**	137,305	**132,223**	137,305
	181,567	193,720	**181,567**	193,720

Security

The bank loans are secured by a floating charge over the assets of the Group and by fixed charges on individual properties. The Group's loan facilities are sterling denominated. The interest rate profile of the Group's financial liabilities at 31 March was:

	2023 £ '000	2022 £ '000
Floating rate	**3,567**	6,720
Fixed rate	**178,000**	187,000
Total	**181,567**	193,720
Less: Arrangement fees	**(2,356)**	(2,334)
Total	**179,211**	191,386

The floating rate financial liabilities comprise bank loans and overdrafts that will have the cost of borrowing based on SONIA (Sterling Overnight Index Average).

Interest rates on fixed rate borrowings range between 2.29% and 7.08%, with a weighted average of 4.51%.

25. Net Debt Reconciliation

	As at 31 March 2022	Cash flows	Other Non-Cash Movements	As at 31 March 2023
Cash and Cash Equivalents				
Cash	50,733	(27,510)	-	23,223
Overdrafts	-	-	-	-
Cash Equivalents	-	-	-	-
	50,733	**(27,510)**	**-**	**23,223**
Borrowings				
Debt Due < 1 Year	(12,153)	3,586	-	(8,567)
Debt Due > 1 Year	(181,567)	8,567	-	(173,000)
	(193,720)	**12,153**		**(181,567)**
Total	**(142,987)**	**(15,357)**	**-**	**(158,344)**

26. Non-equity share capital

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up. Income and Expenditure Reserves had an opening balance of £52,399k at 1 April 2022 with a surplus for the year of £18,191k during 2022/23 and an actuarial loss of (£74k) for 2022/23. Closing income and expenditure reserves balance was £70,776k at 31st March 2023.

27. Group financial commitments

Capital expenditure commitments were as follows:	2023 £ '000	2022 £ '000
Expenditure contracted for but not provided in the accounts	**23,400**	29,286
Expenditure authorised by the Board, but not contracted	**28,607**	26,433
	52,007	55,719

Capital commitments for the Group will be funded as follows:	2023 £ '000	2022 £ '000
Existing loan facilities	**32,838**	15,280
First tranche and outright sale of properties	**3,343**	9,283
Grants	**820**	9,233
Existing reserves	**-**	21,923
	37,001	55,719

28. Group operating leases

The association had minimum lease payments under non-cancellable operating leases as set out below:

Motor Vehicles, office equipment and computers expiring:	2023 £ '000	2022 £ '000
Within one year	**750**	317
One to five years	**1,311**	26
	2,061	343

Land & Buildings expiring:	2023 £ '000	2022 £ '000
Within one year	**78**	21
One to five years	**477**	34
Beyond five years	**833**	4
	1,388	59

29. Contingent liabilities

The Group had no contingent liabilities requiring disclosure at 31 March 2023 (2022: £None).

30. Financial Instruments - Group

The financial instruments may be analysed as follows:

Financial assets	2023 £ '000	2022 £ '000
Financial Assets measured at historical cost:		
Trade receivables	**3,314**	2,465
Other receivables	**1,359**	2,224
Current asset investments	**-**	-
Cash and cash equivalents	**23,223**	50,733
	27,896	55,422

30. Financial Instruments - Group continued

Financial Liabilities	2023 £ '000	2022 £ '000
Financial liabilities measured at amortised cost:		
Loans payable	**181,567**	193,720
Financial liabilities measured at historical cost:		
Trade creditors	**1,968**	2,306
Other creditors	**131,784**	132,714
	315,319	328,740

Financial assets measured at historical cost comprise trade debtors, other debtors, and amounts owed by associated undertakings. Financial liabilities measured at historical cost comprise trade creditors and other creditors.

31. Related parties

During the year, there was one Tenant Board Member who resigned at mid-year. The rent charged was **£3.7k** and their balance at the point of resignation was a debit balance of **£2.4k**.

One member of the Board is a local councillor and was local authority appointed on the 22nd September 2022.

One Manchester Limited has 14.3% control over JV North and has paid **£6.8k** (2022: £33.6k) in costs during the year. There were no year-end balances with the Company (2022: £Nil).

The Company provides management services, other services, and loans to its subsidiaries. The Company also receives charges from its subsidiaries.

Intra-group management fees are receivable by the Company from its subsidiaries to cover the running costs the Company incurs on its behalf in managing the subsidiaries.

Intra-group interest is charged by the Company's subsidiary One Manchester Treasury Limited to Group subsidiaries at the rates incurred by the Group on its bank loans plus a margin of 0.1% **£191k** (2022: 0.1% £89k).

One Manchester Developments Limited was paid **£15,971k** (2022: £21,633k) for construction services and related costs by One Manchester Limited. One Manchester Developments is owed **£1,315k** (2022: £1,907k) by One Manchester Limited at the year end.

One Manchester Property Limited was paid **£222k** (2022: £492k) by One Manchester Limited for investment into the Joint Venture. One Manchester Property Limited was owed **£1,071k** (2022: £864k) at the end of the year.

32. Prior Year Restatement

As disclosed in note 11 to the financial statements, the Group and Association participate in a number of defined benefit pension schemes. For the GMPF Scheme 2, the fair value of plan assets was greater than present value of funded obligations as at 31 March 2022 (and 31 March 2021), resulting in a pension surplus of £13,839k (2021: £7,456k). In the previous years, this pension surplus was incorrectly recognised in full as an asset on the Group and Association Statement of Financial Position. FRS 102 limits the amount recognised as an asset to the amount recoverable either through reduced contributions in the future or through refunds from the plan. The Board have determined that the Group and Association do not have an unconditional right to a refund, while a qualified independent actuary has calculated the value recoverable through reduced future contributions as £2,927k (2021: £3,205k). As such, the Group and Association have restated the prior year comparatives to reduce the recognised asset as at 31 March 2022 by £10,912k to £2,927k and reduce reserves as at 31 March 2021 by £4,251k. This has had no effect on the previously reported surplus for the year ended 31 March 2022.

The principal effects of this on the amounts previously stated as at 31 March are stated below:

	Previously reported £'000	Prior Period Adjustment £'000	Restated £'000
Group Statement of comprehensive income			
Actuarial gain/(loss) relating to pension scheme	16,225	(6,661)	9,564
Total comprehensive income for the year	29,405	(6,661)	22,744
Association Statement of comprehensive income			
Actuarial gain/(loss) relating to pension scheme	16,225	(6,661)	9,564
Total comprehensive income for the year	29,449	(6,661)	22,788
Group and association statement of financial position			
Net pension asset/(liability)	11,163	(10,912)	251
Group statement of changes in reserves			
Total reserves as at 31 March 2021	34,166	(4,251)	29,915
Total reserves as at 31 March 2022	63,571	(10,912)	52,659
Association statement of changes in reserves			
Total reserves as at 31 March 2021	34,323	(4,250)	30,073
Total reserves as at 31 March 2022	63,772	(10,912)	52,860

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