

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021

Co-operative and Community Benefit Society: 7528

Regulator of Social Housing: L4472

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 March 2021

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**CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021**

THE BOARD, SENIOR EXECUTIVES AND ADVISORS

THE BOARD

John Hudson, Chairman	Resigned 30 April 2020
Jane McCall	Appointed 1 May 2020
Kate Lindley	
Samantha Knuckey	Resigned 31 May 2020
Tom Agar	Resigned 30 June 2021
Gordon Richardson	
Simon Leighton	
Alison Light	Resigned 30 June 2020
Anthony Read	
Brian Puddicombe	
Guy Johnson	Appointed 1 June 2020
Alison Hadden	Appointed 1 June 2020
Shahida Latif-Haider	Co-optee to Audit Committee appointed 1 June 2020
Fiona McAuley	Co-optee to Board appointed 1 August 2020

Executive Management Team

Mark Howden	Interim Chief Executive Chief Executive from 1 July 2020
Emma Richman	
Julie Booker	

Secretary and registered office

Jennifer Hayball

Ropewalks
Newton Street
Macclesfield
Cheshire
SK11 6QJ

Auditor

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Bankers

Barclays Bank plc
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Manchester
M3 3HF

Principal Solicitors

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Leeds
LS1 4BN

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED FOR THE YEAR ENDED 31 MARCH 2021 REPORT OF THE BOARD

The Board of Cheshire Peaks & Plains Housing Trust Limited is pleased to present its report together with the audited financial statements of the Trust and its subsidiaries, “the Group”, for the year ended 31 March 2021. Cheshire Peaks & Plains Housing Trust is more usually known as ‘Peaks & Plains’ and is referred to as The Trust throughout this report. The Group refers to both the Trust and its subsidiaries.

PRINCIPAL ACTIVITIES

We are a housing association, registered with the Regulator of Social Housing to provide housing and other services that benefit the public. The Trust’s purpose is to “Help Improve Lives” through this provision. The Trust is an exempt charity, registered with the Financial Conduct Authority under the Cooperative and Community Benefit Societies Act 2014.

The principal activity of the Group is the provision of housing at rents that are affordable to those in need which includes properties let at ‘social’ and ‘affordable’ rent. This involves the management and maintenance of an existing portfolio of accommodation and the commissioning and building of new additional homes.

The Group’s head office is in Macclesfield and its properties are located in Cheshire and Derbyshire. The Group provides general needs homes for families, single people and older people in self-contained flats, houses and bungalows, where people live independently.

INCORPORATION AND SUBSIDIARIES

The Trust was initially formed on 9 February 2005 and commenced trading on 17 July 2006 with a stock transfer of 5,000 housing properties from Macclesfield Borough Council.

In 2015 two subsidiaries were established; Peaks & Plains Devco Limited, a development company and Peaks & Plains Tradeco Limited, a non-charitable property company. Peaks & Plains Devco commenced trading in October 2019 and has been consolidated into the Group’s Financial Statements. Peaks & Plains Tradeco has been dormant throughout the year.

BUSINESS REVIEW

Details of the organisation’s performance for the year, and future plans, are set out in the Strategic Report that follows this Directors’ report.

GOVERNANCE

The Trust is a Community Benefit Society operating under the National Housing Federation’s model rules. Only Board Members may become or remain a shareholder and no shareholder shall hold more than one share and each share carries only one vote.

During 2019/2020, a new staffing structure, which bolstered our resources in Asset Management, Health and Safety Compliance, Procurement and Regeneration, was put into place. These new posts brought new challenge to the existing processes within the Trust. External assistance was secured to undertake a more detailed review of our governance and asset health and safety compliance. This led to the Trust making a self-referral to the Regulator of Social Housing (RSH) in July 2019 regarding a number of health and safety compliance issues. In addition, in July 2019, our funders identified a breach to our loan covenants from when the Trust secured its head office building (Ropewalks) against the Cheshire Pension Scheme in January 2019; this was also reported to the RSH.

As a result of these two presenting issues, in November 2019 the RSH put the Trust’s gradings under review. This was followed on 5 December 2019 by the RSH publishing a Regulatory Notice confirming that the Trust had failed to meet the Home Standard and that as a consequence of this breach, there had been the potential of ‘serious detriment’ to the Trust’s tenants. On 25 March 2020 the RSH published their Regulatory Judgement for the Trust and the Trust was given a governance downgrade to G3 (non-compliant).

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
REPORT OF THE BOARD (continued)

GOVERNANCE (continued)

The Board wrote to the RSH on 1 July 2020, with its proposal for a voluntary undertaking. The letter included a proposed action plan to take the Trust back initially to a compliant grade and then ultimately back to a G1. This was accepted by the RSH on 28 August 2020. The Chair and Chief Executive have had on-going engagement with the RSH and are on target to deliver the action plan. It is anticipated that the RSH will review the grading in the summer of 2021.

EMPLOYEES

The strength of the Group lies in the quality and commitment of its employees, and the ability to meet its objectives and commitments to customers depends on them. The Group is committed to equal opportunities for all its employees and continues to invest in staff training and development. During the year the Group has further improved systems of appraisal and performance management and has moved successfully to agile working.

HEALTH & SAFETY

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides Board and staff training and education on health and safety matters, including safeguarding. Health and safety is a key part of the internal audit cycle.

THE BOARD, COMMITTEES AND EXECUTIVE

Those Board Members who served during the period and the Group's executive directors are set out on page 1.

The Board comprises up to nine non-executive members and is responsible for the strategy, policy framework and managing the affairs of the Trust. A full Board skills review was undertaken in 2019/2020 and has been refreshed during the period. A number of changes were made to the Board to further strengthen it. The Board delegates the day-to-day management and implementation of its strategy to the Chief Executive and other members of the Executive Management Team (EMT).

The Board is supported by the Audit Committee and the Governance Committee. The Audit Committee meets at least four times per year and has responsibility for overseeing the Trust's audit functions and leading on matters of risk, including health and safety.

The Governance Committee meets at least three times per year and is responsible for reviewing the skills of Board Members, ensuring compliance with the Code of Governance, the Human Resources functions and leads on data governance.

The Board of the Trust's trading subsidiary, Peaks & Plains Devco Limited, is made up of Board and Executive members and has met three times during the period and is responsible for the governance and oversight of the subsidiary.

The Trust Board, Subsidiary Board and Committees obtain specialist advice as required.

CODE OF GOVERNANCE

The Group has adopted the National Housing Federation (NHF) Code of Governance (2015). The Board carries out an annual appraisal of governance in terms of its compliance against its chosen code.

In accordance with the requirements, the Trust confirms compliance with the adopted code for the year ended 31 March 2021. The Trust accepts that given its current G3 grading and the RSH's comments in its regulatory judgement that *"the regulator has insufficient assurance that PPHT's governance, risk management and internal control frameworks have been effective."*, that there could be questions over the effectiveness of its internal controls. However, the Board acknowledges that significant work has been completed to address these issues and whilst it recognises that the Trust is now in a period of continual improvement, the Board believes it does now have *"effective internal controls and appropriate systems for business assurance, so that the board can have confidence in the information it receives"* as required by the code.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
REPORT OF THE BOARD (continued)

CODE OF GOVERNANCE (CONTINUED)

The Board has considered adopting the (NHF) Code of Governance (2020) and has tasked the Executive with putting a plan in place to be able to adopt this code in order to address some of the gaps that currently exists. However it has taken the decision that it will continue to adopt the 2015 code for 2021/2022.

STATEMENT OF COMPLIANCE

In preparing this report, a review of the organisation's governance procedures has been undertaken. Following this review, it is the opinion of the Board that the Group complies with the latest Governance and Financial Viability Standard issued by the regulator, subject to those items raised by the RSH in its Regulatory Judgement dated March 2020.

INTERNAL CONTROLS ASSURANCE

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2020 up to the date of approval of the report and financial statements. The Group has a number of arrangements in place that comprise the overall internal control framework, which are used to provide Board with assurance about the adequacy of this framework.

The Board has ultimate responsibility for the system of internal control but has delegated authority to the Audit Committee to regularly review its effectiveness. The Audit Committee was formed to oversee the internal control framework across the Group. It does this by reviewing the effectiveness of the system of internal control across the spectrum of the framework. This includes considering risk registers, internal audit reports, fraud reports, management assurances, the external management letter and specialist reviews on areas such as treasury, health and safety, governance and business planning.

The Audit Committee received and considered reports from management on risk management and control arrangements at each meeting during the year and the Board discussed risk and the impact of the decisions that it took at each meeting.

The Audit Committee has received, from the Chief Executive, the report on the annual review of the effectiveness of the system of internal control for the Group, alongside the annual report of the internal auditor, and has reported its findings to the Board.

Key elements of the system of control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Trust's assets.
- Experienced and suitably qualified staff take responsibility for important business functions, and each of those functions maintain an operational risk register, which is reviewed monthly by the Senior Management Team and quarterly by the Executive.
- Forecasts and Budgets are prepared which allow the Board and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through Board resolutions.
- Regular monitoring of loan covenants and requirements for new loan facilities.
- Board approved whistle-blowing policy.
- Board approved anti-fraud, bribery and corruption policy and anti-money laundering policy, covering prevention, detection and reporting, together with recoverability of assets.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
REPORT OF THE BOARD (continued)

INTERNAL CONTROLS ASSURANCE (continued)

A fraud register is maintained and is regularly reviewed by the Audit Committee. The Group complies with the RSH requirements with regard to fraud. There have been no reported cases of fraud during the year 2020/2021 – with losses totalling £nil (2019/2020 - £400). During the year the Audit Committee has signed off on the fraud response plan and the fraud matrix, which summarises the key fraud risks faced by the Group and the controls in place.

The Group has a comprehensive internal audit programme provided during 2020/2021 by RSM LLP, Chartered Accountants. The Internal Auditors report to the Group's Director of Resources on each assignment and to each meeting of the Audit Committee on their recent and prospective activity.

The Audit Committee considered the internal audit annual report at its May 2021 meeting. The 2020/2021 annual programme included 10 audits as follows:

- Asset and Liabilities Register
- Safeguarding
- Repairs
- Data Governance Framework
- Foundations Project implementation (Including gas safety process)
- Allocations
- Arrears Management
- Risk Management
- Health & Safety – Employees
- Performance reporting framework

The Group specifically chose areas of weakness to be reviewed as part of the internal audit programme, and the Director of Resources was involved in all scoping meetings, and to ensure that the Board could receive greater assurance all audit scopes were reviewed by the Audit Committee. Based on the results of their internal audits RSM concluded that the Trust *“has an adequate and effective framework for risk management, governance and internal control. However our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective”*.

In the Regulatory Judgement published in March 2020 the Regulator of Social Housing had identified weaknesses in the Group's Asset and Liability Register (ALR). Significant work was undertaken on the ALR throughout 2019/2020 and a report is presented to each Audit Committee in respect of this. The ALR was the first audit undertaken by RSM LLP and had substantial assurance.

Governance arrangements are subject to continuing review and development to ensure they remain fit for purpose. Board and sub-Committee membership is reviewed annually in line with the membership policy terms. Compliance with the chosen code of governance and the Regulatory Framework is reviewed annually. The Board has undertaken a full skills review, as part of its appraisal process to ensure that the Board has the right skills mix to effectively manage the Group.

The Group recognises it can make a real difference by working closely with its customers, both tenants and leaseholders, and is committed to co-regulation through its Challenge Group that is formed from a selection of our customers. Due to Covid-19 the Challenge Group, through its scrutiny panel, was only able to undertake one review in March 2021. The panel reported to both Audit Committee and Board in May 2021. Further reviews are planned throughout 2021/2022.

External audit provides feedback to the Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit. Annually, a management letter is presented to the Audit Committee after the year end audit and once it has been reviewed it is submitted to the RSH.

The Board recognises that the G3 (non-compliant) rating issued by the Regulator of Social Housing means that the Trust has further work to do to strengthen its internal controls, and it is on track to deliver against its action plan to address these weaknesses.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
REPORT OF THE BOARD (continued)

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 (£120.5m) that will provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan that shows that it can service these debt facilities whilst continuing to comply with lenders' covenants for the next 30 years.

An assessment of the impact on our financial capacity was undertaken as part of the 30 year business plan review. Stress tests were conducted, that were linked to the Trusts Strategic Risk Register – these included multi-variant testing around economic collapse, the test broke the business plan, but the Trust has mitigations in place that can address the issues. This demonstrated that the financial impact could be managed within the approved business plan and that we have sufficient liquidity to manage the risks. The Group has been compliant with loan covenants throughout the period and remains compliant based on the revised forecasts noted above.

After making enquiries, 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.

COVID-19

The Group is continually monitoring the impact of Covid-19 on the sector. The Group has identified the risks of Covid-19, including the potential impact on cash collection and tenant arrears and access to investment works. There has been no adverse impact seen on the collection of rents in the period since the first lockdown, although this is being closely monitored and some customers have continued to report Covid-19 as their reason not to pay. However, the Group believes that changes it has made to its cash collection process has mitigated the impact of these non-payers. The Group initially saw an increase in no access with compliance visits and this has been very carefully managed. Both cash collection and no-access are reviewed on a weekly basis to identify any issues.

The Group saw delays in its development programme as a result of Covid-19. Currently all contractors are back on site and the delays have been built into the revised business plan.

Despite the risks identified around Covid-19, the Group continues to be in a strong financial position. The impact of further lockdowns have been scenario tested in the Group's business plan, and mitigations have been identified to address any potential impact of Covid-19 on the business plan. The Trust maintains a mitigation plan, which details what actions will be taken if required, the length of time to put these actions in place, the cost of the actions and any commitments that need to be addressed.

The Board has considered the potential impairment of its assets as a result of Covid-19; it has made an impairment against some sites which have been land banked but are satisfied that no adjustment is required to the financial statements, against housing properties.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
REPORT OF THE BOARD (continued)

STATEMENT OF THE RESPONSIBILITIES OF THE BOARD FOR THE REPORT AND FINANCIAL STATEMENTS

Board Members' Responsibilities

The Board Members are responsible for preparing the Report of the Board and the Financial Statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the 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 Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 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 2019. They are also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

The report of the Board was approved by the Board on 29 July 2021 and signed on its behalf by:

DocuSigned by:

E7F46FD55DA24DB...
JENNIFER HAYBALL
Company Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT

OBJECTIVES AND STRATEGY

Following the regulatory downgrade and a refresh of the Board, the Trust has reviewed its strategic plan to ensure that it is fit for purpose. The revised strategic plan covers the period 2020-2023.

The Board agreed that the Group's purpose continues to be to "Help improve lives".

The Trust will deliver this by focussing on the following priorities:

Corporate Objective	Delivered By:
Be a Great Landlord	<ul style="list-style-type: none"> • Providing safe homes that are well maintained to support healthy lives • Listening to our customers and deliver the services they need • Matching the right customer to the right home to create lasting tenancies • Knowing our customers
Build a Resilient Business	<ul style="list-style-type: none"> • Creating a positive culture and be a great place to work • Being a profit-for-purpose organisation • Ensuring full asset compliance • Having strong, effective governance • Using an effective risk and control framework • Delivering value for money in all our services • Ensuring a single version of the truth • Having a finance structure in place to deliver our longer-term ambitions
Create Great Places to Live	<ul style="list-style-type: none"> • Delivering or having new homes under construction, as identified within our current development pipeline • Improving the neighbourhoods that we manage • Investing in our existing homes to maintain the Decent Homes Standard • Having a better understanding of the energy performance of our homes, and improving it where we can • Developing a long-term carbon reduction strategy, one which doesn't impact adversely on fuel poverty • Working with local stakeholders and residents to play an active role in placemaking

Our objectives are delivered by inspiring and engaging our staff to deliver great services and exhibiting the Group's values:

- **Transparent** – We are open, honest and clear; with ourselves and others
- **Restless** – We're better tomorrow by challenging what we're doing today
- **Upfront** – We're bold, confident and direct – we say it as it is
- **Skilled** – We invest in our people and attract talent so that the Trust thrives
- **Together** – We support and talk to each other across teams to help improve lives

The values are used together with our 'behaviours' to demonstrate how we will go about delivering the objectives in our strategic plan. Our staff recruitment and accountability systems are structured around the values and behaviours, making them a fundamental part of working at the Group.

Our Behaviours

- Put Customers First
- Help Others
- Thank People
- Take Responsibility
- Question things to find a better way
- Do what we say we'll do

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (CONTINUED)

The behaviours are reinforced through frequent catch-up conversations between managers and staff, recognising when the behaviours are being demonstrated and when they are not. During the year the Group introduced a more structured approach to these catch-up conversations and performance development plans were put in place for all staff.

Performance during the Year, by Corporate Priority

The Board approved a new set of Key Performance Indicators (KPIs) in March 2020 to support delivery of the 2020/2021 Business Plan and to promote effective performance management and target setting across all teams, EMT and Board. The KPIs were aligned with the 4 key themes of the strategic plan that was in place at that time. There were 44 KPIs reported to the Board throughout 2020/2021.

Following the Board approving a new strategic plan, they also agreed a revised list of KPIs which it would keep under review in 2021/2022. In order to ensure that the Board does not lose sight of some key performance areas which it currently monitors, triggers have been set for each of the 44 KPIs that have not been chosen as 2021/2022 Board KPIs. If the trigger is hit, the KPI will be escalated and reported to Board as part of a new performance pack.

The review below details the key results for the 2020/2021 year which are most closely aligned with the revised strategic plan, those items noted with an * will be measured going forward, where possible 2019/2020 results are noted, and in some cases where 2019/2020 figures cannot be included the first reported figures for May 2020 are noted, these have been denoted with a **.

BE A GREAT LANDLORD	March 2020 Result	March 2021 Result	2020/2021 Target
% Compliance indicators met*	68%**	81%	100%
% of complaints upheld	54.7%	46.2%	40%
% current tenant rent arrears*	1.27%	2.12%	2.20%
% first time fix repairs*	93.23%	94.1%	96%
Average call waiting time (minutes)	04.45**	03.15	03.00

The Board recognises that to be a great landlord we need to build on strong foundations and there are key measures that relate to income, safety and customer service that the Board have chosen to monitor directly going forward.

Following the self-referral to the regulator the Trust has undertaken a project to address all compliance issues; this was named the foundations project. Initially the Trust delivered against Foundations 1, which was focussed on the fatal risk elements of compliance – gas, electricity, water hygiene, fire and asbestos. Subsequently the project has been rolled out to cover all aspects of compliance (Foundations 2). The project mantra was “Is it safe? Prove its safe; Make it safe and Keep it safe.” The % compliance indicators met are those indicators where we have proven every component within our stock is safe. The Foundations project ensures all relevant documentation is retained by the Trust and is up to date. Although the target is 100%, as the Board believe that is what the target should be, the Trust will not be at 100% until the Foundations 2 project is complete (see below).

Following the publication of the Housing Ombudsman’s complaints handling code, the Group revised its complaints policy. This has led to a greater number of complaints being recognised by the Trust. During the year the Trust measured the number of complaints upheld, as this is an indicator of how well the Trust is delivering against its promises. Next year, in addition to those indicators noted with a * above, the Board will monitor the percentage of complaints resolved with agreed timescales to ensure that we are delivering against the commitments of our policy.

In addition to complaints the Board has monitored the repairs first time fix, although we are still below the stretching target set there has been an improvement in the results for this and a new structure has been put in place to further improve this result going forwards.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (CONTINUED)

The Trust has maintained good performance around arrears, despite the challenges that Covid-19 has brought. The Trust has seen an increase in high level arrears cases where normally these cases would have got court orders and gone through court process. However, through persistence and resilience for repayments the team have managed to minimise the impact of these high value cases on overall collection.

Throughout the year the Board has monitored call waiting times. The Trust has had a number of issues in this area and therefore has found it difficult to consistently achieve the target, there has however been a significant improvement on the historic position. The Trust has now undertaken a full structure review of its customer services team and new procedures are being introduced to further strengthen the position.

BE A RESILIENT BUSINESS	March 2020 Result	March 2021 Result	2020/2021 Target
% of Foundations 2 project complete*	n/a	77.5%	n/a
EBITDA – Finance Covenant*	1.56	2.01	1.37
Overdue Audit actions*	8	12	n/a
Average number of days lost to sickness	8.66	6.3	7.3
Net Promoters 'would recommend to friends and family'?	36.7%	32.7%	45%
Average days to pay invoices	25	38	30

The Board recognise that in order to be able to “Help Improve Lives” it must ensure that the underlying business model is resilient to change. The key measures identified around this are the delivery of the Foundations Project and ensuring any audit recommendations are delivered within agreed timescales; both of which will help the Trust to achieve its compliant governance grading. This is then coupled with ensuring the Trust has financial security.

As noted above Foundations 2 is the project which is addressing the Trust’s historic compliance issues. Significant progress has been made on this project and it is on track to complete during the 2021/2022 year. This is a new indicator and as such no target was previously set for the 2020/2021 year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) is the tightest of the Trust’s loan covenants. This measure is set as one of the Trust’s Golden Rules. The result for 2021 is significantly better than the target. This is because there has been less spend in some areas and delays in development also meant funding was not needed to be drawn as early as anticipated, also the finance covenant is calculated based on interest paid, and the March interest payment was taken in April. This will negatively impact the Finance Covenant in 2021/2022.

The Trust has 12 overdue audit actions at the year end. These actions relate largely to commercial properties and Customer Voice. The actions around commercial properties are reliant on third parties to complete, whilst some of the Customer Voice actions have been delayed due to Covid-19, as initially it was difficult to get all of our involved tenants to engage remotely.

During the year the Board has also considered average number of days lost to sickness, which saw an improvement despite Covid-19. The Net Promoter Score is measured on a quarterly basis and there has been a reduction in this area. This is believed to be in part because internal improvement works have had to be delayed due to Covid-19 and during the year some repairs were held.

Average days to pay invoices is also measured and, although this is not a key Board measure for 2021/2022, it will be monitored by the Audit Committee. The Trust’s payment terms are 30 days, however delays are caused due to suppliers not submitting invoices on time and also internal procedures not being followed. The Senior Leadership Team monitors this on an ongoing basis and work is being undertaken to address any weaknesses.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (CONTINUED)

CREATE GREAT PLACES TO LIVE	March 2020 Result	March 2021 Result	March 2021 Target
Unsold Shared Ownership Homes > 4 months	8	0	n/a
% of capital improvement on programme	n/a	99.00%	100.00%
% of properties where we know the Standard Assessment Procedure (SAP) Score	n/a	98.00%	100.00%
% customer satisfaction with ASB resolution*	80.00%	85.00%	90.00%
Number of new home completions*	60	0	12
Number of properties below Decent Home Standard	75	3	0

The Board recognises that “Great Places to Live” means not only providing new homes but ensuring our existing homes are well maintained and do not have a negative impact on the environment. In addition the Board recognises the Group’s role in ensuring the communities in which our tenants live are safe, therefore they also measure Anti-Social Behaviour (ASB). In addition to those noted above, two new measures have been introduced for 2021/2022 which were not previously measured: Number of residential properties vacant over 8 weeks and Number of properties below required Standard Assessment Procedure (SAP) Score

Historically the Group had some issues with unsold shared ownership and the Board have continued to monitor this. However these issues have been resolved and at year end there were no outstanding shared ownership homes. Covid-19 has resulted in a number of delays in our developments and as such the 12 new home completions that were expected have been pushed into 2021/2022.

The Group measures customer satisfaction with ASB resolution although this is improved on the position last year the result is still below target.

The Group has used the current year to understand the SAP score for each of its properties; the 2% that is outstanding relates to commercial properties. Going forward the Group will measure how many properties are below the required standard, which will initially be a score of D and will then move to a score of C by 2030, on relet.

The measure around % of capital improvement on programme, is to ensure the Group is investing as planned in its stock. The 99% reported above is against the reforecast following Covid-19 that was undertaken last year rather than against the initial 2020/2021 budget. External work has had to be brought-forward whilst work on internals has been pushed back to meet the Covid-19 regulations and ensure safe practices of work. Despite this the number of homes falling outside of decent home standard has significantly reduced. The 3 outstanding properties relate to roof works required, which should be covered under the NHBC scheme and have therefore been delayed due to the NHBC process.

RISKS AND UNCERTAINTIES

Throughout the year the Audit Committee and the Board have continued to work to strengthen the risk and control framework of the Group. This risk appetite statement is reviewed annually by the Board, and this was given a full review at a Board development session in December. At its February meeting Audit Committee considered the stress testing that needed to be undertaken on the business plan and also the mitigations available to address any future impacts on the finances of the Group. The Board recognises its duty to safeguard the assets of the Group and believes that financial strength is the key to the delivery of other objectives.

The risk register adopted by the Board includes details of directive / preventative controls together with detective / corrective controls in place. Additionally we have identified assurance that Board can gain from three lines of defence. For each risk these assurances have been reviewed by a separate Audit Committee working group to determine if they provide sufficient assurance. A strategic risk register is maintained that details the key risks that impact the Group. This is annually reviewed against the sector risk profile. In addition operational risk registers are maintained across the Group and specific risk assessments undertaken. Risk training has been delivered to all staff in the year. Risks are assessed to establish the most significant items by reference to both their impact on the organisation and their likelihood of occurrence. The risk register is included on all Board meeting agendas so the Board can assess any changes arising from papers presented to it.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

Risk Appetite Statement

The Board accepts that the Group cannot achieve its objectives or purpose without taking some risks. The risk appetite has been revisited in the year and the Board has identified its appetite against twelve separate risk drivers. Given the current challenges faced by the Group in order to regain a compliant governance grading, the Group has taken an overall cautious approach to risk at this time, with a minimal appetite for investment (non-core), diversification, innovation, governance and control (including data) and health and safety (including compliance.)

The Group's risk appetite reflects the current position of the Group. The Group is currently in a period of consolidation following some issues in controls being highlighted, and its current risk appetite reflects this position. The appetite will be reviewed on an annual basis.

For key strategic risks, controls will be put in place to reduce, where possible, the likelihood and the impact of each risk occurring, taking into account the costs and benefits of controlling, transferring or reducing those risks. Risks are scored on a scale of 1 to 5 for both likelihood and impact, both before and after controls and the results multiplied together to arrive at a risk score. Where possible the Group will look to reduce its risks to below the appetite identified by the Board.

Currently the Group is aware that there are some areas where the risk is not at an acceptable level. The Board is working with the Executive Team to properly address these issues and further strengthen its risk and control framework. In all cases actions that should help further reduce the risk have been identified and are included on the risk register.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

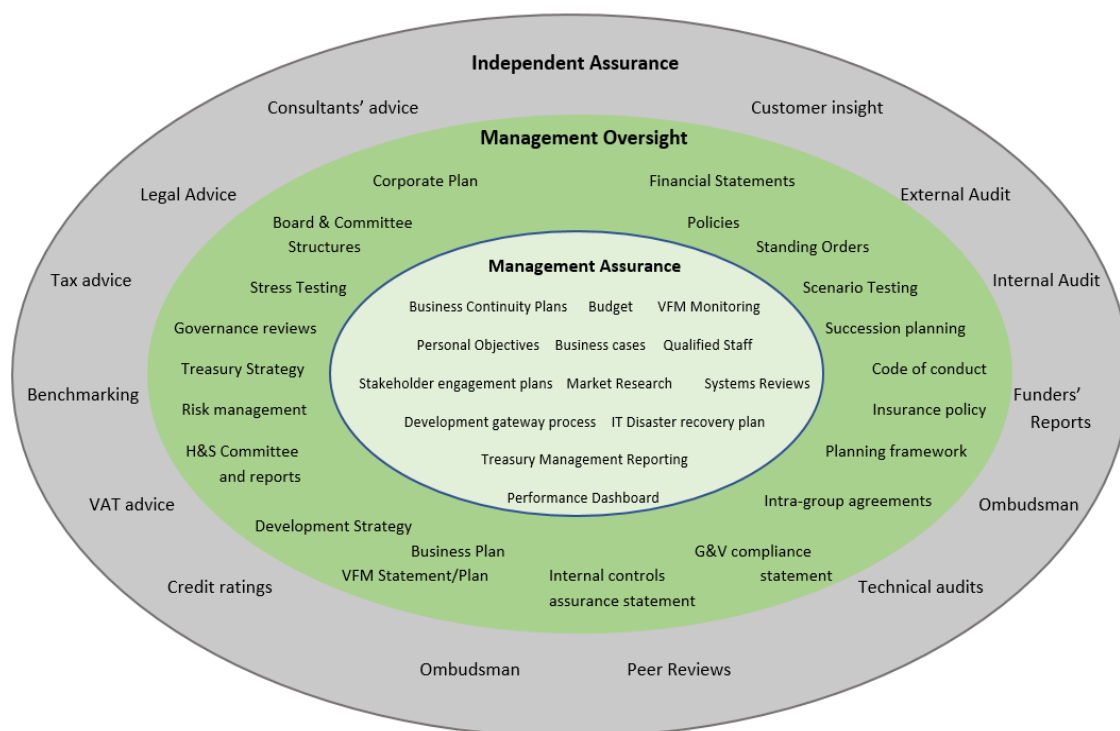
RISKS AND UNCERTAINTIES (continued)

Golden Rules

The Group has a number of golden rules that will ensure its financial strength can be maintained. These rules act as early warning indicators for any issues. The rules are noted below:

Golden Rules	2020/2021 Actual
1. Forecast interest cover (EBITDA-MRI/Interest) will be 1.20 or more for all years of the financial plan.	2.01
2. Floating/variable interest rate debt will not exceed 30% of the total outstanding debt for the first two years of the financial forecast plan.	27.5% (Forecast to 2023)
3. Funding will be arranged 18 months in advance of need forecast by the approved financial plan.	Yes (30 year fully funded plan, RCF expires 2023)
4. Debt per unit will not exceed £22,500.	£14,404
5. The total drawn plus accessible funding will be at least 5% higher than the peak debt.	31%
6. There will be sufficient liquidity to cover the next 3 months forecast operating costs.	Yes

We have identified the full range of assurance available to the Board in managing risks and the graphic below shows these grouped into Management Assurance methods, Management Oversight and a range of Independent Assurance.



CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

The Strategic Risk Register risks are rated for their likelihood and impact before and after controls and mitigations are put in place. The risks identified in the Strategic Risk Register are listed below ordered by the risk score before controls:

STRATEGIC RISK REGISTER	Inherent Risk	Mitigation overview	Residual Risk
Health & Safety - Staff and Customers. The risk that an individual is injured as a result of insufficient H&S at any Peaks & Plains site - Offices, stock or development. Or a breach in compliance relating to a downgrade.		The Group has ongoing monitoring of all asset compliance and H&S KPIs, along with strong policies and procedures. Training is provided at all levels. The Group has an ongoing Foundations project that is addressing issues in this area. Once this is completed and the Group has fully implemented its H&S management system the residual risk should be brought to a more acceptable level.	
Data integrity & accuracy undermining confidence in internal reports & Regulatory returns accuracy, potentially leading to a downgrade in our Governance rating. Also impacting on decision making.		The Group's data is held in a central data hub. There are a number of policies and procedures in place. Control processes are in place to monitor data quality and all new team members are aware of their responsibilities around data.	
Failure to deliver the changes required (Action plans, foundations project and voluntary undertaking.)		The Group has agreed a voluntary undertaking with the RSH and is delivering against that. The Group has also set up a separate recovery working group to monitor the delivery of the associated action plan.	
Environmental, risk that the business is not minimising its impact on the environment and has not set targets to reduce its carbon footprint and will fail to meet government targets.		During the recent stock condition survey the Group has now obtained SAP ratings for 98% of its stock. The Board has approved an environmental strategy during the year.	
Covid-19, risk that the business cannot function as a result of the spread of the virus.		The Group was able to quickly mobilise and have its staff working from home. Weekly KPIs are monitored in respect of rent collection, no access for asset compliance, supplier performance, staff absence, ASB and repairs. (Further details are noted below)	
Safeguarding - Failure to meet legislative requirements around safeguarding. Putting our staff and customers at risk of harm.		The Group provides all staff with training, both at induction and annual refresher training. Clear policies and procedures are in place and there are strong links to partnership working.	
Economic Changes - Brexit or other key changes to the economy, such as changes to rent charging legislation, or interest rates. Leading to breaches in loan covenants.		The Group use their Golden Rules as an early warning, and a significant amount of funding is fixed reducing the impact of any changes in interest. The potential impact has been stress tested in the business plan and a mitigation plan established.	

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

STRATEGIC RISK REGISTER	Inherent Risk	Mitigation overview	Residual Risk
Risk that stock is not managed and maintained, and housing quality is not maintained leading to a breach of decency standards; high voids and reputational damage. Also disrepair claims.		The Group has completed a 94% stock condition survey during the year and its staff are trained to detect issues. The Group has effective procurement and contract management, and the annual programme of investment is mapped against a decent homes report to ensure any properties coming out of decency are included in the programme of work.	
Loan covenant breaches - leading to either a repricing or foreclosure of the facility. Leading also to a downgrade in in our governance and viability rating.		The asset and liabilities register is linked to the loan covenants. All board reports also include an assessment of loan covenants; the Group is also supported by treasury advisors.	
Data loss or security breach requiring disclosure to the ICO, resulting in a significant fine (up to 4% of turnover) and impact on our reputation.		Training is provided to all staff around GDPR, internet security and phishing, the business case process includes data protection impact. Data sharing agreements with suppliers indemnify the Group from external breaches. In addition the Group has policies for GDPR and security.	
Universal Credit - Risk of significantly reduced income caused by the continued roll out of universal credit. Impact on loan covenants income is reduced, also long term impact on Trust's cash flow and ability to deliver both investment and development.		The Group risk assesses perspective new tenants, it has trusted partner status with DWP, there are clear policies and processed for rent arrears collection. It also utilises early intervention income management.	
Customer Voice - If there are no appropriate opportunities for customer views to be heard leading to failure to comply with regulation and we miss opportunities to improve services.		The Board has approved the Customer Voice Strategy, which includes the review of the Groups residential involvement groups. New Groups have been established in the year.	
Lack of Funding Capacity - Insufficient funding to deliver against our strategic plan. Could lead to a downgrade in our viability grading.		The Group's business plan model is stress tested to understand what causes the plan to fail. The Board has approved a detailed mitigation plan.	
Delays in sales, or under-performance against appraisal assumptions. Leading to failure to achieve predicted returns on developments. Negative impact on the 30 year business plan putting greater pressure on loan covenants.		Due diligence is undertaken to ensure market for shared ownership properties exist. Appraisal assumptions have been benchmarked and a positive NPV and a marketing strategy for each project is implemented.	

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

STRATEGIC RISK REGISTER	Inherent Risk	Mitigation overview	Residual Risk
Risk that a development fails either by: a) the failure of major contractor(s) during critical stage of construction process; Increased risk due to Covid-19. b) that HE funding is withdrawn for non-delivery to plan - leading to reputational risk and expulsion from BLOC (local development partnership) c) Lack of market testing of assumptions.		Financial checks are run on all new contractors and at appropriate key stages. Cost consultants used to market test assumptions and soft market tests with potential contractors. Financial & capacity check prior to contract signing. Adequate contract insolvency cover required NHBC/Bond/Parent Company Guarantee. In addition the Group monitor contract programme schedules to ensure that work is being delivered to time, and all materials are good quality as specified.	
The risk of a significant deficit on the pension scheme at the tri-annual review.		The Group is currently undertaking a full review of its pension offer to further de-risk pensions.	

The risks comprise the Board's assessment of risks that could affect the business, which has been informed by the Regulator's 2020 Sector Risk Profile report. There is a new risk on the register around customer voice.

In response to Covid-19 the Trust undertook a separate risk assessment, which has periodically been updated, which is published on the Group's website. An operational risk register is also maintained which looks at each of the potential areas of impact including rental income, health and safety of customers and staff, impact of delays in repairs and planned works and increased cyber fraud risk. An incident management team was established, meeting frequently to review the situation and the KPIs to mitigate the impact as far as possible. The Group has carried out stress testing on its business plan to consider these potential impacts from Covid-19. The Group has been monitoring KPIs around the main risk items on a weekly basis.

Currently the Group is aware that there are some areas on its Strategic Risk Register where the risk is not within its appetite level. The Board is working with the Executive team to properly address these issues and further strengthen its risk and control framework. All risks where the residual risk is above the risk appetite have had actions identified and these are included on all reports to Board and Audit Committee.

FINANCIAL PERFORMANCE

We are pleased to report a surplus for the year of £2.24m (2019/2020: £1.27m). Our financial performance has exceeded our lenders' covenants and is in line with our in-year reforecast after reporting our findings to the Regulator.

The table below summarises the overall results of the Group:

	2021	2020
	£000s	£000s
Turnover	28,419	30,591
Operating costs and cost of sales	(22,140)	(25,209)
Operating surplus	6,279	5,382
Operating surplus % of Turnover	22.1%	17.6%
Net interest charges	(4,033)	(4,104)
Surplus for the year before tax	2,246	1,278
Taxation	(7)	(9)
Total Surplus for the Year	2,239	1,269

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

FINANCIAL PERFORMANCE (Continued)

Income from rents has increased year on year by 1.2%. The rental increase applied of 1.5% has been partially offset by the effect of units being taken out of management during the year. All shared ownership properties were sold in 2020/2021 reporting in year sales of £0.9m. Operating costs reduced year-on-year due to lower administration costs, partly due to the impact of Covid-19.

The detailed results for the year are set out in the financial statements on pages 26 - 66.

Capital structure

Borrowings at year-end were £74.00m (2019/2020: £74.00m). The debt is sourced from Barclays Bank Plc and Warrington Borough Council.

	2021		2020	
	Available facility £m	Drawn £m	Available facility £m	Drawn £m
Barclays Loan Facility	95.0	70.00	95.0	70.00
Barclays Overdraft Facility	0.5	0	0.5	0
Warrington Borough Council loan	25.0	4.00	25.0	4.00
Total facilities	120.5	74.00	120.50	74.00

The Barclays housing loan facility of £70.00m is fully drawn with the loan being repaid by instalments from 2023/2024 until end of loan term in 2039/2040. The £4m loan drawn from Warrington Borough Council to fund new developments is on a fixed rate basis over a 30 year term. The overdraft facility is used to manage very short term cash flow and was not used during the year.

A £25m revolving credit facility is in place with Barclays Bank to support the future development ambitions set out in the Group's strategic plan. The securitisation of this facility and completion was undertaken in 2019/2020. £64m of the total £74m borrowings at 31 March 2020 have interest rates fixed for longer than 12 months. This means only 13.5% (2019/2020: 13.5%) of the debt is exposed to short term interest rate increases, meeting our Golden Rule standard of less than 30% being exposed.

In the financial statements, debt is an amortised cost adjusted to take account of known future increases in interest costs. As at 31 March 2021 this adjustment reduces the value of the debt drawn to £77.1m (2019/2020: £77.4m).

Cash flows

Cash inflows and outflows for the year under review are set out in the Statement of Cash Flows on page 31.

During the year net cash of £11.7m (2019/2020: £13.6m) was generated from operating activities. The reduction from 2019/2020 is due to a lower number of properties being sold through shared ownership and right to buy along with costs incurred on the properties taken out of management. No further loans were drawn down in the year as the development construction start on sites did not occur.

Future Developments

The Board had approved the business plan for 2020/2021 onwards and the development programme included in the plan provides for a mix of tenures and types of properties. The base plan includes committed sites and proposed sites that are known and have been appraised. Any indicative schemes with no current sites identified are excluded. The only committed developments that are currently in the plan are those which are on site, Crossings, Beelow and Bridgemont. Overall we are planning to invest £25.1m (excluding inflation) by the end of 2025 in the development of new homes.

We invested £7.6m in new homes during the year, split between rented and shared ownership, with grants received from High Peak Borough Council of £0.2m. The remaining costs were funded through surpluses.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

FINANCIAL PERFORMANCE (Continued)

Liquidity

The Group's long term policy is not to hold significant cash balances but to have loan facilities in place to fund future requirements. Because of strong cash performance driven by shared ownership sales and previous treasury management decisions, the Group had surplus funds of £1.6m placed on deposit at the end of March 2021. Over the last year the surpluses have been invested in our assets and held on deposit to fund development in the near future. The Group has completed the revolving credit facility to complement its fixed loans and enable more flexibility in liquidity to follow the preferred policy of keeping cash balances low.

Loan covenants

The Group is required to comply with a number of covenants set by its lenders. Covenants are primarily based on interest cover and gearing. The covenants are all based on the operating surplus adjusted for depreciation and impairment.

Pension arrangements

The Trust participates in four pension schemes; the Cheshire Pension Fund and three schemes with the Social Housing Pension Scheme (SHPS).

The Cheshire Pension Fund is in deficit by £3.3m (2019/2020: £163k surplus) under Section 28 FRS 102 in the balance sheet. The increase in liability was principally driven by changes in financial assumptions used to calculate the value of the pension fund based on information from the Administering Authority. Note 27 refers.

The SHPS schemes are in deficit by £2.3m (2019/2020: £846k deficit) under Section 28 FRS 102 in the balance sheet. Note 27 refers.

Two of the SHPS schemes are defined benefit schemes, which are a multi-employer schemes and the Trust accounts for its obligation on a defined benefit basis.

The Cheshire Pension Fund and SHPS 60th Defined Benefit schemes were no longer offered to staff joining the Trust after July 2019. Colleagues who joined before this date were given 12 months to join these schemes.

From July 2019 a new Social Housing Pension Scheme defined benefits CARE 80th scheme was opened to all staff.

The other SHPS scheme is a Defined Contribution scheme that is used as the auto enrolment option when no other option is selected.

The Trust currently has 81% of the eligible staff enrolled in one of the four pension schemes.

TREASURY POLICIES AND OBJECTIVES

The Trust has a formal Treasury Management Policy, which is reviewed and agreed by the Board every year. The purpose and role of the policy is to establish the framework within which the Trust seeks to protect and control risk and exposure in respect of its borrowings and cash holdings.

The Trust only uses hedging instruments, embedded within the loan agreement, to fix variable rate debt.

The Trust borrows in Sterling and so does not have any currency risk.

Surpluses are invested in financial institutions according to rules that have been approved by the Board. During 2018/2019 the Trust entered into a deposit agreement with Link Treasury Services to receive and facilitate the placement of surplus funds with a deposit bank as instructed by the Trust. This service has continued to be utilised throughout 2020/2021.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT

In November 2020 the Board approved a revised 2020-2023 plan that clearly articulates the Group's objectives:

1. To be a great landlord
2. To be a resilient business
3. To create great places to live

The Value for Money (VfM) test in relation to these objectives is how many homes we can build whilst delivering great services at costs that are optimum for our agreed level of service.

We also have a clear understanding that continuing to invest in our homes and making our services more efficient, while also maintaining quality, is essential to protecting our financial returns. Protecting our financial position enables us to deliver more new homes.

The Board monitors a range of Value for Money targets that are linked to the delivery of our Corporate Objectives. Some of these are monitored on a regular basis against a target, whilst others are reported annually as part of the sector scorecard results.

BOARD MEASURED VfM INDICATORS	2019/20 Result	2020/21 Result	2020/21 Target
Rent Collection %	99.17%	100.18%	n/a
Unpaid rent represents lost value and impacts surpluses, only by maintaining high levels of rent collection can the Group deliver against its corporate plan.			
Re-Investment %	9%	8.2%	n/a
Part of the Regulator's VfM metric this shows how much we are putting back into our current homes.			
New Home Starts	83	12	12
New Home Completions	60	0	12
Other ways we measure to make sure we are delivering new homes to help improve more lives.			
Average responsive repair costs	n/a	£118	£100
Average planned repair costs	n/a	£277	£500
Average void cost	n/a	£1,963	£2,200
The Group has introduced measures to understand the cost of the repairs and maintenance functions, ensuring we deliver a value for money service this enables us to deliver against all of our strategic objectives. There are no comparatives for 2019/2020 as this was not previously measured by the Group.			
Asset performance against NPV	n/a	£11,338	n/a
During the year the Group introduced the Social Housing Asset Performance Evaluation (SHAPE) model. The Group will now measure the average asset performance for the Trust, to ensure optimal benefit is derived from its assets.			
Occupancy %	98.6%	98.9%	n/a
Occupancy rates demonstrate how efficient the Group is at turning around void (untenanted or empty) properties and at sustaining existing tenancies. Traditionally, landlords have measured this activity through vacancy rates and void rent loss. This measure provides a more positive perspective; looking at the number of homes occupied.			

Our approach to VfM

The Board has an approved approach to VfM, as detailed in its Value for Money Strategy, reflecting the requirements of the revised Value for Money Standard issued by the Regulator of Social Housing. In its Strategy the Board has agreed a strategic goal to 'improve value for money throughout the organisation, in order that we can continue to build homes, whilst delivering great services at costs that are optimum to our agreed level of service'.

For the Group, VfM is about being effective in how we plan, manage and operate our business. It means making the best use of the resources available to us to provide quality homes in our communities backed by high quality services and support.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

Taking account of the Group's current regulatory position and the VfM strategic goal, the VfM objectives of the Group are to:

- Deliver more affordable homes and help to create sustainable communities.
- Ensure that the value of our assets and costs relating to them are well understood and that decisions for investment take both into account.
- Develop a new procurement strategy to ensure procurement is planned and used effectively to secure cost savings and/or better services.
- Introduce a rolling plan of service reviews, to identify VfM efficiencies. These reviews will also generate VfM performance indicators so that the effectiveness of the reviews can be measured.
- Direct resources to the right balance between frontline services, maintaining existing assets and providing new homes.
- Embed a VfM culture throughout the organisation.
- Maintain customer satisfaction levels.
- Benchmark effectively with the rest of the sector

The Group's new 2020-2023 strategic plan clearly articulates the Group's strategic objectives. As part of the review of its governance a number of key strategies have been reviewed and value for money runs through each of these strategies like a golden thread.

In November 2020 the Board signed off the Development Strategy. This clearly outlines what development means to the Group, the development priorities and the approval process for development. This means specific cost controls are in place to monitor outturn predictability and sales margins. Development hurdle rates and assumptions have been set to ensure all developments generate a sufficient return for the Group. In addition Peaks & Plains Devco Limited has been put into operation to enable the Group to maximise VfM in its development activity.

In May 2020, the Board approved the revised Asset Management Strategy. Included in the strategy is the implementation of the Social Housing Asset Performance Evaluation (SHAPE) model, which will ensure that we can understand how all of our different asset groups are performing. The strategy also included a review of the cost and quality of delivering repairs, improvements and compliance activities to identify the best delivery model (external contractors or in-house operatives).

The Procurement Strategy was approved in the previous year. The purpose of this strategy includes the delivery of quality goods and services with value for money outcomes. This strategy and the supporting policy and procedures is driving strong behaviours around procurement allowing us to achieve VfM. Through a combination of direct procurement and the use of frameworks we have reviewed and procured new contracts across investment and compliance activity to optimise VfM in relation to cost and quality. Work has been ongoing across the Group to strengthen contract management to drive value for money from contractors and optimise performance in this key regulatory area.

The adoption of the Board suite of KPIs is the tool used by the Board to monitor delivery of these objectives. These, together with the VfM metrics required by the Regulator, provides the evidence base as to the delivery or otherwise of VfM. The metrics are regularly reported to Board as part of the Groups financial reporting.

In agreeing the Board's suite of KPIs, the Board ensures that the KPIs chosen indicate delivery of VfM. In part this may be achieved with the help of benchmarked information from benchmarking groups and other housing associations. Good VfM outcomes are achieved by a combination of top quartile results for outcomes and lowest quartile for costs. The ambition of the targets being set, the rigour in which performance against them is monitored and the way they compare with others will all impact on our VfM delivery.

Key Board decisions with VfM implications are informed by an impact summary included in each Board report. The Board is encouraged to challenge that there has been a rigorous option appraisal taking sufficient account of costs and outcomes. This has been evidenced by the Sheltered Housing review which has progressed within budget during 2020/2021.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021
STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

The Group has introduced a rolling process of service reviews, in order to seek continuous improvement in its value for money and this has led to restructures in the in-house maintenance team that will deliver savings in future years. During the year the Group also reviewed its stock condition data which has led to the disbanding of the internal kitchen and bathroom team in order to maximise the effectiveness of the capital budget, ensuring the Group is investing in components that will eventually reduce revenue expenditure.

To help the Group deliver further VfM savings a VfM steering group has been set up, the terms of reference for the group include, but are not be limited to:

- Responsibility for the review and update of the VFM Strategy.
- Oversight of service reviews and monitoring of resulting savings or performance indicators.
- Review of regular benchmarking reports.
- Deliver training and embed a VfM Culture.
- Undertake the annual assessment of the Trust against the VfM Standard

At the end of January 2021 the VfM steering group rolled out a staff suggestion scheme to encourage all staff to work more efficiently, effectively and economically. 30 suggestions were submitted in the first month around how to increase VfM at the Group. The steering group will continue to monitor these suggestions, and report on savings that may crystallise.

Part of the Group's approach to VfM is our culture of financial prudence; whether that be our salary structure based on median benchmarked spot salaries or modest salary increases or rigorous challenge to minimising our office floor take.

VfM Metrics - performance

	2020 Sector (>1,000 units)	2020 Peer Group	2020 Group Restated	2021 Group
	Median	Median	Actual	Actual
Metric 1 – Reinvestment %	7.2%	6.6%	9.0%	8.2%
Metric 2 – New supply delivered %				
A. New supply delivered (Social housing units)	1.5%	0.9%	1.1%	0%
B. New supply delivered (Non-social housing units)	0.00	n/a	n/a	n/a
Metric 3 – Gearing %	44.0%	42.2%	50.17%	50.12%
Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI)				
Interest Cover %	170%	200%	156%	156%
Metric 5 – Headline social housing cost per unit (£'000)	3.83	3.90	3.88	3.87
Metric 6 – Operating Margin %				
A. Operating Margin (social housing lettings only)	25.7%	22.6%	15.2%	24.9%
B. Operating Margin (overall)	23.1%	20.5%	16.2%	21.8%
Metric 7 – Return on capital employed (ROCE)	3.4%	3.6%	3.6%	4.2%

The Group is pleased to report our results against the Regulator's VfM Metrics. We have compared our performance for the year with our performance last year and also with the housing sector average and a peer group of 19 similar sized North West registered providers; the figures have been calculated from the 'Global Accounts' published on the Regulator's website.

Metric 1: '**Reinvestment %**' this measure looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. This helps to demonstrate that the Group is putting its finances to good use by maintaining and improving stock as well as adding to the asset base. The Group has a much higher percentage than both the average for the sector and the peer group; this represents the increase in stock investment spend and also the current development programme.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
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STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT (Continued)

Metric 2: **‘New supply delivered’** The Group delivered significantly last year against the peer group although it was behind the sector average. The forecast for the current year reflects where the Group is in its development cycle – this position is worse than was originally budgeted as a result of delays in construction due to Covid-19.

Metric 3: **‘Gearing’** measures the ratio of debt to assets using a concept that is similar to mortgage lenders’ loan to value ratio. If the result is low, this could indicate that the Group has capacity to leverage its existing assets to provide funds for development or new services. A high ratio could indicate that the Group has taken on too much borrowing, which could put its assets at risk. The Group has a gearing ratio which is higher than both the sector and peer averages; this reflects the borrowing which has been entered into in order to increase its development programme.

Metric 4: **‘EBITDA MRI Interest cover %’** is an approximation of cash generated. The fact that the peer group median is higher than the sector median, although they are lower on operating margin, suggests that either their interest payments are significantly lower or that they are spending less on major repairs. The amount spent by any association on major repairs will depend on where it is in its investment cycle. The Group’s 2019/2020 figures were impacted by the increased spend on compliance and fire stopping work.

Metric 5: **‘Headline social housing cost per unit’** this measure uses components from the Group’s financial statements to create a social housing cost figure. This is divided by the number of properties owned and/or managed by the Group for a cost per unit figure that is comparable between different organisations. The 2019/2020 figure was above the Peer Group Median and higher than the sector median for the same period. However, the current year cost per unit is more in line with the last year peer and sector medians. Last year’s figures reflects the additional expenditure around asset compliance and fire safety, whilst this year has been impacted by Covid-19.


Metric 7: **‘ROCE’** shows how well the Group is using both its capital and debt to generate a financial return. It is a commonly used ratio to assess the efficient investment of capital resources. It can be influenced by the nature of the organisation’s property portfolio (e.g. balance between market and social rent, age of stock, historic debt, basis of valuation). The Group’s ROCE last year was in line with the sector and peer medians; the current year forecast is higher than both.

Overall our performance has improved in the last 12 months. This is partly due to last year’s figures having been impacted by additional fire safety work and also the impacts of Covid-19 on the current year’s results.

Statement of compliance

In preparing this Strategic Report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018.

The strategic report was approved by the Board on 29 July 2021 and signed on its behalf by:

DocuSigned by:

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JANE McCALL
Chair

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

Opinion on the financial statements

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 2021 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 2019.

We have audited the financial statements of Cheshire Peaks & Plains Housing Trust Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the Group Statement of Comprehensive Income, the Trust Statement of Comprehensive Income, the Group Statement of Financial Position, the Trust Statement of Financial Position, the Statement of Changes in Equity, the Group Statement of Cash Flows, and the 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 remain independent of the Group and Association 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, 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.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED - CONTINUED

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 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the parent Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the parent Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Responsibilities of the Board set out on page 7 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:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation.

In addition the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED - CONTINUED

Audit procedures performed by the engagement team included:


- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC and the other regulators;
- Reviewing items included in the fraud register;
- Addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments;
- Challenging assumptions made by management in their significant accounting estimates and judgements in particular in relation to the following:
 - Whether indicators of impairment exist
 - Recoverable amount of housing properties
 - Capitalisation of development costs
 - UELs of housing property components
 - Assumptions used in pension and investment property valuations
 - Depreciated replacement cost of properties with impairment indicators
- We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

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 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.

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Hamid Ghafoor
BDO LLP
Statutory Auditor
Manchester

Date: 04 August 2021

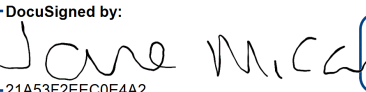
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).


CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021 – GROUP


	Note	2021 £'000s	2020 £'000s
TURNOVER	3	28,419	30,591
Cost of sales	3	(608)	(2,289)
Operating costs	3	(21,532)	(22,920)
Other operating income	3	-	-
OPERATING SURPLUS		<u>6,279</u>	<u>5,382</u>
Interest receivable	7	6	51
Interest payable and other financing costs	8	(4,039)	(4,155)
SURPLUS BEFORE TAX		<u>2,246</u>	<u>1,278</u>
Taxation	11	(7)	(9)
SURPLUS FOR THE YEAR		<u>2,239</u>	<u>1,269</u>
Actuarial (loss)/gain in respect of pension schemes	27	(4,697)	6,520
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>(2,458)</u>	<u>7,789</u>

The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 29 July 2021

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JANE MCCALL
 Chair

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GORDON RICHARDSON
 Board Member

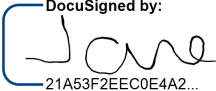
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JENNIFER HAYBALL
 Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021 – TRUST

	Note	2021 £'000s	2020 £'000s
TURNOVER	3	28,436	30,589
Cost of sales	3	(608)	(2,289)
Operating costs	3	(21,532)	(22,920)
Other operating income	3	-	-
OPERATING SURPLUS		6,296	5,380
Interest receivable	7	6	51
Interest payable and other financing costs	8	(4,039)	(4,155)
SURPLUS BEFORE TAX		2,263	1,276
Taxation	11	(7)	(9)
SURPLUS FOR THE YEAR		2,256	1,267
Actuarial (loss)/gain in respect of pension schemes	27	(4,697)	6,520
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(2,441)	7,787

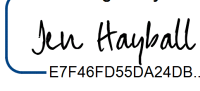
The association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 29 July 2021.

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JANE MCCALL
 Chair

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GORDON RICHARDSON
 Board Member

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JENNIFER HAYBALL
 Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
STATEMENT OF CHANGES IN RESERVES AS AT 31 MARCH 2021

	Note	GROUP Income and expenditure reserve £'000s	TRUST Income and expenditure reserve £'000s
Balance at 31 March 2019	28	50,809	50,809
Surplus for the year		1,269	1,267
Actuarial gains on defined benefit pension scheme	27	6,520	6,520
Balance at 31 March 2020	28	58,598	58,596
Surplus for the year		2,239	2,256
Actuarial (losses) on defined benefit pension scheme	27	(4,697)	(4,697)
Balance at 31 March 2021		56,140	56,155

The accompanying notes form part of these financial statements.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
COMMUNITY BENEFIT SOCIETY REGISTRATION NO: 7528
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021 - GROUP

	Note	2021 £'000s	2020 £'000s
FIXED ASSETS			
Tangible fixed assets – housing properties	12	142,642	136,936
Other tangible fixed assets	13	3,076	3,185
Intangible fixed assets	14	-	28
Investment properties	15	3,190	3,255
Investment	16	7	7
		<hr/>	<hr/>
		148,915	143,411
		<hr/>	<hr/>
CURRENT ASSETS			
Properties held for sale	19	1,412	1,114
Trade and other debtors	20	1,537	1,548
Cash and cash equivalents	18	5,589	8,675
		<hr/>	<hr/>
		8,538	11,337
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	21	(7,220)	(6,531)
		<hr/>	<hr/>
NET CURRENT ASSETS		1,318	4,806
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		150,233	148,217
		<hr/>	<hr/>
CREDITORS: Amounts falling due after more than one year	22	(88,558)	(88,773)
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES			
Defined benefit pension liability	27	(5,535)	(846)
		<hr/>	<hr/>
TOTAL NET ASSETS		56,140	58,598
		<hr/>	<hr/>
RESERVES			
Income and expenditure reserve	28	56,140	58,598
		<hr/>	<hr/>
TOTAL RESERVES		56,140	58,598
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

The financial statements were issued and approved by the Board on 29 July 2021

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JANE MCCALL
Chair

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GORDON RICHARDSON
Board Member

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JENNIFER HAYBALL
Secretary


CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
COMMUNITY BENEFIT SOCIETY REGISTRATION NO: 7528
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021 - TRUST

	Note	2021 £'000s	2020 £'000s
FIXED ASSETS			
Tangible fixed assets – housing properties	12	142,675	136,936
Other tangible fixed assets	13	3,076	3,185
Intangible fixed assets	14	-	28
Investment properties	15	3,190	3,255
Investment	16	7	7
		<u>148,948</u>	<u>143,411</u>
CURRENT ASSETS			
Properties held for sale	19	1,412	1,114
Trade and other debtors	20	1,550	1,553
Cash and cash equivalents	18	5,032	8,670
		<u>7,994</u>	<u>11,337</u>
CREDITORS: Amounts falling due within one year	21	(6,694)	(6,531)
NET CURRENT ASSETS		1,300	4,806
TOTAL ASSETS LESS CURRENT LIABILITIES		150,248	148,217
CREDITORS: Amounts falling due after more than one year	22	(88,558)	(88,773)
PROVISIONS FOR LIABILITIES			
Defined benefit pension liability	27	(5,535)	(846)
TOTAL NET ASSETS		56,155	58,598
RESERVES			
Income and expenditure reserve	28	56,155	58,598
TOTAL RESERVES		56,155	58,598

The accompanying notes form part of these financial statements.

The financial statements were issued and approved by the Board on 29 July 2021

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JANE MCCALL
 Chair

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GORDON RICHARDSON
 Board Member

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JENNIFER HAYBALL
 Secretary

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021 - GROUP

	Note	2021 £'000s	2020 £'000s
Net cash generated from operating activities	29	11,655	13,602
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets – housing properties		(11,372)	(11,563)
Purchase of other tangible fixed assets		(277)	(242)
Proceeds on sale of fixed assets		511	1,876
Grants received		190	908
Interest received		6	51
Net cash from investing activities		(10,942)	(8,970)
Cash flow from financing activities			
Interest paid		(3,799)	(4,424)
New secured loans			-
Repayment of borrowings			-
Net cash used in financing activities		(3,799)	(4,424)
Net change in cash and cash equivalents		(3,086)	208
Cash and cash equivalents at beginning of the year		8,675	8,467
Cash and cash equivalents at end of the year	18	5,589	8,675

The accompanying notes form part of these financial statements

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. LEGAL STATUS

The Trust is registered under the Co-operative and Community Benefits Society Act 2014 and is a Registered Provider of Social Housing. The registered office is Ropewalks, Newton Street, Macclesfield, Cheshire SK11 6QJ.

The Trust has an investment of one share in Peaks & Plains Devco Limited and one share in Peaks & Plains Tradeco Limited, which are both 100% subsidiaries of the Trust at 31 March 2021. Peaks & Plains Devco commenced trading in October 2019 and is a registered company which develops new housing for sale to the group. Separate accounts have been produced for this subsidiary. Peaks & Plains Tradeco has remained dormant during the financial year, and accounts have been produced to reflect this.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Cheshire Peaks & Plains Housing Trust Limited 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 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounts are prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments and 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 financial statements are presented in Sterling (£).

The Trust is a public benefit entity in accordance with FRS102.

The Trust prepares consolidated accounts since Peaks & Plains Devco Ltd began trading in October 2019. The other subsidiary, Peaks & Plains Tradeco Ltd, remains dormant.

Disclosure exemptions

In preparing the separate financial statements of the Trust, 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 Trust would be identical;
- disclosures in respect of the Trust's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Trust as their remuneration is included in the totals for the Group as a whole.

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 (£120.5m) that will provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan that shows that it can service these debt facilities whilst continuing to comply with lenders' covenants for the next 30 years.

An assessment of the impact on our financial capacity was undertaken as part of the 30 year business plan review. Stress tests were conducted, that were linked to the Trusts Strategic Risk Register – these included multi-variant testing around economic collapse, the test broke the business plan, but the Trust has mitigations in place that can address the issues. This demonstrated that the financial impact could be managed within the approved business plan and that we have sufficient liquidity to manage the risks. The Group has been compliant with loan covenants throughout the period and remains compliant based on the revised forecasts noted above.

On this basis, the Board has reasonable expectation that the Group has adequate resources to continue in operational

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

existence for the foreseeable future, being a period of at least twelve 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.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The following are the significant management judgements made in applying the accounting policies of the Trust that have the most significant effect on the financial statements.

Impairment

With regard to development sites the Trust has estimated the recoverable amount of our housing properties and compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred. Based on this assessment, we calculated the Depreciated Replacement Cost (DRC) of each social housing property scheme, using appropriate construction costs and land prices. Comparing this to the carrying amount of each scheme, there was no impairment of social housing properties.

For sites where development work has not commenced and schemes are still being devised that may or may not be for social housing purposes an independent valuation of each site was undertaken and compared to the value held on the balance sheet. All 4 sites were valued at less than the current Net Book Value (NBV). As part of the impairment review the Board agreed to reduce the NBV for these sites to the independent valuation leading to a total reduction of £322k over the four sites.

The office block is held partly as an investment property. The independent valuation was lower than the previous valuation and as such this has created an impairment on the investment of £65k.

Classification of loans as basic

The Group has a number of loans with Barclays Bank which have a 'two-way break clause' which is applicable where the loan is repaid early and could result in a break cost or a break gain. The loans in question are fixed rate loans. In a prepayment scenario that results in a break gain, the loan agreement provides for the repayment of the capital at par. Any break gain payable by the lender would be in relation to future interest periods only.

Management have considered the terms of the loan agreements and concluded that they meet the definition of a basic financial instrument, therefore are held at amortised cost.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenditure is provided below. Actual results may be substantially different.

Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in the statement of comprehensive income. The Trust engages independent valuation specialists to determine the fair value at each year-end. The valuer uses a valuation technique based on an open market basis. The determined fair value of the investment property is 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.

Useful lives of depreciable assets

The Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2021 was £54.58m. The carrying amount of the housing properties was £142.68m.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 27). At 31 March 2021 there was a deficit of £3.26m for the Cheshire Pension Fund scheme. In making their estimate, management have also

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Defined benefit obligation (DBO) (continued)

considered the impact of the McCloud judgement on the LGPS liability and the impact is included as at 31 March 2021. The same estimation uncertainty also applies to the Social Housing Pension Scheme (SHPS) for which liabilities of £2.28m have been recognised.

Basis of consolidation

The Group accounts consolidate the accounts of the association and all its subsidiaries at 31 March 2021 using the purchase method.

The consolidated financial statements incorporate the financial statements of the association and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Turnover and revenue recognition

Income is measured at the fair value of the consideration received or receivable. Turnover represents rental and service charge income receivable in year (net of void losses), income from shared ownership first tranche sales and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion and are formally let, income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Service charge income is recognised in the period to which it relates, net of losses from voids. 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. Income is recorded based on the estimated amounts chargeable.

Management of units owned by others. Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

Other Income is recognised as receivable on the delivery of services provided.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

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

Interest payable

Interest payable on borrowings is charged to the statement of comprehensive income net of any interest capitalised to development schemes in the year in which it is incurred.

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

- a) interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
- b) a fair amount of interest on borrowings of the association as a whole after deduction of Grant received in advance to the extent that they can be deemed to be financing the development programme.

Loans, investments and short term deposits

All loans, investments and short term deposits held by the Group meet the definition of basic financial instruments as described in FRS102. These instruments are initially recorded at transaction price less any transaction costs (historical cost).

They are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and investments that are payable or receivable within one year are not discounted.

Stock (Properties held for Sale)

Stock represents work in progress and completed shared ownership properties where the value held as stock is the estimated cost to be sold as a first tranche.

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

An assessment of net realisable value is made at each reporting date. When a write-down is required it is immediately recognised in the statement of consolidated income.

On disposal, sales proceeds are included in turnover and the cost of sales including costs incurred in the development of the properties, marketing and other incidental costs are included in cost of sales.

Debtors

Short term debtors, including tenant arrears, are measured at transaction price less a provision for amounts considered unlikely to be received.

Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised costs using the effective interest method.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty upon notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Employee Benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period to which they are incurred.

Holiday pay accrual

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

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal to a formal detailed plan to terminate employment.

Pension costs

The Group participates in the Cheshire Pension Fund CARE Scheme, the Social Housing Pension Scheme defined benefit final salary pension scheme, the Social Housing defined contribution scheme and the Social Housing Defined Benefits CARE Scheme.

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

The difference between the fair value of the assets held and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's balance sheet 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.

Current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in other comprehensive income.

Goodwill

Goodwill relates to the excess of the fair value of the consideration paid to Macclesfield Borough Council (MBC) over the fair value of the identifiable assets and liabilities acquired, including the net defined benefit scheme deficit, at the date of transfer from MBC. The consideration paid to MBC equated to the value of the net assets acquired excluding the net defined benefit scheme deficit. As a result, goodwill arose that was equal to the present value of the defined benefit scheme assets compared to the fair value of the defined benefit scheme deficit as at the date of transfer from MBC.

Goodwill is amortised on a straight-line basis over the period calculated by reference to the difference between the average age of employees in the scheme and their expected retirement age that equated to 14 years and completed its amortisation in July 2020. The available transitional relief has been taken not to restate goodwill on conversion to FRS102.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period and, directly attributable administration costs.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Housing properties (continued)

Interest payable on borrowing that has been drawn in order to finance the relevant construction or acquisition is capitalised. 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. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Mixed developments are held within fixed assets – housing properties and accounted for at cost less depreciation.

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Fixed Assets: Housing Properties and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets, which is included in the operating surplus for the year in the statement of comprehensive income.

Depreciation of housing properties

Housing properties are split between the structure and the major components that require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life on a straight-line basis as follows:

Housing Properties

Structure - New Build	100 years	Structure - Transfer Stock	60 years
Lifts	30 years	Roofs	50 years
Electrical systems	30 years	Windows & Doors	30 years
Kitchen	20 years	Bathroom	30 years
Heating & Boilers	15 years	Energy Efficiency	20 years
Programme Fees	10 years	Environmental	10 years
Other	5 years	Freehold land is not depreciated.	

Land is not depreciated on account of its indefinite useful economic life.

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.

Impairment

Housing properties are assessed annually for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the Trust, its recoverable amount is its fair value less costs to sell.

Other tangible fixed assets

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.

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

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Other tangible fixed assets (continued)

The principal estimated useful economic lives used for other fixed assets are:

Fixtures & Fittings	15 years	Computer and office equipment	3 years
Plant, Machinery and Vehicles	3 years	Freehold/leasehold properties	40 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Shared ownership properties and staircasing

Under low cost home ownership arrangements, the Group disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The Buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is classed as Fixed Assets – Housing Properties and included in completed housing property at cost less depreciation and any provision for impairment. Sales of subsequent tranches are treated as a part disposal of property and included in operating surplus. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

For shared ownership accommodation that the Group is responsible for, it is the Group's policy to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

Investment properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

Investments

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in the statement of comprehensive income for the period. The Group holds shares in the Gawsworth Community shop, which is classed as a community investment.

Government grants

Government grants include grants receivable from Homes England (and its predecessor bodies), local authorities and other government organisations. Government grants received for housing properties are carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received using the accrual model set out in FRS 102 and the Housing SORP 2018.

For shared ownership properties the UEL is determined by reference to the average time period for shared ownership properties to be fully staircased.

Where a 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 income and expenditure account.

Grants relating to revenue are recognised in income and expenditure 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.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

2. ACCOUNTING POLICIES (CONTINUED)

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Group is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as deferred income.

Disposal Proceeds Fund

Section 178(1) of the 2008 Act. Under the Housing and Planning Act 2016 Deregulatory measures applicable from 7 April 2017, additions into the DPF regime were abolished. The balances accrued to this date will be used in accordance with the DPF requirements over the next three years. Therefore, the existing balance as at 31 March 2021 will be held as a liability until repaid.

Recycled Capital Grant Fund

The RCGF is an internal fund within the accounts used to recycle historic grant following relevant events outlined in the Recovery Determination, a legal document setting out Homes England's principles for the recovery of grant. Balances accrued within this fund will have interest applied and be spent in accordance with Homes England Guidance. The existing balance at year end will be carried forward as a liability until spent or repaid if not spent within a three-year period.

Leased Assets Lessee

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Trust recognises annual rent expense equal to amounts owed to the lessor.

Any lease incentives received are recognised over the term of the lease as an integral part of the total lease expense.

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in profit or loss 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 that is dependent on the disposal of related property.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUSES - GROUP

	Turnover 2021 £'000s	Cost of sales 2021 £'000s	Operating costs 2021 £'000s	Operating surplus/(deficit) 31 March 2021 £'000s
Social housing lettings	26,662	-	(20,014)	6,648
<u>Other social housing activities</u>				
First tranche low cost home ownership sales	882	(608)	-	274
Support Services	51	-	(36)	15
Gain on disposal of housing properties (note 6)	-	-	94	94
Other	288	-	(1,250)	(962)
	27,883	(608)	(21,206)	6,069
Activities other than social housing	536	-	(326)	210
	28,419	(608)	(21,532)	6,279
	Turnover 2020 £'000s Restated	Cost of sales 2020 £'000s Restated	Operating costs 2020 £'000s Restated	Operating surplus/(deficit) 31 March 2020 £'000s Restated
Social housing lettings	26,262	-	(22,279)	3,983
<u>Other social housing activities</u>				
First tranche low cost home ownership sales	3,076	(2,289)	-	787
Charges for Support Services	59	-	(34)	25
Gain on disposal of housing properties (note 6)	-	-	423	423
Other	254	-	(397)	(143)
	29,651	(2,289)	(22,287)	5,075
Activities other than social housing	940	-	(633)	307
	30,591	(2,289)	(22,920)	5,382

Operating costs within other social housing activities includes a one-off cost of £603k for decanting our tenants from properties prior to new development on the sites and £322k impairment of development sites.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – TRUST (continued)

	Turnover 2021 £'000s	Cost of sales 2021 £'000s	Operating costs 2021 £'000s	Operating surplus/(deficit) 31 March 2021 £'000s
Social housing lettings	26,662	-	(20,014)	6,648
<u>Other social housing activities</u>				
First tranche low cost home ownership sales	882	(608)	-	274
Support Services	51	-	(36)	15
Gain on disposal of housing properties (note 6)	-	-	94	94
Other	305	-	(1,250)	(945)
	27,900	(608)	(21,206)	6,086
Activities other than social housing	536	-	(326)	210
	28,436	(608)	(21,532)	6,296
	Turnover 2020 £'000s Restated	Cost of sales 2020 £'000s Restated	Operating costs 2020 £'000s Restated	Operating surplus/(deficit) 31 March 2020 £'000s Restated
Social housing lettings	26,262	-	(22,279)	3,983
<u>Other social housing activities</u>				
First tranche low cost home ownership sales	3,076	(2,289)	-	787
Charges for Support Services	59	-	(34)	25
Gain on disposal of housing properties (note 6)	-	-	423	423
Other	254	-	(397)	(143)
	29,651	(2,289)	(22,287)	5,075
Activities other than social housing	938	-	(633)	305
	30,589	(2,289)	(22,920)	5,380

Operating costs within other social housing activities includes a one-off cost of £603k for decanting our tenants from properties prior to new development on the sites and £322k impairment of development sites.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – GROUP (continued)

	General needs 2021 £'000s	Supported housing & housing for older people 2021 £'000s	Low cost home ownership 2021 £'000s	31 March 2021 £'000s	31 March 2020 £'000s Restated
Rent receivable net of identifiable service charges	20,243	5,388	226	25,857	25,575
Service charge income	281	272	20	573	567
Amortised government grants	117	-	-	117	120
Government grants taken to income	86	27	2	115	-
Net rental income from social housing lettings	20,727	5,687	248	26,662	26,262
Management	(5,661)	(1,507)	(63)	(7,231)	(8,429)
Service costs	(387)	(24)	(10)	(421)	(520)
Routine maintenance	(2,252)	(732)	-	(2,984)	(3,216)
Planned maintenance	(1,732)	(564)	-	(2,296)	(2,394)
Major Repairs	(1,026)	(334)	-	(1,360)	(911)
Bad debts	(59)	(16)	-	(75)	(197)
Accelerated depreciation of housing properties	-	-	-	-	(1,160)
Depreciation of housing properties	(4,168)	(1,355)	(96)	(5,619)	(5,357)
Amortisation of goodwill	(21)	(7)	-	(28)	(95)
Operating costs on social housing lettings	(15,306)	(4,539)	(169)	(20,014)	(22,279)
Operating surplus on social housing lettings	5,421	1,148	79	6,648	3,983
Void losses	225	95	-	320	386

The previous year allocation of costs between Management, Service, Routine and Planned Maintenance and Major Repairs have been restated to reflect the definitions used by the Regulator of Social Housing for the regulatory return.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – TRUST (continued)

	General needs 2021 £'000s	Supported housing & housing for older people 2021 £'000s	Low cost home ownership 2021 £'000s	31 March 2021 £'000s	31 March 2020 £'000s Restated
Rent receivable net of identifiable service charges	20,243	5,388	226	25,857	25,575
Service charge income	281	272	20	573	567
Amortised government grants	117	-	-	117	120
Government grants taken to income	86	27	2	115	-
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Management	(5,661)	(1,507)	(63)	(7,231)	(8,429)
Service costs	(387)	(24)	(10)	(421)	(520)
Routine maintenance	(2,252)	(732)	-	(2,984)	(3,216)
Planned maintenance	(1,732)	(564)	-	(2,296)	(2,394)
Major Repairs	(1,026)	(334)	-	(1,360)	(911)
Bad debts	(59)	(16)	-	(75)	(197)
Accelerated depreciation of housing properties	-	-	-	-	(1,160)
Depreciation of housing properties	(4,168)	(1,355)	(96)	(5,619)	(5,357)
Amortisation of goodwill	(21)	(7)	-	(28)	(95)
Operating costs on social housing lettings	(15,306)	(4,539)	(169)	(20,014)	(22,279)
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Void losses	225	95	-	320	386

The previous year allocation of costs between Management, Service, Routine and Planned Maintenance and Major Repairs have been restated to reflect the definitions used by the Regulator of Social Housing for the regulatory return.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

4. ACCOMODATION IN MANAGEMENT AND DEVELOPMENT

At the end of the year accommodation in management was as follows:

	GROUP		TRUST	
	No of properties		No of properties	
	2021	2020	2021	2020
Social Housing				
General Needs - social	2,958	2,963	2,958	2,963
General Needs - affordable	970	971	970	971
Supported Housing - social	4	6	4	6
Supported Housing - affordable	-	-	-	-
Housing for older people - social	1,166	1,166	1,166	1,166
Housing for older people - affordable	108	108	108	108
Low cost home ownership	89	89	89	89
Total Social Housing Units	5,295	5,303	5,295	5,303
Market Rent	2	-	2	-
Total units owned	5,297	5,303	5,297	5,303
Accommodation managed for others	12	12	12	12
Total units owned and managed	5,309	5,315	5,309	5,315
Accommodation in development at the year end	92	80	92	80

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

7. INTEREST RECEIVABLE AND OTHER INCOME

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Income from bank deposits	6	51	6	51

8. INTEREST PAYABLE AND FINANCIAL COSTS

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Defined benefit pension charge	(4)	137	(4)	137
Loans and bank overdraft	4,023	3,985	4,023	3,985
SHPS interest expense	20	33	20	33
	4,039	4,155	4,039	4,155
Interest capitalised on construction of housing properties	(272)	(435)	(272)	(435)
	3,767	3,720	3,767	3,720

9. EMPLOYEES

The average monthly number of persons (including the executive directors but excluding the Board), expressed in full time equivalents (calculated based on a standard working week of 37 hrs):

	GROUP		TRUST	
	2021 No.	2020 No.	2021 No.	2020 No.
Administration	50	42	50	42
Housing	33	33	33	33
Development and maintenance	91	90	91	90
	174	165	174	165
Employee Costs:	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Wages and salaries	5,836	5,457	5,836	5,457
Social security costs	532	483	532	483
Other Pension costs (included in operating costs)	967	883	967	883
	7,335	6,823	7,335	6,823
Restructuring Costs	48	123	48	123

The Trust's employees are members of the Cheshire Pension Fund or the Social Housing Pension Fund (SHPS).

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

10. DIRECTORS AND SENIOR EXECUTIVE RENUMERATION

The full time equivalent number of staff (including executive directors) whose remuneration payable in relation to the period of account fell within each band of £10,000 from £60,000 upwards. Remuneration includes compensation for loss of office.

	GROUP		TRUST	
	2021 No.	2020 No.	2021 No.	2020 No.
£60,001 to £70,000	1	-	1	-
£70,001 to £80,000	1	1	1	1
£80,001 to £90,000	3	3	3	3
£90,001 to £100,000	3	2	3	2
£100,001 to £110,000	1	-	1	-
£110,001 to £120,000	-	1	-	1
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	1	-	1	-
£140,001 to £150,000	1	2	1	2
£150,001 to £160,000	-	-	-	-
£160,001 to £170,000	-	-	-	-
£170,001 to £180,000	-	-	-	-
£180,000 to £190,000	-	-	-	-
£190,000 to £200,000	1	-	1	-
£200,000 to £210,000	-	-	-	-
£210,000 to £220,000	-	-	-	-
£220,000 to £230,000	-	1	-	1
	12	10	12	10

Key Management Personnel

The aggregate remuneration for the Executive Management team who are considered to be the key management personnel charged in the year is:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Basic Salary	369	343	369	343
Compensation for loss of office	-	183	-	183
Benefits in kind	-	3	-	3
Total Remuneration	369	529	369	529
Social security costs	45	43	45	43
Pension contributions	63	59	63	59
Total cost of key management personnel	477	631	477	631

The emoluments of the highest paid employee, excluding pension contributions were £145,031.

The Chief Executive (CX) was the highest paid employee in 2020/2021. The emoluments of the CX, the highest paid employee in 2020/2021, excluding pension contributions were £145,031 (2020: £114,613). The Trust's CX is a member of the Social Housing Pension Scheme. He is an ordinary member and no enhanced or special terms apply. The Trust does not make any further contributions to an individual pension arrangement for the CX.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

10. DIRECTORS AND SENIOR EXECUTIVE REMUNERATION (continued)

The Chair and non-executive board members received an annual emolument. £62,650 was incurred in the year (2020: £56,751). The total board expenses for the year are £176 (2020: £1,494).

Non-Executive Directors	Remuneration (£)	Audit Committee	Governance Committee	Board
Jane McCall, Chairman	11,421			Chair
Anthony Read	6,890	Chair		✓
Simon Leighton	6,123		Chair	✓
Alison Hadden	4,926		✓	✓
Brian Puddicombe	4,978	✓		✓
Gordon Richardson	6,123		✓	✓
Guy Johnson	4,159	✓		✓
Kate Lindley	4,978		✓	✓
Tom Agar	4,978	✓		✓
Shahida Latif-Haider (Co-optee not board Member)	2,079	✓		
Fiona McAuley (Co-optee not board Member)	3,333			✓
John Hudson, Previous Chair	1,024			
Samantha Knuckey (No longer board member)	819			
Alison Light (No longer board member)	819			

11. TAX ON SURPLUS ORDINARY ACTIVITIES

The taxation charge which arises in the Trust included within these financial statements comprises:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Current tax				
UK corporation tax on surplus for year	16	9	16	9
Adjustments in respect of prior years	(9)	-	(9)	-
Total current tax	7	9	7	9
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Total tax reconciliation				
Surplus on ordinary activities before tax	2,246	1,278	2,263	1,276
Theoretical tax at UK corporation tax rate 19% (2020: 19%)	427	242	430	242
- Non-taxable income	(408)	(228)	(411)	(228)
- Capital allowances	(3)	(5)	(3)	(5)
Total taxation charge	16	9	16	9

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

11. TAX ON SURPLUS ORDINARY ACTIVITIES (continued)

Cheshire Peaks & Plains Housing Trust Limited is an exempt charity with charitable status for tax purposes. As such its main sources of income and gains, received under Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, are exempt from taxation to the extent that they are applied exclusively to its charitable objectives. Non primary trading includes Feed-in-Tariff income received as part of the Trust's renewal energy project. The aggregate current tax relating to items that are recognised as items of other comprehensive income is £16k (2020: £9k).

Peaks & Plains Devco Ltd commenced trading during the previous financial year, with taxation due on the surpluses generated during 2020-2021. The aggregate current tax recognised for the period is £nil (2020: £300) as a Gift Aid payment will be made to Cheshire Peaks & Plains Housing Trust.

12. FIXED ASSETS: HOUSING PROPERTIES – GROUP

	Housing properties held for letting £'000s	Housing properties under construction £'000s	Completed Shared Ownership Properties £'000s	Under Construction Shared Ownership Properties £'000s	Total Housing properties £'000s
Cost					
At 1 April 2020	176,506	4,155	5,688	386	186,735
New development schemes	-	4,198	-	2,345	6,543
Works to existing properties	4,903		30	-	4,933
Impairment	-	(322)	-	-	(322)
Interest capitalised	-	235	-	37	272
Schemes completed	9	(9)	159	(159)	-
Disposals	(939)	-	-	-	(939)
At 31 March 2021	180,479	8,257	5,877	2,609	197,222
Depreciation					
At 1 April 2020	49,714	-	85	-	49,799
Depreciation charged in year	5,209	-	93	-	5,302
Replaced components	(451)	-	-	-	(451)
Released on disposal	(70)	-	-	-	(70)
At 31 March 2021	54,402	-	178	-	54,580
Net book value					
As at 31 March 2021	126,077	8,257	5,699	2,609	142,642
At 31 March 2020	126,792	4,155	5,603	386	136,936

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

12. FIXED ASSETS: HOUSING PROPERTIES – Trust (continued)

	Housing properties held for letting £'000s	Housing properties under construction £'000s	Completed Shared Ownership Properties £'000s	Under Construction Shared Ownership Properties £'000s	Total Housing properties £'000s
Cost					
At 1 April 2020	176,506	4,155	5,688	386	186,735
New development schemes	-	4,218	-	2,358	6,576
Works to existing properties	4,903	-	30	-	4,933
Impairment	-	(322)	-	-	(322)
Interest capitalised	-	235	-	37	272
Schemes completed	9	(9)	159	(159)	-
Disposals	(939)	-	-	-	(939)
At 31 March 2021	180,479	8,277	5,877	2,622	197,255
Depreciation					
At 1 April 2020	49,714	-	85	-	49,799
Depreciation charged in year	5,209	-	93	-	5,302
Replaced components	(451)	-	-	-	(451)
Released on disposal	(70)	-	-	-	(70)
At 31 March 2021	54,402	-	178	-	54,580
Net book value					
As at 31 March 2021	126,077	8,277	5,699	2,622	142,675
At 31 March 2020	126,792	4,155	5,603	386	136,936

Expenditure on works to existing properties

	GROUP		TRUST	
	2021 £'000s	2020 £'000s Restated	2021 £'000s	2020 £'000s Restated
Amounts capitalised	4,933	4,637	4,933	4,637
Amounts charged to income and expenditure account	6,640	6,521	6,640	6,521
	11,573	11,158	11,573	11,158

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

12. FIXED ASSETS: HOUSING PROPERTIES – Trust (continued)

Social Housing Assistance

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Total accumulated social housing grant received or receivable as 31 March:				
Recognised in the Statement of Comprehensive Income	1,706	1,589	1,706	1,589
Held as deferred income	11,574	11,501	11,574	11,501
Total	13,280	13,090	13,280	13,090

Housing properties book value net of depreciation

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Freehold land and buildings	142,273	136,687	142,273	136,687
Leasehold land and buildings	402	249	402	249
	142,675	136,936	142,675	136,936

Impairment

The Group considers individual schemes to be separate Cash Generating Units (CGUs) when assessing for impairment, in accordance with the requirements of Financial Reporting 102 and SORP 2018. CGUs were assessed for changes to the operating environment or the asset and as a result no social housing properties were impaired.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

13. TANGIBLE FIXED ASSETS – OTHER – GROUP

	Freehold and Leasehold properties £'000s	Fixture and fittings £'000s	Computers & Office Equipment £'000s	Total £'000s
Cost				
At 1 April 2020	1,794	1,408	2,195	5,397
Additions	-	41	236	277
Transfer to Investment Properties	-	-	-	-
Disposals	-	(9)	(29)	(38)
At 31 March 2021	1,794	1,440	2,402	5,636
Depreciation				
At 1 April 2020	198	281	1,733	2,212
Charged in year	45	87	254	386
Transfer to Investment Properties	-	-	-	-
Released on disposal	-	(9)	(29)	(38)
At 31 March 2021	243	359	1,958	2,560
At 31 March 2021	1,551	1,081	444	3,076
At 31 March 2020	1,596	1,127	462	3,185

Freehold and leasehold properties consists of Ropewalks Office. The Group secured the office to Cheshire Pension Fund in 2018/2019.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

13. TANGIBLE FIXED ASSETS – OTHER – TRUST (continued)

	Freehold and Leasehold properties £'000s	Fixture and fittings £'000s	Computers & Office Equipment £'000s	Total £'000s
Cost				
At 1 April 2020	1,794	1,408	2,195	5,397
Additions	-	41	236	277
Transfer to Investment Properties	-	-	-	-
Disposals	-	(9)	(29)	(38)
At 31 March 2021	<u>1,794</u>	<u>1,440</u>	<u>2,402</u>	<u>5,636</u>
Depreciation				
At 1 April 2020	198	281	1,733	2,212
Charged in year	45	87	254	386
Transfer to Investment Properties	-	-	-	-
Released on disposal	-	(9)	(29)	(38)
At 31 March 2021	<u>243</u>	<u>359</u>	<u>1,958</u>	<u>2,560</u>
At 31 March 2021	<u>1,551</u>	<u>1,081</u>	<u>444</u>	<u>3,076</u>
At 31 March 2020	1,596	1,127	462	3,185

Freehold and leasehold properties consists of Ropewalks Office. The Group secured the office to Cheshire Pension Fund in 2018/2019.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

14. INTANGIBLE FIXED ASSETS: GOODWILL

	GROUP Goodwill £'000s	TRUST Goodwill £'000s
Cost		
As at 1 April 2020 and 31 March 2021	1,331	1,331
Amortisation		
At 1 April 2020	1,303	1,303
Charge for year	28	28
At 31 March 2021	1,331	1,331
Net book value		
At 31 March 2021	-	-
At 31 March 2020	28	28

Goodwill of £1,331,000 arose on the stock transfer from Macclesfield Borough Council on 17 July 2006. The Trust applied the transactional relief on adoption of FRS 102, as it took place prior to transition date of 1 April 2014 and therefore has not been restated.

15. INVESTMENT PROPERTIES – COMMERCIAL PROPERTY

	GROUP 2021 £'000s	TRUST 2021 £'000s
At 1 April 2020	3,255	3,255
Impairment	(65)	(65)
At 31 March 2021	3,190	3,190

The valuation as at 31 March 2021 is an independent valuation carried out by Colliers International professional external valuers. The full valuation of properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

In valuing investment properties, an investment methodology was adopted with key assumptions:

Initial yield	5.24%
Equivalent yield	8.25%

16. INVESTMENT

	GROUP 2021 £'000s	TRUST 2021 £'000s
At 1 April 2020	7	7
Addition in year	-	-
At 31 March 2021	7	7

The Group holds 650 fully paid shares of £10 each in the Gawsworth Community Shop.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

17. INVESTMENT IN SUBSIDIARIES

The Trust has an investment of one share (£1) in Peaks & Plains Devco Limited and one share (£1) in Peaks & Plains Tradeco Limited, which are both subsidiaries of the Trust at the end of the year. Peaks & Plains Tradeco is classed as dormant i.e. not trading at the end of the year. Peaks & Plains Devco Limited began trading in 2019. There was transactions between the Trust and Peaks & Plains Devco Limited during the year. The Trust has the right to appoint members to the boards of the two subsidiaries and therefore exercise control over them.

The Trust is the ultimate parent undertaking. The registered office is the same for all of the group entities.

18. CASH & CASH EQUIVALENTS

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Cash at bank and in hand	3,971	5,558	3,414	5,553
Cash equivalents	1,618	3,117	1,618	3,117
Bank overdraft	-	-	-	-
	<u>5,589</u>	<u>8,675</u>	<u>5,032</u>	<u>8,670</u>

19. PROPERTIES FOR SALE

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Shared Ownership Properties:				
Completed Properties	-	728	-	728
Work in Progress	1,412	386	1,412	386
	<u>1,412</u>	<u>1,114</u>	<u>1,412</u>	<u>1,114</u>

20. DEBTORS

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Arrears of rent and service charges	976	1,117	976	1,117
Less: provision for bad and doubtful debts	(479)	(571)	(479)	(571)
	<u>497</u>	<u>546</u>	<u>497</u>	<u>546</u>
Other debtors	409	450	406	449
Prepayments and accrued income	631	552	631	552
Amounts owed by group undertakings	-	-	16	6
	<u>1,537</u>	<u>1,548</u>	<u>1,550</u>	<u>1,553</u>

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Trade creditors	1,508	1,949	973	1,697
Other creditors	865	774	865	774
Rent and service charges received in advance	830	753	830	753
Amounts owed to group undertakings	-	-	683	253
Other taxation and social security creditors	-	-	-	-
Accruals and deferred income	3,900	2,938	3,226	2,937
Deferred grant income (Note 23)	117	117	117	117
Social housing grants in advance of costs	-	-	-	-
	7,220	6,531	6,694	6,531

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Loans				
Debt (Note 26)	77,085	77,373	77,085	77,373
Deferred grant income (Note 23)	11,457	11,384	11,457	11,384
Disposal Proceeds Fund (Note 24)	-	-	-	-
Recycled Capital Grant Fund (Note 25)	16	16	16	16
	88,558	88,773	88,558	88,773

23. DEFERRED GRANT INCOME

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
At 1 April 2020	11,501	10,539	11,501	10,539
Grant received in the year	190	1,082	190	1,082
Released to income in the year	(117)	(120)	(117)	(120)
At 31 March 2021	11,574	11,501	11,574	11,501
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Amounts to be released within one year	117	117	117	117
Amounts to be released in more than one year	11,457	11,384	11,457	11,384
At 31 March 2021	11,574	11,501	11,574	11,501

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

24. DISPOSAL PROCEEDS FUND

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
At 1 April 2020	-	145	-	145
Net sales proceeds recycled	-	-	-	-
Interest accrued	-	-	-	-
Withdrawals	-	(145)	-	(145)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

25. RECYCLED CAPITAL GRANT FUND

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
At 1 April 2020	16	110	16	110
RTA grant claimed	-	22	-	22
Interest accrued	-	-	-	-
Withdrawals	-	(116)	-	(116)
	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
At 31 March 2021	16	16	16	16
	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>

As at 31 March 2021, no Right to Acquire claims were made (2020: £22k).

26. DEBT ANALYSIS

Borrowings

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Due within one year				
Bank Loans	-	-	-	-
Due after more than one year				
Bank Loans	77,085	77,373	77,085	77,373
	<u>77,085</u>	<u>77,373</u>	<u>77,085</u>	<u>77,373</u>
	<u>77,085</u>	<u>77,373</u>	<u>77,085</u>	<u>77,373</u>

Security

The bank loans are secured by a floating charge over the assets of the Group and by fixed charges on individual properties.

Terms of repayment and interest rates

The principal amount of the housing loans outstanding was £74m at 31 March 2021. £60m is charged interest at a fixed rate with final repayment in the period 2036 to 2040 on rates of interest ranging from 5.72% to 6.73%. £4m was drawn down from the Local Authority loan facility on 13 March 2018 at a fixed rate of 4.06%. This rate comprises of the Public Works Loan Board (PWL) rate at issue of 2.91% plus a margin of 1.15% and is repayable on 13 March 2048. The variable loan of £10m is charged interest at a margin on the variable rate linked to 3 month LIBOR. The difference between the outstanding loan of £74m and the carrying value of £77.1m is an adjustment in accordance with FRS 102 to recognise the loans at amortised cost and reflect an effective interest rate over the life of the facilities. The loans are classified as basic and measured at amortised cost using the effective interest rate method.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

26. DEBT ANALYSIS (continued)

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Within one year or on demand	-	-	-	-
One year or more but less than two years	3,720	-	3,720	-
Two years or more but less than five years	4,126	7,846	4,126	7,846
Five years or more	66,154	66,154	66,154	66,154
Total Loans	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>

27. PENSION SCHEMES

The Trust participates in two defined benefit pension schemes that were no longer offered to staff from June 2019. These two schemes, 'The Cheshire Fund' (Local Government Pension Scheme) defined benefit scheme, 'The Cheshire Fund', and 'The Social Housing Pension Scheme (SHPS)', both provide benefits based on final pensionable pay. The assets of these schemes are held separately from those of the Trust.

From July 2019 a new Social Housing Pension Scheme defined benefits CARE 80th scheme was opened to all staff.

A SHPS defined contribution scheme is used as the auto enrolment option when no other option is selected.

The Cheshire Fund

The Cheshire Fund (LGPS) is a multi-employer scheme, administered by Cheshire West Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2016 and rolled forward, allowing for the different financial assumptions required under FRS 102, to give the projected net pension cost to 31 March 2021 calculated by a qualified independent actuary.

The employer's contribution to the LGPS by the company for the year ended 31 March 2021 were £449,000 (2020: £479,000) at a contribution rate of 29.7% of pensionable salaries.

The major assumptions used for the actuarial valuation were as follows:

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	GROUP		TRUST	
	2021 %	2020 %	2021 %	2020 %
Inflation/pension increase rate	2.6%	1.7%	2.6%	1.7%
Rate of increase in salaries	3.1%	2.2%	3.1%	2.2%
Expected return on asset	2.1%	2.4%	2.1%	2.4%
Discount rate	2.1%	2.4%	2.1%	2.4%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2020-2021		2019-2020	
	Males	Females	Males	Females
Current pensioners	20.3 years	23.4 years	20.2 years	23.3 years
Future pensioners	21.7 years	24.6 years	21.2 years	24.5 years

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

27. PENSION SCHEMES (continued)

The amounts recognised in the income and expenditure account are as follows:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Current service cost	473	809	473	809
Past service cost	-	-	-	-
	<u>473</u>	<u>809</u>	<u>473</u>	<u>809</u>
Amounts charged to operating costs	473	809	473	809
Expected return on scheme assets	600	619	600	619
Interest on obligation	(596)	(756)	(596)	(756)
	<u>4</u>	<u>(137)</u>	<u>4</u>	<u>(137)</u>
Amounts charged to other finance costs	4	(137)	4	(137)

The amount included in the balance sheet arising from the Trust's obligations in respect of its defined benefit scheme is as follows:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Fair value of scheme assets	29,276	25,033	29,276	25,033
Present value of defined benefit obligations	(32,531)	(24,870)	(32,531)	(24,870)
	<u>(3,255)</u>	<u>163</u>	<u>(3,255)</u>	<u>163</u>
(Deficit) / Surplus in the scheme	(3,255)	163	(3,255)	163
Non-recoverable surplus	-	(163)	-	(163)
Net liability in the balance sheet	<u>(3,255)</u>	<u>-</u>	<u>(3,255)</u>	<u>-</u>

Changes in the present value of the defined benefit obligation are as follows:

	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Opening defined benefit obligation	24,870	31,201	24,870	31,201
Current service cost	473	809	473	809
Past service cost	-	-	-	-
Interest on pension liabilities	596	756	596	756
Contributions by scheme participants	113	107	113	107
Actuarial losses / (gains)	7,073	(7,450)	7,073	(7,450)
Benefits paid	(594)	(553)	(594)	(553)
	<u>32,531</u>	<u>24,870</u>	<u>32,531</u>	<u>24,870</u>
Closing defined benefit obligation	32,531	24,870	32,531	24,870

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

27. PENSION SCHEMES (continued)

Changes in the fair value of the scheme assets are as follows:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Opening fair value of scheme assets	25,033	25,738	25,033	25,738
Expected return on scheme assets	600	619	600	619
Contributions by scheme participants	113	107	113	107
Contributions by the employer	449	479	449	479
Actuarial gains / (losses)	3,675	(1,357)	3,675	(1,357)
Benefits paid	(594)	(553)	(594)	(553)
Closing fair value of scheme assets	29,276	25,033	29,276	25,033

Actual return on scheme assets

	GROUP		TRUST	
	2021 %	2020 %	2021 %	2020 %
Cheshire Pension Fund	17.1%	(0.5)%	17.1%	(0.5)%

Major categories of plan assets as a percentage of total plan assets

	GROUP		TRUST	
	2021 %	2020 %	2021 %	2020 %
Equities	46%	38%	46%	38%
Bonds	40%	46%	40%	46%
Property	10%	8%	10%	8%
Cash	4%	8%	4%	8%

The Social Housing Pension Scheme

The Trust participates in this multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

For the year ended 31 March 2021, sufficient information is available for the association in respect of SHPS to account for its obligation on a defined benefit basis. The most recent formal actuarial valuation as completed as at 30 September 2017 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2021 by a qualified independent actuary.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2020 is £846k and £2.28m as at 31 March 2021.

The major assumptions used for the actuarial valuation were as follows:

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	GROUP		TRUST	
	2021 %	2020 %	2021 %	2020 %
Discount rate	2.10%	2.40%	2.10%	2.40%
Inflation (RPI)	3.20%	2.70%	3.20%	2.70%
Inflation (CPI)	2.60%	1.70%	2.60%	1.70%
Salary growth	3.10%	2.20%	3.10%	2.20%

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

27. PENSION SCHEMES (continued)

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2020-2021		2019-2020	
	Males	Females	Males	Females
Current pensioners	21.5 years	23.4 years	21.2 years	23.0 years
Future pensioners	22.8 years	25.0 years	22.6 years	24.2 years

The amounts recognised in the income and expenditure account are as follows:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Current service cost	403	403	403	403
Interest on obligation	20	33	20	33
	<u>423</u>	<u>436</u>	<u>423</u>	<u>436</u>
Defined benefit costs recognised in statement of comprehensive income				

Fair values defined benefit obligation, fair values of assets and defined benefit liability:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Fair value of scheme assets	4,531	3,534	4,531	3,534
Present value of defined benefit obligations	(6,811)	(4,380)	(6,811)	(4,380)
Deficit in the scheme	<u>(2,280)</u>	<u>(846)</u>	<u>(2,280)</u>	<u>(846)</u>
Net liability in the balance sheet	<u>(2,280)</u>	<u>(846)</u>	<u>(2,280)</u>	<u>(846)</u>

Changes in the present value of the defined benefit obligation are as follows:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Opening defined benefit obligation	4,380	4,629	4,380	4,629
Current service cost	403	403	403	403
Interest on pension liabilities	110	116	110	116
Contributions by scheme participants	-	31	-	31
Actuarial losses/(gains)	1,932	(777)	1,932	(777)
Benefits paid	(14)	(22)	(14)	(22)
Closing defined benefit obligation	<u>6,811</u>	<u>4,380</u>	<u>6,811</u>	<u>4,380</u>

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

27. PENSION SCHEMES (continued)

Changes in the fair value of the scheme assets are as follows:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Opening fair value of scheme assets	3,534	3,264	3,534	3,264
Expected return on scheme assets	90	83	90	83
Contributions by scheme participants	-	31	-	31
Contributions by the employer	451	365	451	365
Actuarial losses/(gains)	470	(187)	470	(187)
Benefits paid	(14)	(22)	(14)	(22)
Closing fair value of scheme assets	4,531	3,534	4,531	3,534

Actual return on scheme assets

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Social Housing Pension Scheme	470	(104)	470	(104)

Major categories of plan assets as a percentage of total plan assets

	GROUP		TRUST	
	2021 %	2020 %	2021 %	2020 %
Equities	19	17	19	17
Bonds	66	69	66	69
Property	11	11	11	11
Cash	4	3	4	3

Amounts recognised in the balance sheet

The amounts recognised in the balance sheet are as follows:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
The Cheshire Fund				
Present value of scheme liabilities	32,531	24,870	32,531	24,870
Fair value of scheme assets	29,276	25,033	29,276	25,033
Defined benefit scheme liability/(surplus)	3,255	(163)	3,255	(163)
Non-recoverable surplus	-	163	-	163
Net pension liability	3,255	-	3,255	-
The Social Housing Pension Scheme				
Present value of scheme liabilities	6,811	4,380	6,811	4,380
Fair value of scheme assets	4,531	3,534	4,531	3,534
Net pension liability	2,280	846	2,280	846

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

28. RESERVES

Income and expenditure reserve - includes all current and prior period retained surplus and deficits.

29. CASH FLOW FROM OPERATING ACTIVITIES

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Surplus for the year	2,239	1,269	2,256	1,267
Adjustments for non-cash items:				
Depreciation and impairment of tangible fixed assets	5,624	5,357	5,624	5,357
Depreciation of other fixed assets	386	320	386	320
Amortisation of intangible assets	28	95	28	95
Decrease in trade and other debtors	88	777	80	773
(Decrease)/Increase in trade and other creditors	(275)	177	(803)	178
(Increase)/Decrease in properties held for sale	(298)	1,678	(298)	1,678
Pension costs less contributions payable	(24)	368	(24)	368
Net fair value loss recognised in profit	65	-	65	-
Adjustments for investing or financing activities:				
Net gain on sale of fixed assets	(94)	(423)	(94)	(423)
Government grants utilised in the year	(117)	(120)	(117)	(120)
Interest payable	4,039	4,155	4,039	4,155
Interest receivable	(6)	(51)	(6)	(51)
Net cash generated from operating activities	11,655	13,602	11,136	13,597

Analysis of change in net debt

	1 st April 2020 £'000s	Cash flows £'000s	Other non-cash movements £'000s	31 March 2021 £'000s
Cash	8,675	(3,086)	-	5,589
Bank loans due greater than one year	(77,373)	-	288	(77,085)
Total	(68,698)	(3,086)	288	(71,496)

30. CAPITAL COMMITMENTS

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Expenditure contracted for but not provided for in the accounts	7,923	12,335	7,923	12,335
Expenditure authorised by the Board, but not contracted	5,268	5,903	5,268	5,903
	13,191	18,238	13,191	18,238

The above commitments will be financed primarily through existing cash surpluses (£6m) and from existing loans already available to draw (£21m). The Trust also has in place a £25m revolving credit facility with Barclays Bank. Social housing grant (£0.8m) and income from future property sales (£2m) is expected in the 2021/22 financial year.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

31. CONTINGENT ASSETS / LIABILITIES

The Trust had no contingent assets at 31 March 2021 (2020: nil).

The Trust receives capital grant from Homes England (and its predecessor bodies), which is used to fund the acquisition and development of housing properties and their components. In certain circumstances upon disposal of grant funded properties the Trust is required to recycle this grant by crediting the Recycled Capital Grant Fund.

At 31 March 2021, the Trust had not disposed of any components that had received grant funding. As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.

The Trust had no other contingent liabilities to disclose at 31 March 2021 (2020: nil).

32. LEASING COMMITMENTS

The future minimum lease payments of leases are as set out below. Leases relate to vehicle fleet and office equipment.

Future minimum operating lease payments

	GROUP		TRUST	
	31 March 2021 £'000s	31 March 2020 £'000s	31 March 2021 £'000s	31 March 2020 £'000s
Within one year	237	246	237	246
Between one and five years	249	486	249	486
	<u>486</u>	<u>732</u>	<u>486</u>	<u>732</u>
	<u><u>486</u></u>	<u><u>732</u></u>	<u><u>486</u></u>	<u><u>732</u></u>

33. RELATED PARTIES

Brian Puddicombe became a Board member on 13 August 2019 and is a councillor with Cheshire East Council.

Disclosures in relation to key management personnel are included in note 10.

Transactions with non-regulated entities

The Trust provides management services to its subsidiary. The intercompany transactions are set out below.

	Management Charges		Design and build charges	
	31 March 2021 £'000s	31 March 2020 £'000s	31 March 2021 £'000s	31 March 2020 £'000s
Payable to Trust by subsidiaries				
Peaks & Plains Devco Ltd	16	5	-	-
Payable by Trust to subsidiaries				
Peaks & Plains Devco Ltd			4,738	1,022

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

34. FINANCIAL ASSETS AND LIABILITIES

The board policy on financial instruments is explained in the Board Report as are references to financial risks.

Categories of financial assets and liabilities

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Financial assets measured at amortised cost				
Cash	5,589	8,675	5,032	8,670
Debtors	1,757	1,875	1,753	1,874
	<u>7,346</u>	<u>10,550</u>	<u>6,785</u>	<u>10,544</u>
Financial liabilities measured at amortised cost				
Loans	77,085	77,373	77,085	77,373
Creditors	2,360	2,384	1,826	2,379
Accruals	4,445	2,960	3,771	2,960
	<u>83,890</u>	<u>82,717</u>	<u>82,682</u>	<u>82,712</u>

The amortised cost of the financial liability is net of the amount at which the liability is measured at initial recognition plus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount.

Financial assets

Other than short-term debtors, financial assets held are cash deposits placed in 95-day notice business accounts and cash at bank. They are Sterling denominated and the interest rate profile at 31 March 2021 was:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Financial assets held in 95 day notice accounts	1,618	1,617	1,618	1,617
Financial assets held in bank account	3,971	5,558	3,414	5,553
Financial assets held in 30 day fixed term account	-	1,500	-	1,500
	<u>5,589</u>	<u>8,675</u>	<u>5,032</u>	<u>8,670</u>

The financial assets held in 95 day notice accounts attract interest ranging from 0.1% to 0.4%. Notice had been served on £1.5m of the funds in the 95 day notice accounts to mature on 20/04/2021. The balance of £0.118m has no fixed maturity. The remaining financial assets are floating rate, attracting interest at rates that vary with bank rates.

CHESHIRE PEAKS & PLAINS HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

34. FINANCIAL ASSETS AND LIABILITIES (continued)

Financial liabilities excluding trade creditors – interest rate risk profile

The Trust's financial liabilities are Sterling denominated. The interest rate profile of the Trust's financial liabilities at 31 March 2021 was:

	GROUP		TRUST	
	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Fixed rate	63,519	64,000	63,519	64,000
Variable rate	10,481	10,000	10,481	10,000
	74,000	74,000	74,000	74,000
	74,000	74,000	74,000	74,000

The fixed rate financial liabilities have a weighted average interest rate of 6.49% (2020: 6.28%) and the weighted average period for which it is fixed is 13.0 years (2020: 14.0 years).

The debt maturity profile is shown in note 26.

Borrowing facilities

The Trust has undrawn committed borrowing facilities. The facilities available at 31 March 2021 in respect of which all conditions precedent had been met were as follows:

	2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Expiring in less than 2 years	-	21,000	-	21,000
Expiring in more than two years	46,000	25,000	46,000	25,000
	46,000	46,000	46,000	46,000
	46,000	46,000	46,000	46,000