thirteen

Managing and building homes

Annual Report and Financial Statements

Year ended 31 March 2024

Contents

Highlights of our year

OUR FINANCIALS

- Regulatory judgement **V1/G1**
  (2023: V1/G1)
- Turnover **£207.3m**
  (2023: £198m)
- Surplus **£29m**
  (2023: £24m)
- Operating margin **20.8%**
  (2023: 18.5%)
- EBITDA MRI margin **13%**
  (2023: 19.9%)

HAPPY CUSTOMERS

- Customer satisfaction **88.1%**
  (2023: 84.4%)[1]
- Net promoter score **72**
  (2023: 64)
- Customers helped into jobs & training **619**
  (2023: 533)
- Number of households accessing services digitally **54,922**
  (2023: 43,815)

FANTASTIC HOMES

- Homes owned & managed **36,036**
  (2023: 35,673)
- Responsive repairs completed **157,427**
  (2023: 141,551)
- Investment in and maintenance of existing homes **£109.2m**
  (2023: £88.3m)
- Investment in new properties **£133.8m**
  (2023: £76.2m)
- New homes delivered **542**
  (2023: 454)
- % housing stock with energy rating of C or above **70.1%**
  (2023: 65.1%)

BRILLIANT PEOPLE

- Colleague net promoter score **11**
  (2023: 7)

(1) Aggregate of all transactional surveys completed across the year

About us

We exist to provide housing and support services across the North East of England, Yorkshire and the Humber region.

Today we own and manage over 36,000 homes, with over 1,500 colleagues providing services for over 70,000 customers.

It's an ever-changing world out there. While our area of operation has some specific challenges, what happens nationally and globally has an impact on what we do now and in the future. Our customers, colleagues and business have all faced challenges and are still experiencing the impact of factors such as rising prices, budget cuts, social and demographic trends, and climate change.

Ensuring we provide safe and quality homes for our customers is at the forefront of what we do.

That means listening to what our current and future customers need and ensuring we provide the right homes in the right places to meet their needs and aspirations.

That's why our strategy is focussed on customer excellence. It drives our ambitions around how we grow the business, work with partners and ensure that the best possible services are delivered to our customers.

Equally, we know that we cannot thrive as a business unless we have strong foundations running through everything we do. We place great emphasis on robust financials, strong governance, and ensuring that health and safety is at the forefront of keeping both customers and colleagues safe.

These principles are embedded across our strategy, supporting our priorities and providing assurance and confidence.

"Whether that's offering a safe, quality home for rent, helping someone into home ownership or holding out a vital helping hand of support. We are here to listen and do what's needed for the people we serve."

Our priorities are:

Happy Customers
- Knowing our customers
- Enhancing customer experience
- Working with partners

Brilliant People
- Strong foundations
- Our brilliant culture
- Right skills for our customers
- Rewarding great people
- Inclusive workplace

Fantastic Homes
- Investing in our homes
- Developing for our customer needs
- Growing the offer
- Looking after the environment

Group Chair's introduction

“Providing safe and quality homes for our customers is at the forefront of what we do. That means listening to what our current and future customers need and ensuring we provide the right homes in the right places to meet their needs and aspirations.”

Another year of strong delivery, despite a challenging environment.

2023/24 was another strong year delivering our priorities and key promises to and for our customers and partners. However, in an everchanging world impacting what we do now, and, in the future, it's been a great time to strengthen our priorities and strategy.

Providing safe and quality homes for our customers is at the forefront of what we do. That means listening to what our current and future customers need and ensuring we provide the right homes in the right places to meet their needs and aspirations.

Our strategy revolves around customer excellence and driving our ambitions around how we grow the business, work with partners, and deliver the best possible services.

We remain committed to our main purpose at Thirteen – being a great housing association with happy customers, fantastic homes and brilliant people. Our Tenant Satisfaction Measures tell us we live up to our ambition, with 77% telling us they are happy with our overall services.

We continue to invest in our homes and neighbourhoods and our plans to invest over £320m to improve our homes over the next five years are on target.

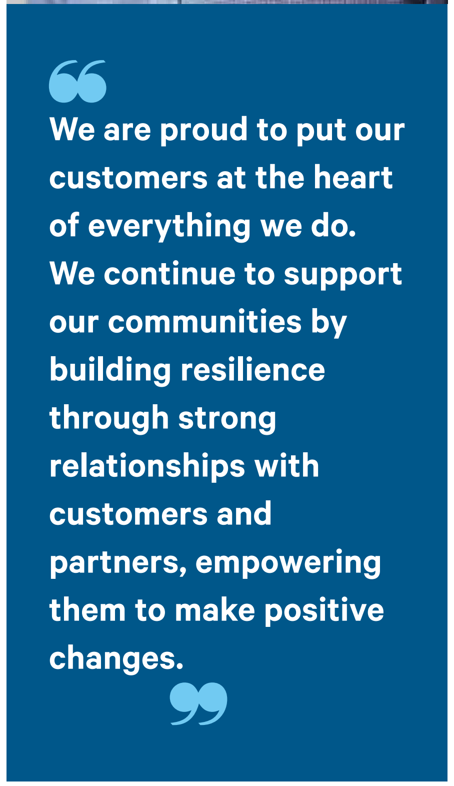
Despite the housing crisis, we are pleased to continue expanding the supply of new homes. Our partnership with Homes England to bring affordable homes to the North East, Yorkshire, and Humber region continues to strengthen.

We couldn't do this without our committed and talented colleagues led by a dedicated executive team and supported by our board directors and committee members. All of them are passionate about their work and thrive on making a difference for customers.

I am very proud and privileged to work with such an inspiring group of colleagues, and I look forward to many more successes in the coming year.

Jane Earl
Chair of Thirteen Housing Group

Group Chief Executive's report



In last year's introduction to our accounts, I talked about the challenging times many of our customers have faced. Twelve months later, we have, at least, seen an easing of the ferocious inflation we've experienced, but the positive effect of this has yet to be felt by many.

Despite the challenges we face at Thirteen, we have worked hard to deliver high-quality homes and services and improve them. We work closely with our involved customers and wider customer base to hear feedback and put plans in place to improve as a result of that feedback. I want to take this opportunity to offer a warm thank you to all of our involved customers and members of our customer committee who give their own time to do everything from interviewing job applicants and reviewing our performance to helping build service improvement plans.

We're conscious that we are not a small organisation with 36,000 homes and over 70,000 customers. In terms of housing associations, we are mid-sized, which brings with it opportunities to realise economies of scale, employ the very best people, and put the best systems and processes in place. However, we are very aware that the risk of our size is that we might feel remote, so that's why we created our local area teams. We'll continue growing our local area working so that our teams know their customers, communities, and the places they serve.

This year has seen us invest our time developing a new strategy and vision. Our vision is 'to be the most trusted housing association with happy customers'. This new vision is deliberately customer-focussed. It reflects what we strive to achieve every day but sharpens our focus. We know that trust is hard-won and easily lost. We also realise that to be the 'most trusted' is hugely ambitious and will take relentless, persistent effort to achieve. We'll need to be innovative and have a laser-sharp customer focus. It won't be easy, and we're happy with that; it is what our customers deserve.

2023/24 saw us make some down payments on that vision. We built an impressive 542 new homes for rent and shared ownership. We are delighted that our flagship developments, Union Village in Gresham and Hillside Gardens at Grove Hill, are progressing well, and we look forward to welcoming our first tenants later in 2024.

We are proud to put our customers at the heart of everything we do. We continue to support our communities by building resilience through strong relationships with customers and partners, empowering them to make positive changes.

This year, we'll also see the first publication of Tenant Satisfaction Measures (TSMs). We've seen a steady increase in our score across 2023/24 to achieve a year-end figure for overall satisfaction of 77%. We believe the score will index well when compared to other large organisations.

Our TSM results tell us that customers are more satisfied with the services we provide than they were last year. 83% say they feel their home is a safe place to live. 81% are happy that we treat them fairly and with respect. 80% are satisfied with our repair services, 78% are happy with how well their home is maintained, and 72% told us they were satisfied with the time taken to complete their last repair.

We've experienced an exceptionally high demand for our repair services, which saw us complete 15,876 more repairs than last year. We know that we haven't always met some customer's expectations, particularly in our goal of completing non-emergency repairs within the target time. However, we are pleased to have maintained our commitment to customer safety by addressing emergency and urgent repairs promptly, with a performance rate of 94%.

As a large business, employer, and landlord, we are responsible for protecting the local environment, improving our performance, reducing carbon emissions, and improving our environmental sustainability cuts across everything we do. At the end of last year, 70.1% of our properties were rated EPC C and above.

We are also very proud to remain G1/V1 rated. It is a fantastic achievement and a real testament to the hard work of colleagues. These results demonstrate that we are a well-run organisation, in a strong position to continue delivering and investing in our services to customers.

Finally, I want to thank all the colleagues that make up Team Thirteen. Every day, I see the hard graft that helps us achieve the results reported above, and the good humour and camaraderie that makes it a delight to be part of the team. Thank you.

I look forward to another strong year from Thirteen.

Group Chief Executive's report

Everything safe

Our top priority is keeping customers, colleagues and Thirteen safe.

Our dedicated health and safety team provides training throughout the organisation to ensure safe working practices and supports wellbeing. We are committed to continuing to deliver our health and safety culture programme. This ensures that colleagues understand health and safety requirements, feel comfortable reporting accidents, incidents, and near misses, and let us know when things don't look or feel right.

With the recent passing of the Building Safety Act 2024, landlords must provide information to residents in high-rise residential buildings about their homes. In line with this, we are committed to providing safe and well-managed homes to all our customers. Together with our involved customers, we have developed bespoke building safety customer engagement strategies for each of our high-rise blocks. These strategies outline our approach to building safety and provide important information to our customers about their buildings, our resident engagement offer, key contact information and the responsibilities of Thirteen and the residents.

To address our customers' concerns about damp and mould, we have made changes to ensure that we respond promptly and keep our customers informed on the progress. We are currently working to understand how we can meet the potential enhanced expectations of Awaabs Law and commit the necessary resources to ensure compliance.

We have continued to invest in and develop our specialist team of experts in building safety. Most importantly, we have further developed and enhanced our customer engagement initiatives. This ensures that customers have a voice and understand how to keep themselves and their homes safe.

Tenant, customers and clients

Our customers are the centre of everything we do, so it's vital to hear their voices and not just listen but also respond to any issues raised.

Over the last year, we have continued to involve customers in feedback about rent communications, consulted with them on the new consumer standards, and gathered their views on the code of conduct. We also asked for their input on the customer involvement framework to ensure it effectively supports their efforts to shape our services.

Their feedback has been instrumental in developing the latest version of Thirteen's strategic plan, outlining our priorities for the next ten years.

Customers have also played a role in creating bespoke building safety strategies for each of Thirteen's high-rise blocks. The strategies provide important information for customers about the building they live in and key contacts. They've been fundamental in monitoring our performance and have looked at repairs satisfaction and evaluating the effectiveness of our new debt management system in reducing tenant debt. We've worked with them to simplify our policies based on their valuable feedback, making them easier to read and understand.

When Thirteen recruits new staff members, involved customers are often asked to join the interview panel to give their feedback. This allows them to play an active role in finding the right people to deliver services, and it helps us to understand what customers want to see from new colleagues in the team. They've recently been asked to get involved in interviews for the chief information officer as well as roles in housing services, customer recovery, customer involvement and customer success.

How we’re performing

Our customers

To improve the accessibility and consistency of our services we continued to invest in Touchpoint, a long-term project to enhance our high street presence and extend and improve our digital approach and contact systems. Over the course of the year our contact teams took 301,734 calls and increased the number of households accessing services digitally from 43,815 to 54,922.

To support our most vulnerable customers we delivered financial assessment training to our housing colleagues so they can recognise where advice and support might be needed. We also ran a cost-of-living campaign to promote the support that is available from Thirteen and our partners. Our tenancy support teams supported 1,717 customers last year and helped to put £0.8m into customers’ pockets, in addition to the £1.2m provided through our hardship fund and discretionary housing support.

Through our collaborative approach, which involves teams from across the business and ensures our customers have the support they need, we recorded the lowest level of debt for our general needs properties at 2.8% of rent collectable. This has freed up additional cash for reinvestment in our services.

To address specific requirements of customers in our older persons schemes, we implemented a new service delivery model and provided comprehensive training to colleagues. We are pleased to report that 91.3% of customers have said they would recommend us to family and friends.

Case study

The Bread and Butter Thing

Due to rising food prices, energy costs, and the overall cost of living, our communities have faced significant financial pressure. By utilising £50k in social value donations from our investment partners, we partnered with Stockton Borough Council to establish five, low-cost food hubs in the heart of Stockton, Thornaby, and Billingham. The food hubs assist over 400 customers each week by offering a cost-effective alternative to supermarkets, saving approximately £25 per family on each food shop. Once set up, this model is self-sustaining and requires no further funding.

How we're performing

Our homes

Existing properties

During 2024 we recorded the highest ever spend on our properties, investing £109.2m in their maintenance and improvement. Investment work was carried out on 1,578 homes, including the delivery of 866 kitchens, 808 rewires and 648 window replacements. In response to the dangers presented by damp and mould, we completed work on 1,306 properties, spending £3.4m to eradicate this serious health risk for our customers. We continue to explore how emerging technologies and techniques can help us decarbonise our properties. To this end, we have invested £2.4m in pilot schemes to upgrade 58 properties. The insights gained from these projects will inform future plans.

2024 saw an unprecedented demand for our repairs service. A total of 157,427 repairs were completed in the year, an increase of 15,876 over the previous year. We acknowledge that we have not always met some customers' expectations, especially regarding our goal of completing non-emergency repairs. We fell short of our 90% target, achieving 64%. However, amid unprecedented demand, we have maintained a strong focus on customer safety, ensuring that emergency and urgent repairs are addressed promptly, with a performance rate of 94%.

Case study

Thirteen launch £4.7m investment scheme to improve 450 homes

A £4.7m investment project to upgrade over 450 homes in Stockton-on-Tees is well underway. We are partnering with Esh Construction to implement a range of improvements across three estates in Norton and Billingham. The project includes updates to both the interiors and exteriors of the homes, such as modern kitchens, new boilers and heating systems, and upgraded windows and doors. These enhancements will modernise the homes and boost their energy efficiency. Earlier this year, our team began working closely with customers to provide information about the improvements and allow them to choose individual components, such as kitchen finishes. The project is expected to be completed by January 2025.

How we're performing

Our homes

New homes

Resources are limited, so we need to balance our investment in existing homes and communities with our commitment to delivering new homes. During the year we completed the highest number of new homes recorded by Thirteen, completing 542 new properties for affordable rent and low cost home ownership. This has helped many people take their first step into home ownership.

Throughout the year, we had 49 development sites in progress and began construction on 432 properties across all our operating areas, including Teesside, West Yorkshire, and Humberside. People have a fundamental right to a safe and secure place to call home. We are committed to addressing the shortage of decent homes for rent by planning to deliver 1,861 new homes over the next five years. We will ensure that these homes meet environmental standards, with Thirteen and our delivery partners holding the ISO 14001 Environmental Standard accreditation.

Case study

Take a look at our new development strategy

Over the past few months, we have been refining our approach to delivering new homes. We recently launched our new development strategy to help address the UK's ongoing housing crisis. According to the latest figures released in March 2024, more than 12,000 social homes were lost in the UK last year, compared to 177,000 in the past 10 years. While many things can be done to help fix the crisis, housing associations play a crucial role.

To support local authorities, housebuilders, and Homes England, we are committed to delivering high quality new homes that provide stability and security for some of the most vulnerable members of society. Our new development strategy outlines our goal to expand the housing supply in our operating areas, ensuring that we address the local needs of individuals and families who need us. Read our development strategy on our website.

How we're performing

Our communities

A home is more than just bricks and mortar; the surrounding neighbourhood and community are crucial in providing a safe and secure place to live. We focus on building resilience within our communities by developing strong relationships with our customers and partners and empowering them to make positive, sustainable changes. To understand the effectiveness of the work we do, we measure the outcomes achieved.

We support people who are not currently in employment, education or training as well as those seeking new job opportunities or additional working hours. In 2023/24, we helped 112 people find employment through our contractor relationships and facilitated 656 apprentice weeks. Additionally, we support volunteering across Thirteen, with 448 of our colleagues collaborating with 233 community volunteers on a range of projects.

Case study

Double celebration for Martin and Steph: How an afternoon at a jobs fair changed their lives

When married couple Martin and Steph got in touch with our employability team for support, they never expected that they would both land a job interview on the same date and be planning to start their new roles at the same time. Martin has since started his job working with ex-offenders at a local charity and Steph secured a new role working with children that have autism.

We offer a range of free employability services for customers and the wider public across the Tees Valley.

How we're performing

Our commitment to the environment

Environmental awareness and the impact of our activities on our customers and the wider community is important to us. We are committed to improving the EPC ratings of our properties to reduce environmental impact and provide higher quality, more cost-effective homes for our customers. At the end of last year, we achieved our target, with 70.1% of our properties rated EPC C and above.

As a housing provider, we generate waste through maintenance and investment activities. Channelling this waste via our recycling centre reduces the environmental impact with 41.2% of waste at the recycling centre either composted, recycled or reused.

We report the progress we have made on reducing emissions in our streamlined energy and carbon report on page 50.

Case study

Thirteen teams up with IKEA Gateshead to upcycle furniture and support its customers

Partnering with the IKEA store in Gateshead, we took donations of mattresses, sofas, rugs and cupboards to support the furniture upcycling scheme at our recycling centre in Billingham. The specialist upcycling team reconditions these donations before giving it away to customers that have low incomes, those who have lost possessions from fleeing dangerous circumstances or people who have previously been homeless.

The facility, the first of its kind among northern housing associations, has been transformed from an empty storage space into a fully-equipped workshop. It's now stocked with a wealth of material and upholstery, a soft furnishings area and a woodwork and metal workshop.

We are working to reduce our waste by 95% and this proactive approach to reducing, reusing, and recycling unwanted items continues to be a huge boost to our efforts.

Financial review of 2024

In what continues to be a challenging economic environment, delivery of our objectives has been underpinned by our strong financial results:

	2024 £'000	2023 £'000
Total turnover	207,305	197,959
Total operating costs	(164,170)	(161,386)
Sale of assets	1,788	3,196
Operating surplus	**44,923**	**39,769**
Other activity	(15,903)	(15,367)
Surplus	**29,020**	**24,402**
EBITDA MRI	**26,688**	**39,200**

EBITDA MRI – earnings before interest, tax, depreciation, amortisation and major repairs and improvements.

EBITDA MRI performance for the group reflects the high demand for our services during the year. Whilst it is lower than the previous year at £26.7m (2023: £39.2m), this reflects a planned increase in investment in our housing stock whilst maintaining strong performance and financial position.

Activity

Our core activity of social housing lettings continues to deliver a strong operating margin of 23.9% (2023: 24.8%). This figure reflects a planned reduction from the previous year as we increased investment in our properties. Margins were also affected by high customer demand for our repairs service. This included the impact of additional awareness of damp and mould risks as we worked to address customer concerns and eradicate this risk to our customers' health.

We recognise that other activity across the group directs resources away from our core activity, reducing overall operating margin to 20.8% (2023: 18.5%). We therefore keep non-core activity under review to ensure we understand the expected outcomes and how the activity adds value in other ways, for example regeneration activity delivering long-term financial and community benefits.

Development and sale of shared ownership properties continues to be a key component of our strategy. Demand remains strong and we completed 162 sales which delivered a margin of 6.4%.

We are nearing completion of our high rise demolition programme, spending a further £0.7m in 2023/24. This will see the demolition of seven high rise properties which are no longer fit for purpose. This allows us to release land to deliver homes that people want and need.

In addition to our core activity of social housing lettings, we also carry out other activities to support our customers and communities. This includes delivering care and support contracts that offer wrap-around support to customers who need some additional help. We also provide support services to the broader community through our work with the Ministry of Justice to assist ex-offenders.

Our services extend to providing specialist accommodation, employment advice and support, as well as community facilities such as garages, community shops and facilities, specialist student accommodation and properties for market rent. Non-social housing activity also includes commercial activities delivered by our subsidiaries on behalf of the group.

In 2023/24, activities outside our core social housing lettings resulted in a loss of (£0.7m), including the reversal of impairment and intra-group interest charges of £2.7m following a land sale by Thirteen Homes.

Excluding this adjustment, our non-core activity resulted in a loss of (£3.3m) (2023: loss of £1.2m). The increase was predominantly driven by a reduction in profit from properties built for sale and our subsidiary, Gus Robinson Developments, which incurred additional costs completing remaining contracts.

In support of the services provided by the group:

- **Thirteen Homes** reported an improvement over the previous years' performance, delivering an operating profit of £1.8m (2023: loss £4.6m). The sale of land completed at a higher value than expected which resulted in a reversal of impairment of £1.3m. One property was sold in the year delivering turnover of £0.4m. Work will conclude on our West Park site during 2024/25 with the completion and sale of the remaining nine homes.
- **Gus Robinson Developments** focused on finalising outstanding work on completed contracts to minimise risk and impact on our clients, while also working to reduce remaining liabilities. As a result of this work, operating losses increased over the previous year to (£1.9m) (2023: losses of £0.9m).
- **Thirteen Commercial Services** delivered similar financial results to previous years. Profit was £0.4m and turnover £1.3m through letting and management services on behalf of the group. Profits are fully gift-aided to the group.
- **Thirteen Property Development** delivered £0.1m turnover (2023: £0.1m) solely related to construction activity by Gus Robinson Developments for the group with no net margin.

Overall operating surplus increased to £44.9m (2023: £40m) and, as a not-for-profit housing provider, we continue to re-invest all surpluses generated into the improvement and delivery of existing and new homes and improving services to our customers.

Financial review of 2024

Turnover

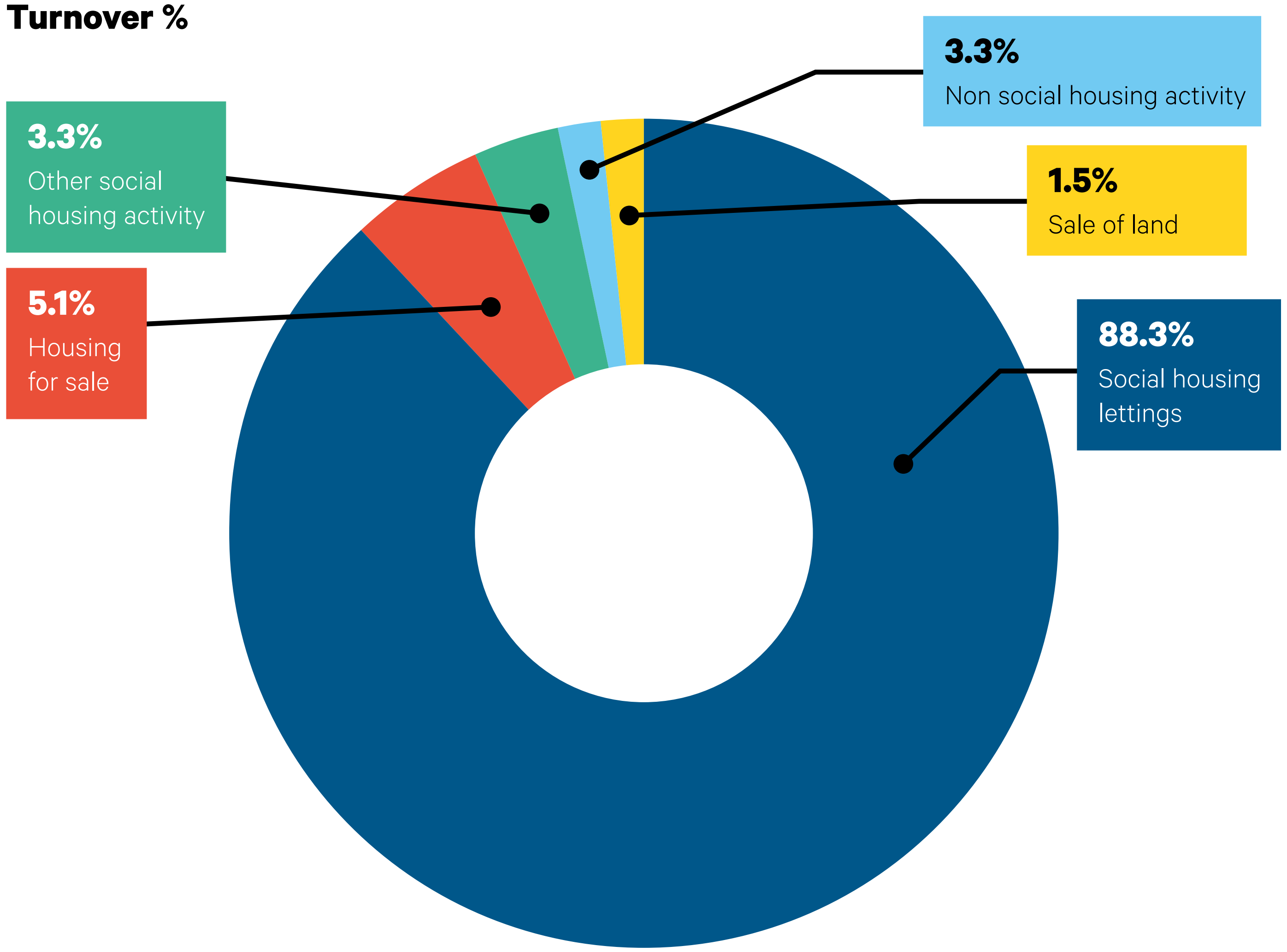
Turnover increased over the previous year by £9.3m, an increase of 4.7% to £207.3m (2023: £198m).

Our main income source is from social housing lettings, which increased from £168.7m in 2023 to £183m. This increase was driven by an average 7% rent increase, in accordance with government regulations, and a net gain of 360 properties from new developments, minus properties sold or demolished. The proportion of turnover arising from our core activity of social housing lettings increased to 88.1% from 85.2% in 2023, reducing risk to the group.

We continue to build properties for shared ownership as part of our affordable homes activity. During the year we saw an increase in the number of properties developed for sale and sold, with the sale of 162 homes resulting in a turnover of £10.2m (2023:139 homes and £7.8m turnover).

Expanding the range of services available to our customers through care and support and employability contracts generated £6.5m turnover (2023: £6m).

Turnover %



Operating costs

Fantastic homes

2023/24 saw unprecedented demand for our services, particularly our repairs service which along with inflationary pressures, has led to increased maintenance costs. A record total of 157,427 responsive repairs were completed in the year (2023: 141,551). Our planned investment programme saw an increase in works completed and increased investment of £12.7m to £56.6m. This reflects our commitment to protecting our assets and ensuring safe and secure homes for our customers. The increase includes further work on our decarbonisation pilot to start delivering improvements for our customers and inform future work and planning. Work to prevent and treat damp and mould is being prioritised and £3.4m was spent during the year.

Happy customers

In addition to the £27.2m spent managing our homes, we increased the level of financial support given to our customers, allocating £1.2m (2023: £0.9m). This support helps our customers stay in their homes by providing hardship funds and discretionary rent support, complemented by support and assistance from our dedicated housing and income teams.

We operate a number of care and support schemes as well as employability and ex-offender's contracts. This offers additional help to existing and new customers, and where required, accommodation.

We are pleased that the support provided to our customers, alongside investment in AI technology, has maintained our excellent income collection rates, with 99.4% of rent collected (2023: 98.9%). This frees up financial resources to invest in future services.

Brilliant people

During the year, 44.5% of our operating costs related to direct pay costs for our 1,505 colleagues (2023: 43% / 1,448). Without our fantastic people we are unable to deliver the vital services needed by our customers. We also invested £2m in training, developing and supporting our colleagues.

Financial review of 2024

Financial strength

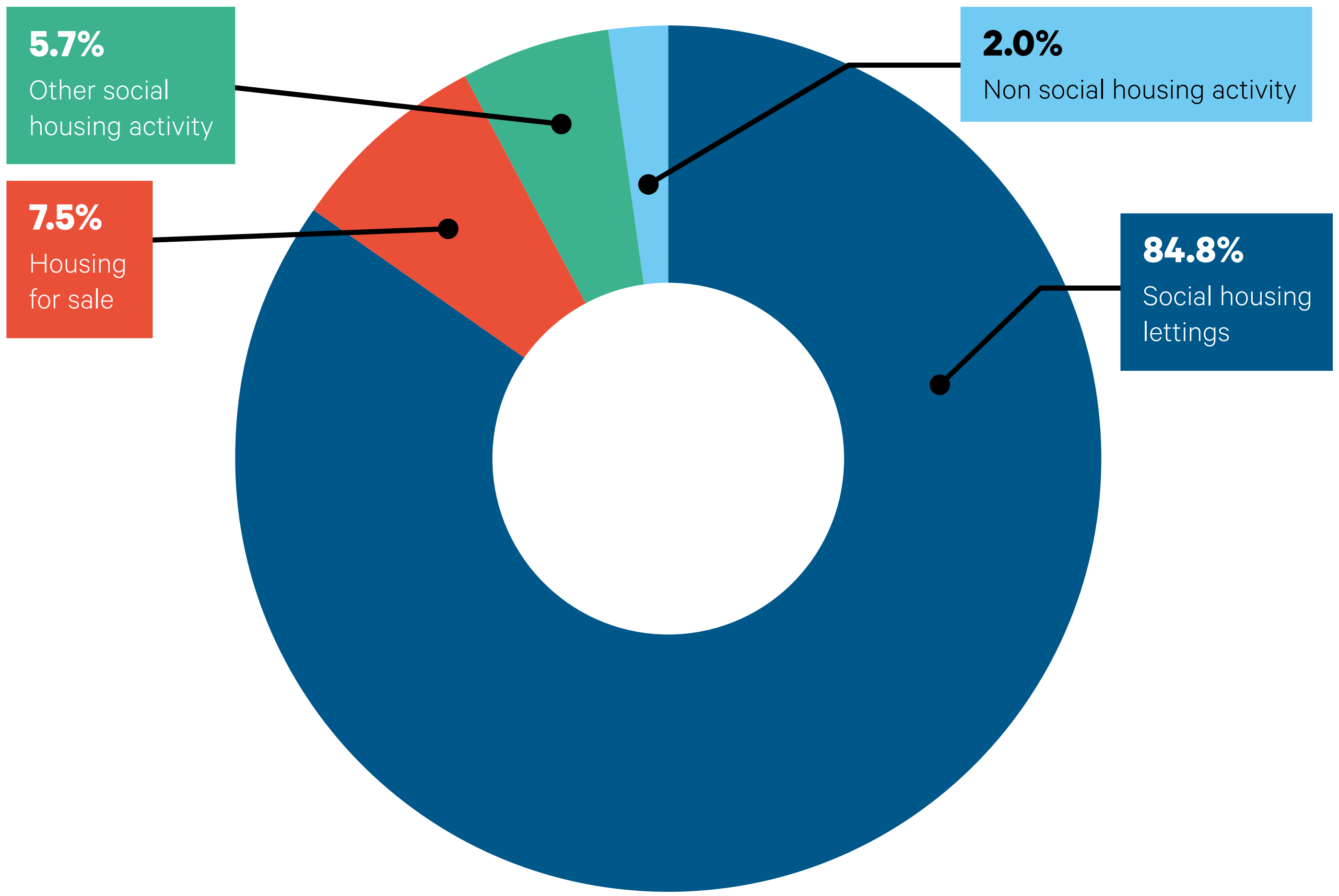
The Statement of Financial Position demonstrates the financial strength of the group with net asset growth from £786.6m to £811m.

Delivery of our development and investment programmes contributed £176.2m growth to the value of our fixed assets, which increased by £124.8m to £1396.5m.

Cash balances held increased by £73.4m to £124.8m in the year as we sourced additional funding for our development programme from the Affordable Homes Guarantee Scheme (AHGS), in line with our treasury strategy. Including the AHGS funding, loans increased by £155.8m to £486.1m.

All defined benefit pension schemes reported a surplus position at the end of the financial year. In line with the group's pension accounting policy, the surplus has been restricted to £nil in the financial statements.

Operating Expenditure %



Cashflow

The Group Statement of Cash Flows demonstrates the increase in investment in new and existing housing stock and other fixed assets, with an increase of £60.5m outflow from the previous year to £172.4m. This has been funded through £65.3m cash generated from our operating activities, sales receipts of £20m, £24.6m government grant received and an increase in net loans of £151.5m. After financing of debt, cash holdings increased to £124.8m at 31 March 2024 which was in line with our treasury strategy.

Treasury

During 2023/24, treasury activities were focused in three main areas, all of which are now completed:

- Restating interest cover covenants to remove any deduction for capitalised major repairs expenditure which provides capacity and flexibility to achieve zero carbon ambitions.
- Renewing and extending revolving credit facilities (RCFs) to provide ongoing liquidity.
- Securing additional fixed rate funding to support delivery of new homes. £100m of funding was secured during 2023/24, and security work completed in May 2024.

The annual treasury strategy is approved by the board each year and provides strategic direction for the group concerning treasury activities. The strategy identifies key treasury risks, sets out the group's approach to managing these and is reviewed by our treasury advisors. The treasury strategy was last approved in July 2024 and considered the following risks:

- On-lending risk
- Liquidity risk
- Counterparty risk
- Interest rate risk
- Credit rating risk

The group had balances of cash and cash equivalents of £124.8m on 31 March 2024 (2023: £51.3m). The policy also sets out minimum credit ratings and limits to minimise and diversify counterparty risk.

Cash is held across current accounts, deposit accounts and money market funds. Excess funds above minimum operational liquidity may be placed on term deposits of up to 95 days. The average interest receivable rate at the end of the year was 3.5%.

Capital funding liquidity must be at least 24 months per the treasury policy. Forecasts from the financial plan approved in June 2024 show that undrawn loan facilities are sufficient to finance group activities until September 2028.

At 31 March 2024, loan facilities of £619.1m (2023: £471.3m) were in place across banks, building societies and private investors. £136.5m of this was undrawn (2023: £142.5m). During the year, £12.2m of loan repayments were made, £100m of new fixed rate funding was secured and total RCFs were increased by £60m.

Financial review of 2024

At the financial year end, borrowings, excluding accrued interest, amounted to £482.6m (2023: £328.8m). £66m of the balance was drawn from RCFs and was repaid in May 2024. The weighted average maturity of our facilities is 11.1 years, and the maturity profile of drawn debt is set out in the following table:

Maturity	2024 £'000	2023 £'000
Within one year or on demand	10.7	18.1
Between one and two years	12.5	16.5
Between two and five years	96.4	52.2
After five years	363.0	242.0
	482.6	328.8

The treasury policy requires a balance of variable and fixed rate debt to manage exposure to interest rate fluctuations and the policy limit has been set for at least 70% of debt to be fixed at all times. At 31 March 2024, 76% (2023: 89%) of borrowing was at fixed rates through a combination of embedded derivative loans and fixed rate funding. Our portfolio's weighted average interest rate increased slightly to 4.8% (2023: 4.4%).

Compliance with lender financial covenants is monitored closely and reported to the board at least quarterly. At March 2024, the group was compliant with loan covenants, and the approved financial plan demonstrates ongoing compliance with covenants and golden rules.

All lenders have now approved a revised interest cover calculation to remove any deduction for capitalised major repairs. The calculation varies slightly between lenders, with the tightest covenant calculation at 400% at 31 March 2024 (2023 equivalent: 485%). The board has agreed the introduction of a new financial measure for interest payable on an EBITDA-MRI basis at a threshold of 125%. This releases significant capacity against the previous golden rule of 165%, whilst ensuring that financial viability is maintained.

Loan covenant gearing, calculated as total loans as a percentage of completed housing properties, increased to 33% at 31 March 2024 (2023: 24%) as development activity increased the value of housing assets. £66m of RCFs loans were temporarily drawn at the year-end in advance of completion of security work on £100m of fixed rate funding. Excluding this temporary increase in RCFs, the underlying gearing calculation was 28%.

Asset cover, calculated as the value of securable assets as a percentage of loans, is reported to individual lenders based on the loan balance and properties secured against each facility. The group's overall asset cover, including charged and uncharged properties, was 287% at 31 March 2024 (2023: 374%). We had 9,942 properties not charged to a lender (2023: 10,161), which we anticipate would support £337.2m (2023: £347.8m) of additional loans. We also have properties charged to lenders over and above treasury policy asset cover buffer requirements. We anticipate this would support £207.3m (2023: £216m) of additional loans.

Loan agreements allow for up to £50m of onward funding to be provided to Thirteen's subsidiary companies, including loans and guarantees. Loan facility agreements are in place between the group and Thirteen Homes and the group and Gus Robinson Developments. At 31 March 2024, Thirteen Homes had a drawn balance of £10.6m (2023: £12.6m), of which £9.8m had been provided for within the association accounts. Gus Robinson Developments had a drawn balance of £8.7m (2023: £7.1m), which was fully provided for in the association accounts.

Financial review of 2024

Consolidated financial results – five year summary

Statement of comprehensive income (£'000)	2024	2023	2022	2021	2020
Turnover	207,305	197,959	192,211	181,365	185,657
Operating expenditure and cost of sales	(164,170)	(161,386)	(151,312)	(146,225)	(150,890)
Gain on disposal of housing assets	1,788	3,196	3,767	1,724	2,873
Operating surplus	**44,923**	**39,769**	**44,666**	**36,864**	**37,640**
Net interest charge	(13,731)	(15,191)	(16,016)	(15,510)	(11,728)
Impairment of goodwill	-	-	-	(1,708)	-
Revaluation of fixed and investment assets	(2,172)	(176)	219	-	(6,120)
Taxation	-	-	-	(311)	182
Surplus for the year	**29,020**	**24,402**	**28,869**	**19,335**	**19,974**

Statement of financial position (£'000)	2024	2023	2022	2021	2020
Housing properties	1,334,011	1,214,675	1,201,053	1,067,969	1,037,825
Other fixed assets	62,452	56,973	9,856	51,024	56,017
Total fixed assets	**1,396,463**	**1,271,648**	**1,210,909**	**1,118,993**	**1,093,842**
Net current assets/(liabilities)	64,994	(13,233)	31,199	90,834	80,804
Total assets less current liabilities	**1,461,457**	**1,258,415**	**1,242,108**	**1,209,827**	**1,174,646**
Creditors: amounts falling due after more than one year	(650,477)	(471,786)	(478,048)	(479,767)	(467,134)
Pensions liability	-	-	(68,237)	(97,277)	(71,206)
Total net assets	**810,980**	**786,629**	**695,823**	**632,783**	**636,306**
Revaluation reserve	254,803	258,005	261,498	272,080	275,709
Restricted reserve	438	438	438	438	920
Revenue reserve	555,739	528,186	433,887	360,265	359,677
Capital and reserves	**810,980**	**786,629**	**695,823**	**632,783**	**636,306**

Asset data	2024	2023	2022	2021	2020
Social housing stock owned at year end (no.)	34,983	34,579	34,288	32,994	32,907

What value for money means to Thirteen

For Thirteen, value for money (VFM) means ensuring we have the right balance between the social and business aspects of our work, while integrating and embedding a value for money ethos across all our activities.

We focus on driving change to add value and give the best outcome to our customers whilst maintaining the quality of our services. We recognise that cheapest is not always best, and the importance of balancing cost against quality and outcomes.

Through understanding our cost base and questioning and challenging how we deliver our services, we can release financial capacity to deliver our strategic objectives, meet legislative requirements and customer demands.

Our strategic plan sets out clear objectives and priorities for Thirteen. Challenging targets are set by the board and monitored through a suite of critical success key performance indicators, (KPIs). These KPIs are underpinned by operational KPIs for every area of activity and reviewed monthly to enable swift remedial action to be taken if necessary. As part of the financial planning process, the board also considers the impact of investment decisions on the Regulator of Social Housing (RSH) VFM metrics, with progress being monitored during the year.

Scrutiny of KPIs is also undertaken by our Customer Committee, in addition to 'deep dives' on specific service areas, enabling our customers to directly challenge and influence service delivery.

We utilise benchmarking to provide meaningful comparisons to similar organisations and enable us to better understand our performance and inform improvement plans. We use the global accounts published by the RSH as well as peer network groups, comparing both the RSH VFM metrics and other operational KPI's.

What we've achieved

During 2024 we continued to challenge our ways of working. We looked at how we deliver as well as how we procure services and manage contracts, to ensure we achieve the desired outcomes.

Examples of our achievements this year:

- Started to deliver investment works through our enhanced capital delivery framework, partnering with a range of pre-selected contractors, accessing competitive pricing for our investment programme.
- Successfully concluded revised loan covenant negotiations and accessed new sources of funding, avoiding potential future interest payments of £0.6m per year.
- Brought together colleagues from across the group to take targeted interventions in areas of highest debt. This enabled a pro-active approach to benefit take-up and employability advice, ensuring customers receive all the help they need to support their tenancy. This, combined with the use of AI to provide behavioural insights for income collection, has contributed to reducing rent debt to 2.9% of the rent available to collect. This has also supported customers in sustaining their tenancies, thereby reducing the number of void properties and saving on associated reletting costs. As a result, this releases cash to deliver and improve services.
- Reviewed our external support contracts and took the decision to end or not re-tender for contracts which do not provide sufficient added value to our customers or justify the cost of delivery. Where the outcome to the customer and Thirteen adds value, for example, in helping people into employment, providing support to sustain tenancies or supporting ex-offenders back into the community, we have extended or bid for new contracts.
- Implemented revised ways of working across several activities to enable us to redirect savings into more value-added services.
- Made changes to management and delivery of repairs and investment to bring skills together. This ensures a joined-up approach to decision making and delivery, and better informs future planning.
- Challenged our suppliers to drive down costs, delivering both short and long-term savings.
- Brought services in-house which, although it doesn't always deliver cost savings, has enabled us to focus on delivering the standard of service our customers expect.

In total, £6.1m has been released through cost savings and cost avoidance through doing things differently. By challenging ourselves and our partners to deliver services in the most cost-effective way, we have achieved the optimum outcomes.

As well as ensuring VFM through our robust procurement processes, we include a social value expectation on all tenders over £75k to help our suppliers work with us to make our communities better places to live.

What value for money means to Thirteen

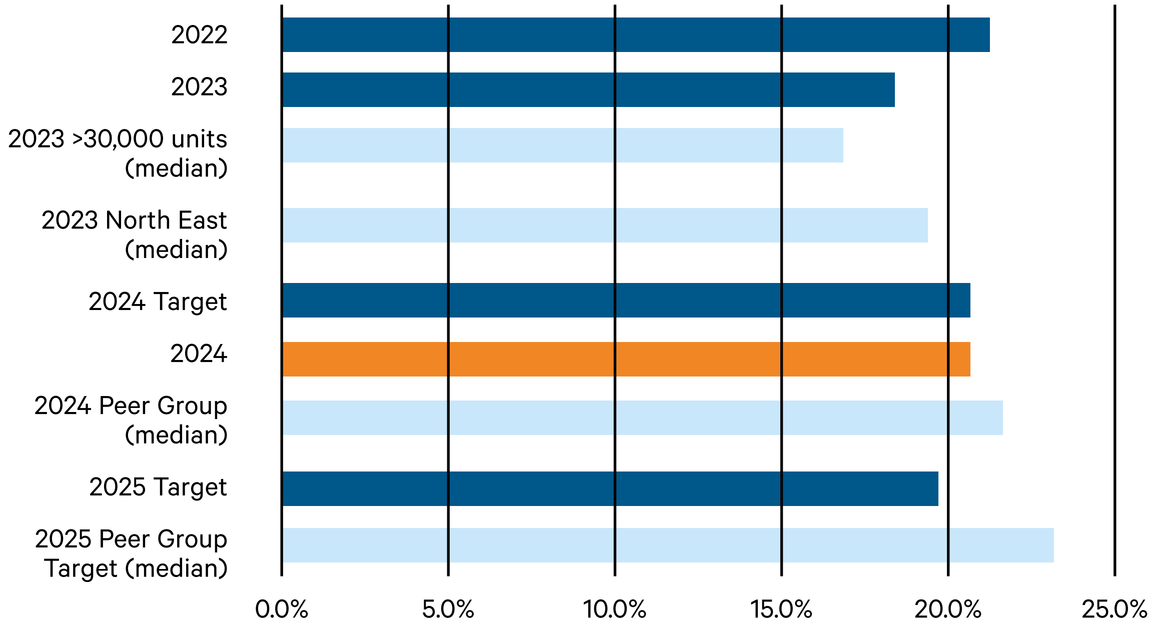
Understanding our performance

Our key financial metrics are those identified by the RSH, which enable us to benchmark our performance against our peers. When reviewing our performance, we look at how we're performing in the current year, with an awareness of the past and an eye to the future, so we can understand our journey and have clear plans of where we want to be.

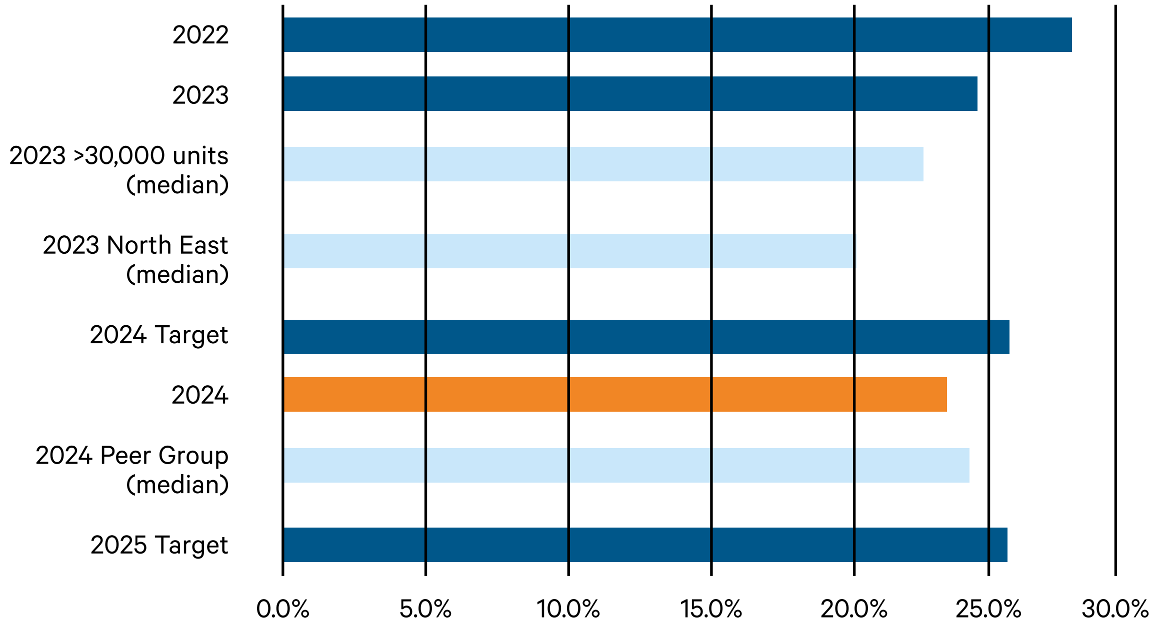
Business health

The group's business health is demonstrated by stable and consistent performance along with strong margins and interest cover. Margins for 2023/24 were slightly below target due to the high demand on our repairs service. Despite this, our performance was higher than in the previous year and is consistent with our peers. EBITDA MRI interest cover has shown a planned reduction over recent years as we increase investment in our properties whilst retaining significant headroom to our golden rule and continuing to show positive performance against our peers. Looking ahead, we expect margins to decrease as we increase investment in our stock and continue striving to meet the ongoing high demand and expectations of our customers. In the longer term, we expect EBITDA MRI interest cover to reduce further as we use financial headroom to increase investment in our homes, including accelerating progress towards EPC C and net zero targets, a trend which is consistent with our peer group.

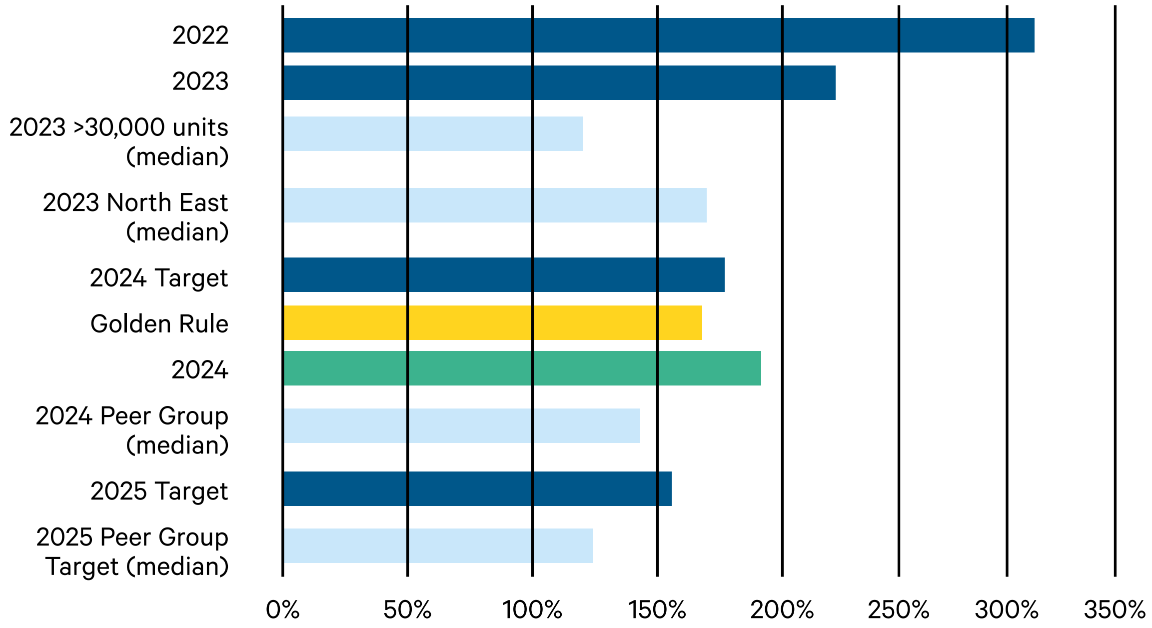
Operating margin



Operating margin - Social housing lettings



EBITDA MRI interest cover



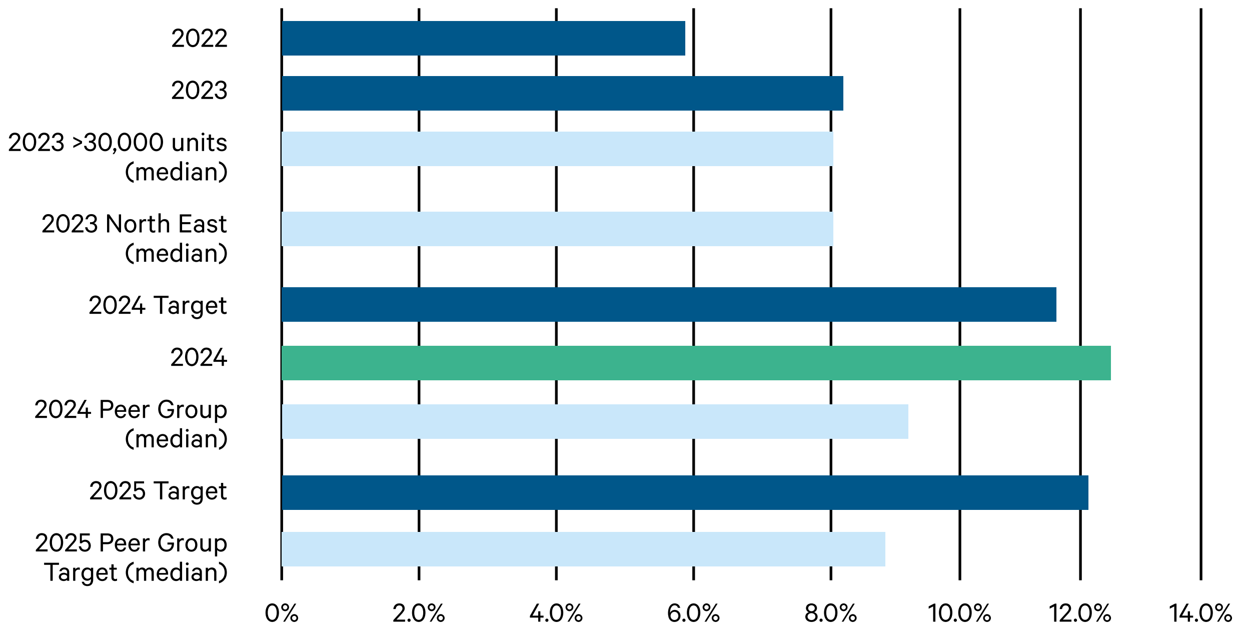
What value for money means to Thirteen

New supply and investment

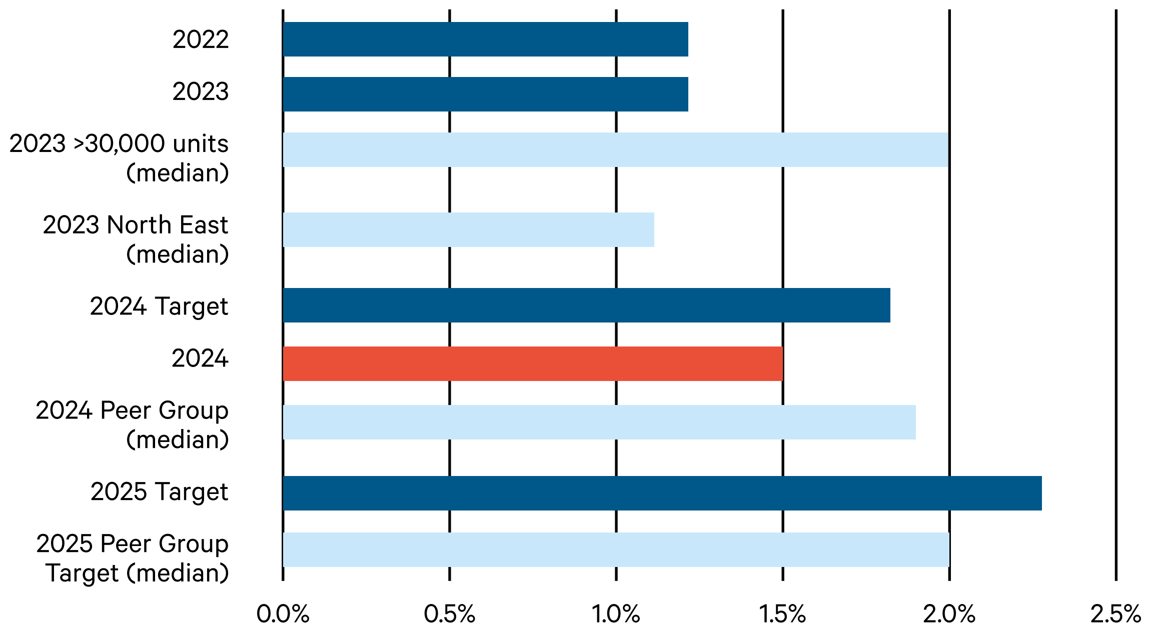
During 2023/24 we continued delivery of our development programme, again exceeding our performance in recent years. We achieved 86.6% of our property completions, totalling 542 completions in the year for affordable rent and low-cost home ownership. Delivery was affected by challenging market conditions with slower than expected delivery on several schemes, including a delay on a key strategic site of 97 homes at Amberley and Harrogate in Sunderland. To meet customer demand for affordable homes, we will continue with our ambitious development programme in future years, aiming to deliver 650 in 2024/25 and 1,861 over the next five years.

Investment in new homes needs to be balanced with the necessary investment in our existing properties to give our customers the quality of home they expect, which is safe and affordable to run. We will continue to increase investment in existing homes as we work towards the government's environmental targets and make sure our assets are protected and fit for the future. This investment raises gearing, but we are consistently lower than our peers, demonstrating that we have capacity to deliver our investment and development plans.

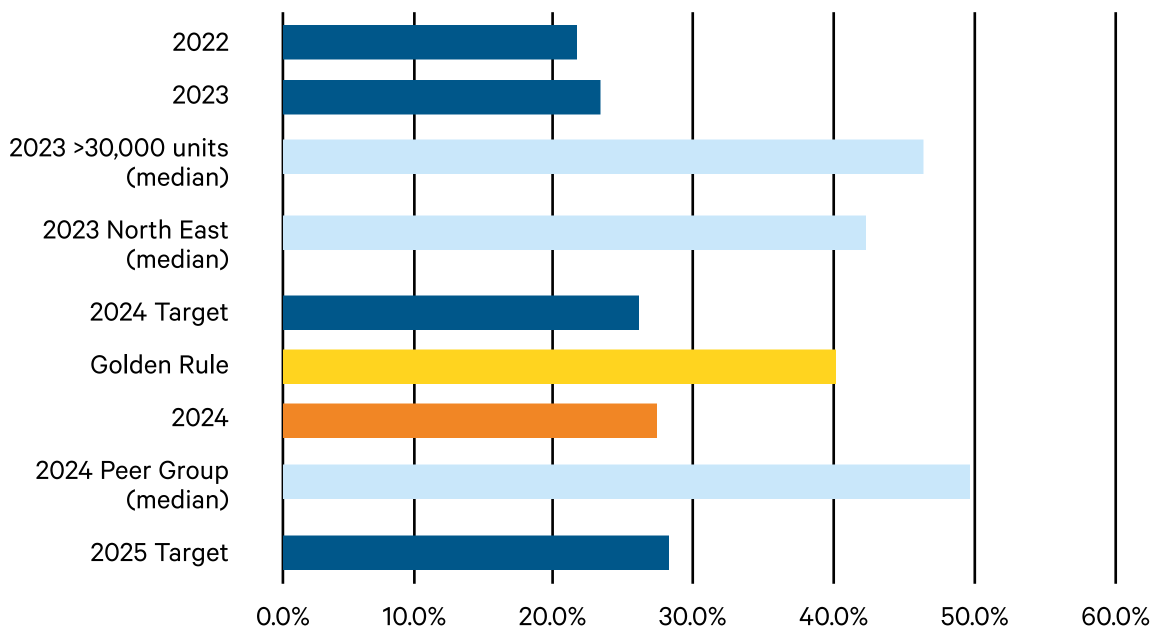
Reinvestment



New supply - Social housing



Gearing

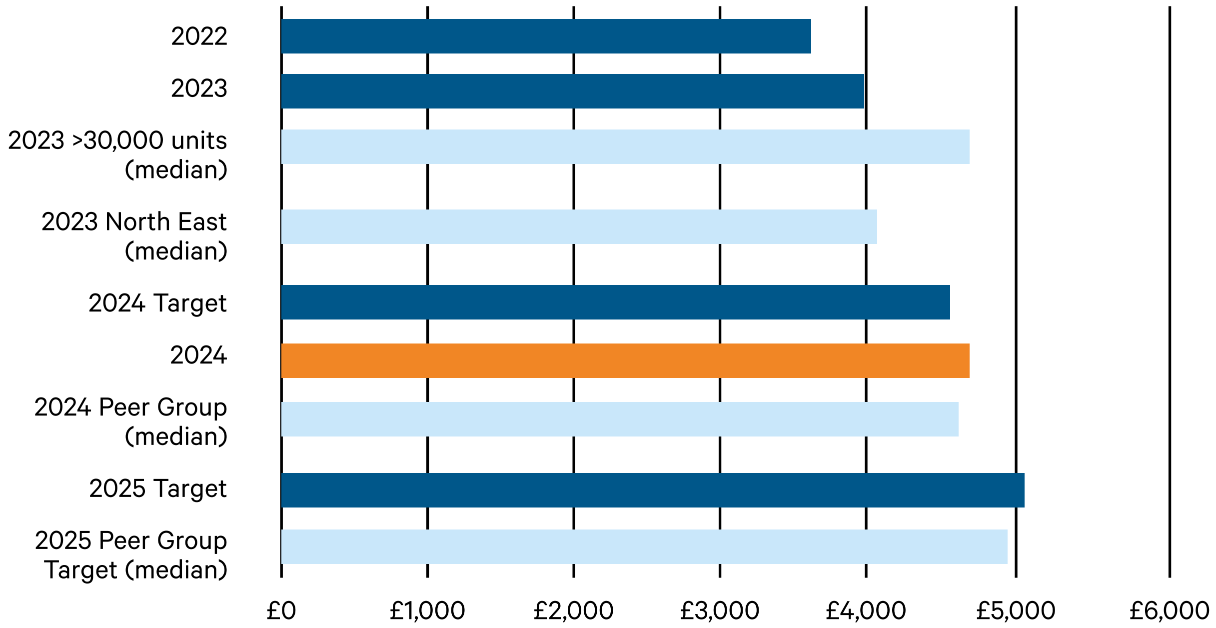


What value for money means to Thirteen

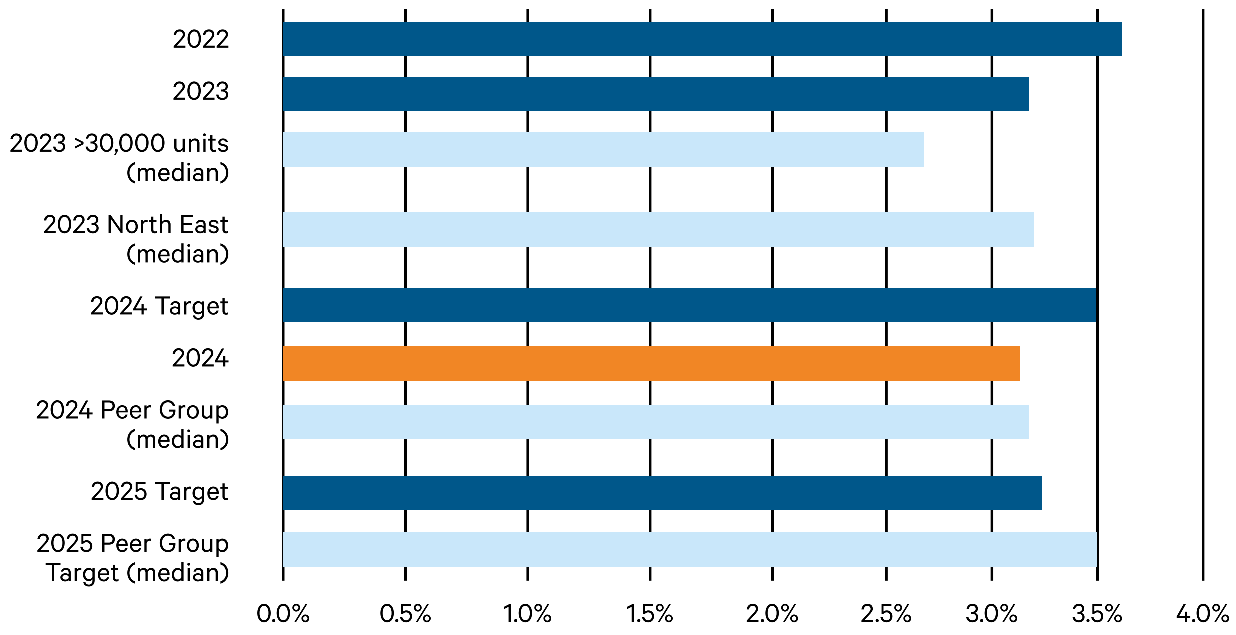
Operating activity

Social housing cost per unit (CPU) has increased over the previous year, which, in part, is due to our planned increase in major investment. We continued to experience similar trends to the previous year with a further rise in demand for our repairs service, along with the continuing impact of high inflation. Delivery of our major investment programme was behind target as we focused our resources on addressing customer-led works, including damp and mould risks to ensure the safety of our customers. Return on capital employed was lower than targeted due to an increase in development spend over original plans. Return on capital employed remains comparable to prior years and our peers.

Headline social housing cost per unit

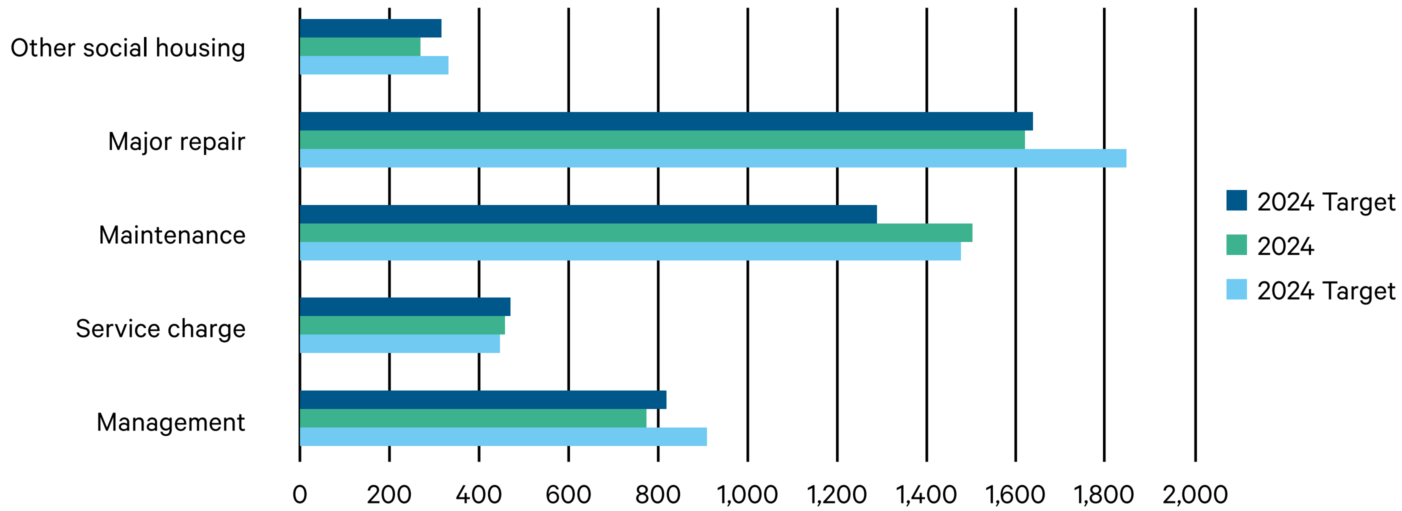


Return on capital employed



To better understand our costs per unit, we break this cost down further:

Cost per unit



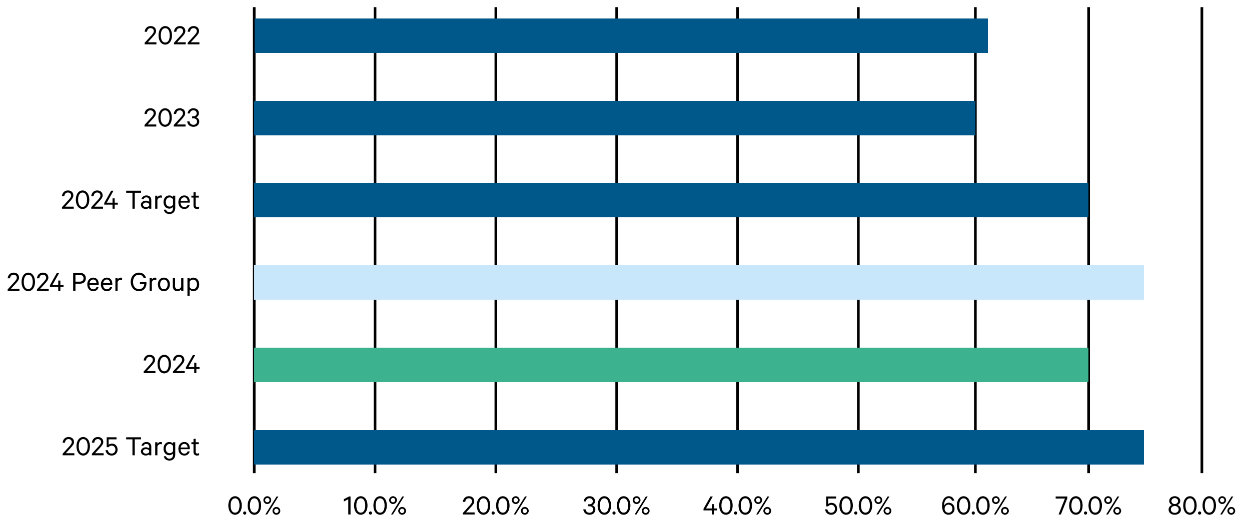
Performance for 2023/24 in all categories was above target, other than maintenance costs which we can attribute to the high levels of demand. Looking forward to 2024/25, costs are forecast to increase, particularly maintenance and major repair costs. This reflects the rising cost and demand for responsive repairs, a continued focus on customer safety through damp and mould works, and increased investment in our existing homes.

What value for money means to Thirteen

Operational

We also monitor and record several other KPIs to help us assess our performance and success against our strategic objectives and priorities. The KPIs are indicative of the delivery of a VFM service. We make use of our membership of the Vantage Benchmarking Club, to compare our performance against our peers, share best practice and identify where we can improve.

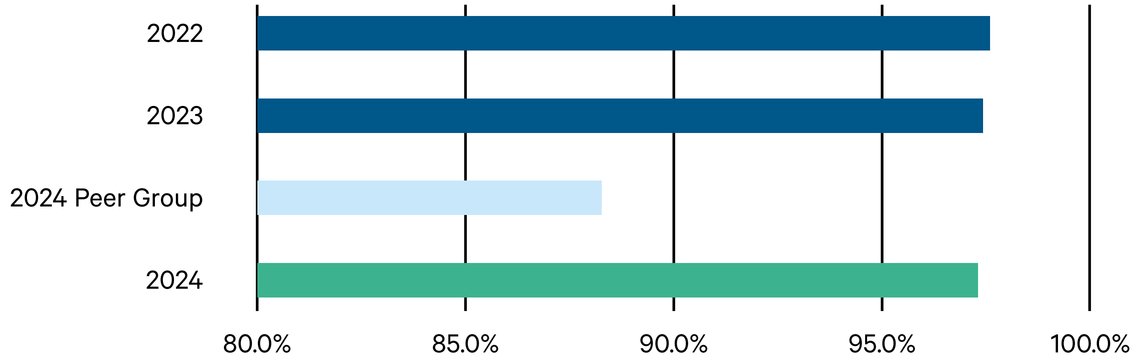
% Homes with an energy rating of C or above



Monitoring our progress toward the government's environmental target of having all homes reach a minimum EPC C rating by 2035 remains a key indicator for us. As a VFM measure, it is crucial for our customers, who deserve safe, warm, and affordable homes, especially in these economically challenging times.

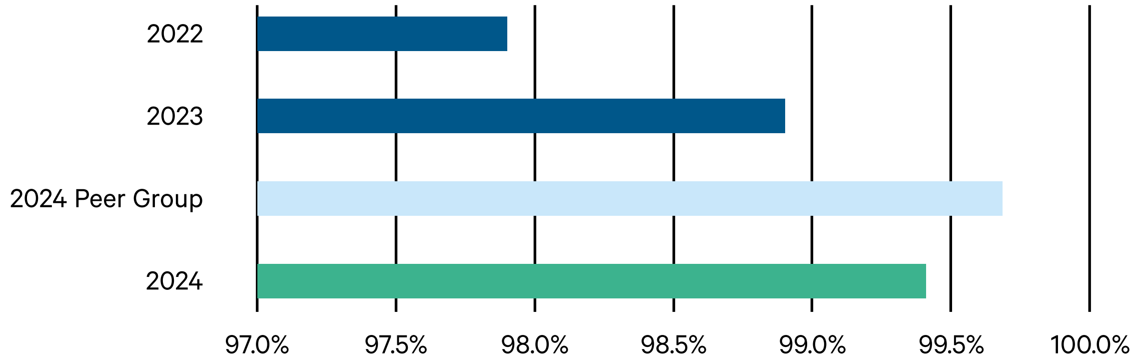
We met our target in 2023/24 and are continually expanding our knowledge of evolving technologies to inform our financial planning and ensure we can achieve this goal. While we are currently behind our peers in the Vantage Benchmarking Club on this measure, we are making steady year-on-year improvements.

Responsive repairs completed at first visit



Getting a repair 'right first time' is an indicator of how efficient our repairs service is, and we monitor this closely to reduce time wasted on return visits, for both ourselves and our customers. We are pleased that we have maintained a consistent level of service over recent years and perform well against our peers.

% rent collected



Despite the challenges facing our customers, we are pleased that we have not only maintained our excellent rent collection performance but improved it each year, for the last three years. Benchmarking shows that we are still behind our peers on this KPI, so we will continue to work to maximise income collection. This approach ensures we have the financial resources needed to fund services to our customers and invest in our homes. At the same time, we remain committed to supporting customers who are facing financial difficulties.

What value for money means to Thirteen

What we want to achieve

We recognise that the economic environment remains challenging, especially at a time when demand for our services is higher than ever and financial capacity is limited. Delivery of VFM services therefore remains at the forefront of our objectives and future plans. We will focus on making better use of IT solutions and automation and will soon be starting a transformation project led by our newly appointed chief information and technology officer. Whilst this will require initial investment, the long-term benefit of an 'invest to save' strategy will deliver more efficient and effective value-added services.

Whilst cost savings are important, optimum service delivery to improve outcomes for customers is just as essential. We are therefore extending our in-house repairs team to reduce reliance upon subcontractors, provide increased flexibility and responsiveness in the delivery of repairs and improve outcomes for customers.

Acknowledging the significant impact service charges have on many of our customers, we are undertaking a comprehensive review of all service charges. This review aims to ensure that the services provided are both cost-effective and meet the quality and level of service our customers need.

Effective financial planning will ensure we clearly understand the resources available to deliver our objectives. We will continue to work with our peers to identify best practice and explore purchasing opportunities to release economies of scale.

How we deliver social value

> The report highlights that nearly all our homes are offered with secure tenancies, ensuring security of tenure. We are making a positive impact on people's lives by enhancing their ability to find work, access both informal and formal local support networks and services, and build stable family lives.

For Thirteen, social value is about increasing the social, economic and environmental wellbeing of the people we work for and the communities we work in.

Our Environmental, Social and Governance (ESG) reporting approach was developed based on a review of existing ESG investor questionnaires and workshops, in collaboration with subject matter experts, including partner investors, housing associations, and wider consultation. By adopting a sector-wide reporting standard that addresses the most significant social, economic and environmental issues, we can begin to evidence not only the impact of Thirteen's efforts but also those of our entire sector. **Read our 2023 ESG report.**

At its most basic, the report highlights that nearly all of our homes are offered with secure tenancies, which ensures security of tenure and makes a difference to people's lives and ability to find work, access informal and formal local support networks and services, and build family lives.. Key findings include:

- More than 98.8% of our homes are provided at social or affordable rent.
- We continue to provide social homes at a significant discount when compared with the Local Housing Allowance (LHA). For example, as quoted in the 2022/23 ESG report, LHA for a three-bedroom house is £155.30 per week, compared to £94.15 per week for a Thirteen property.
- Our homes are safe, in respect of gas and fire safety.
- Apart from a small number of exceptions, our homes meet the decent homes standard, and we have agreed and published investment plans.
- Our customers can hold management to account.
- We provide a wide range of support for customers.
- We are supporting wider communities through our community resilience strategy and this support is targeted to those communities who need it most.

- We report on our Scope 1, 2 and 3 emissions and are taking action to reduce these.
- We are making progress on reporting biodiversity criteria.
- We are well governed, in respect of the National Housing Federation (NHF) code, risk management, the board and colleague wellbeing.
- We are a good employer, for example, we match ourselves against the Living Wage and we provide support for all colleagues.
- Assessing social value is built into our procurement process and we are using our financial strength to deliver social value outcomes linked to our objectives.

We recognise that explaining what we mean by social value and demonstrating what we are delivering is sometimes difficult. Feedback from colleagues and our customers suggests that this is best done by explaining the difference we are making through tangible outcomes. We have adopted the National Themes, Outcomes and Measures (TOMs) Social Value Measurement Framework within our procurement process. Social value accounts for 10% of the scoring for all tenders.

This methodology has now been successfully applied to a range of contracts including our tax and audit partners, who as part of their social value commitment, will be supporting the community resilience team to mentor young people.

How we deliver social value

In 2023/24 we delivered:

Social and local economic value, (calculated through TOMs)	£6m
FTE employed or retained directly through our contractors	112
Apprenticeship weeks delivered	656
Engagement with education providers (six schools, one university and one college)	8
Mental health training and support delivered by contractors to staff employed by contractors	50 staff
Mental health campaigns delivered to staff employed by contractors	£5,000
Volunteer hours provided by the contractors to Thirteen projects	125
Donations made in support of community projects	£12,268

Social value is more than just a series of outputs and we use the Housing Associations Charitable Trust (HACT) calculator and TOMs, to translate some of the outputs into the equivalent proxy, monetary value. This is a universal language which is understood by many of our partners, commissioners and funders. Key deliverables using this approach include:

- Our employability services supported over 1,159 people during the year, including 597 into jobs, eight into education, 244 into training and 42 into community groups/volunteering, delivering a total social value of £4.6m.
- Over 433 colleagues have volunteered 1,543 hours of their time delivering a social value of £25,000.

Our turnover of £208m in 2023/24 delivered gross value added (GVA) impact of our activities of £194m in the North East and £258m in the UK[1]. By building 542 new homes for affordable rent and low-cost home ownership we contributed £58m of GVA to the North East and £65m to the UK. Over £116m (66%) of our total spend through procurement is spent locally, accounting for 89% of all spend on our housing assets.

[1]Local Economic Impact Calculator (LEIC) NHF 2021

Our colleagues

> We have continued to enhance our talent management approach by incorporating feedback from our colleagues. Our goal is to ensure we have the right skills in the right places at the right times to achieve the best outcomes for our customers.

Our aim at Thirteen is to provide a great place to work, so that we can attract, develop and retain the best people to deliver exceptional outcomes for our customers.

Our focus this year has been to understand whether our culture is supporting this. We took time to pause, reflect and support colleagues to feel better connected to our customers. We have also spent time with colleagues from across the group to review and refresh our vision, mission and values, alongside our strategic priorities. In February 2024, we gained approval from the board to use these moving forward.

To attract, develop, and retain individuals who embody our values—accountability, proactivity, courage, and consideration —we must cultivate a brilliant culture, ensure our colleagues possess the right skills, and offer appropriate rewards. Additionally, it's crucial to maintain an inclusive workplace and establish strong foundations to achieve these goals.

A brilliant culture

With the support of our newly created culture working group and the findings of the recent colleague survey, we have been able to identify the areas of our culture that could be improved. Using this feedback, we will review our operating model over the next year to ensure we are organised most effectively to achieve our vision. We will implement a culture re-energising programme to ensure our revised vision and mission are understood and that our behaviours and values are integrated into our work. Simultaneously, we will develop a new people strategy to support every stage of our colleague lifecycle. We will improve access to flexible ways of working, balancing workload demands and improve consistency in messaging across the organisation, alongside recognition for a job well done. Our current eNPS score is +11 and we aim to improve on this in the coming year.

The right skills

We have continued to enhance our talent management approach by incorporating feedback from our colleagues. Our goal is to ensure we have the right skills in the right places at the right times to achieve the best outcomes for our customers.

To deliver this approach we have developed a strategic workforce plan along with tactical workforce planning to enable us to mitigate risks on our most critical roles. We will also consider how our apprentice and graduate programmes contribute to longer term succession planning.

We are pleased that we have retained the IIP gold standard following an assessment in December 2023.

Rewarding great people

To retain and attract great people, we ensure that our offer is both attractive and affordable, supporting our colleagues through the cost-of-living crisis with competitive salaries and pay awards. Alongside this, we offer additional benefits such as healthcare, 'T'Dar' our retail benefits scheme, and access to a defined contribution pension scheme. We are committed to reviewing our reward offer including how we improve access to flexible working arrangements across the group.

Ensuring we have an inclusive workplace

We hold a bronze award for the use of the Talent, Inclusion and Diversity Evaluation (TIDE) self-assessment tool to support an inclusive culture with focus on four main areas: our workforce, strategy and plan, leadership and accountability, and recruitment and attraction. To support inclusivity in recruitment we support candidates through the process, including increased awareness of neurodiversity and our continued subscription to the Disability Confident standard.

We maintained our median corporate gender pay gap at 3% (2022: 3%) and will continue to report internally on our ethnicity pay gap. We have continued to support an inclusive lived experience at work, through the continuation of our LGBT and menopause groups, and started to consider how we can assist our neurodiverse colleagues. In 2024/25 we will launch our multi-cultural group and complete a review of our equality and diversity strategy to ensure that we focus our efforts in the right areas, and in doing so, increase the diversity of our workforce at all levels of the organisation.

In preparation of the new regulatory requirements of housing associations, we have also worked with our front-line colleagues to better understand the diversity of our customers. This will enable us to develop personalised inclusivity training for colleagues to improve customer experience.

During the year, we launched a proactive trauma support service called TRiM (Trauma Risk incident Management). TRiM is a specially trained peer-led support and signposting service for colleagues who experience workplace trauma. Our mental health advocates continue to provide an online and in-person presence offering general support and signposting for colleagues, in addition to arranging campaigns to tackle the stigma that exists around mental health.

Sickness absence during the year was below the target of 12.5 days lost per employee at 11.9 days (2023: 12.1 days). Over the coming year we will be focusing on the top three reasons for sickness absence, non-work-related stress, hospitalisation and musculoskeletal injuries, to understand and support our colleagues and reduce absence further.

Streamlined energy and carbon report

> We are looking at what needs to be done to deliver sustainable homes which are fit for the future and right for our customers. We will also discover how we can add value through initiatives like tackling fuel poverty whilst we continually educate our customers and colleagues.

At Thirteen we are committed to reducing our environmental impacts and carbon footprint. Measuring and setting targets to reduce our carbon footprint is key to achieving this, as it provides us with an understanding of the emissions from our business activities and will help focus our efforts to reduce our impacts in the future.

To achieve a reduction in our environmental impacts we need to consider the bigger picture and how this impacts our customers, homes and business. We are looking at what needs to be done to deliver sustainable homes which are fit for the future and right for our customers. We will also discover how we can add value through initiatives like tackling fuel poverty whilst we continually educate our customers and colleagues. We will be looking at how we can reduce emissions from service delivery, from the energy we purchase, the way we travel and the materials we use.

The development of our approach will see everyone at Thirteen taking responsibility for reducing their impacts and will help us achieve our goals of becoming a much greener organisation.

Results

		Emissions in tCO2e				
		2023/24	2022/23	2021/22	2020/21	2019/20
Scope 1 emissions	Gas	1,001	968	1,173	1,156	1,245
	Fleet fuel	1,491	1,340	1,417	1,356	1,596
	Fluorinated gas	318	129	0	46	19
Scope 2 emissions	Purchased electricity	1,391	1,489	1,514	1,859	2,221
Total direct emissions		**4,201**	**3,926**	**4,104**	**4,417**	**5,081**
Scope 3 emissions	Business mileage	173	148	103	99	262
	Amenity gas	1,628	1,683	1,678	1,717	1,737
	Amenity electricity	100	133	69	147	126
Total indirect emissions		**1,901**	**1,964**	**1,850**	**1,963**	**2,125**
Total emissions		**6,102**	**5,890**	**5,954**	**6,380**	**7,206**
Annual energy consumption in kWh		**28,402,533**	**28,760,057**	**30,370,985**	**30,272,155**	**33,026,894**
Intensity ratios	tCO2e/£MT	**29.4**	**29.8**	**31.0**	**35.2**	**38.9**
	tCO2e/FTE	**4.1**	**4.1**	**4.2**	**4.3**	**4.7**
Reduction from base year (2019/20)						
	tCO2e/£MT	24.4%	23.4%	20.3%	9.5%	
	tCO2e/FTE	12.8%	12.8%	10.6%	8.5%	

The group's carbon footprint is measured against the prior year's performance and the baseline year (2020). Direct carbon emissions (Scope 1 and 2) have increased 7% in the year giving an overall decrease of 17.3% from the base year. This is due to an increase in fleet fuel emissions and fluorinated gas from air conditioning within commercial properties. Electricity emissions have decreased against both the baseline and the previous year. We are in the process of piloting electric vehicles within Thirteen's fleet to gain and understanding of how we would transition to an entirely green fleet. This will further reduce Thirteen's Scope 1 emissions.

When Scope 3 is added into the calculation, the group's total emissions have reduced by 15.3% in 2023/24 compared to the baseline and increased by 3.6% from the previous year. The development of a Thirteen Net Zero Strategy provides us with a clear and defined approach to deliver our commitments to reduce environmental impacts and net zero delivery for our customers, our homes and our business. We will continue to build on the success of our Take Control approach to underpinning environmental change.

Streamlined energy and carbon report

Methodology:

Thirteen Group's carbon footprint has been calculated in line with the Government Streamline Carbon Emissions Reporting guidelines through an operational control approach. The date period is 1 April 2023 to 31 March 2024 and includes all Scope 1 and 2 emissions within the operational control of Thirteen Group. Scope 3 emissions for car business travel undertaken by colleagues and amenity energy use in multi-occupancy buildings used by our customers have also been included. We adopted this methodology in line with the Greenhouse Gas Protocol[1] and the BEIS Environmental Reporting Guidelines[2]. The calculations were completed on the SmartCarbon™ Calculator[3] using the UK Government's emissions factors[4].

Estimations and exclusions:

Energy Angels Voids Data: this is currently being analysed for anomalies in the data recording. This is a process that will improve data quality for future footprint reporting. An assumption has been made using the data we have received. The data also excludes Gus Robinson Development direct emissions from all years as it no longer undertakes construction activity for Thirteen.

Energy efficiency measures taken and planned:

969,000 kWh of energy was produced via photovoltaic panels on our office buildings and domestic properties, preventing the emission of 200.6 tCO_2e within 2023/24. The development of our approach to reduce our environmental impacts and carbon footprint will set the direction for further energy efficiency measures. We have set our target to be net zero on our direct Scope 1 and 2 emissions by 2035. Our target for net zero emissions including Scope 3 is 2050. Our commitment is outlined in priority four of our strategic plan, which gives further details on how we will deliver against these targets.

Carbon offsetting:

Through a partnership with Forest Carbon, Thirteen has purchased 2,362 trees across 1.02 hectares of new woodland on the outskirts of Crook in Durham, named St Jon's Wood. From the growth of these trees, Thirteen has purchased a potential 727 tonnes of carbon capture credits. This equates to 16.8% of Thirteen's Scope 1 and 2 emissions for the year of 2020/21. These credits are registered and independently audited in line with the Woodland Carbon Code.

References:

1. The GHG Protocol Corporate Accounting and Reporting Standard. Revised Edition (2015) World Resource Institute and World Business Council for Sustainable Development.
2. Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance (March 2019) UK Government Department for Business, Environment and Industrial Strategy.
3. SmartCarbon Calculator: **https://www.smartcarboncalculator.com/**
4. Greenhouse gas reporting: conversion factors 2023 - Full set (for advanced users). More at this link: **https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023**

Looking to the future

Our strategy is focussed on delivering the best for our customers, recognising that this requires maintaining the highest quality homes and having the right people who align with our values.

Our aim and our key measure of performance is to make our customers happy. Based on the new TSMs, nearly eight in 10 customers are currently satisfied with Thirteen, and a large majority of those customers are very satisfied. But we know there is always room to improve on this.

Foundation one – happy customers

We've had great feedback from our customers about our services and how they can access them. We'll continue to make even more great changes by offering various ways to contact us, making services more local and enhance their all-round experience. Our ongoing ethos aims to put neighbourhoods and our customers at the heart of everything we do, to create an even bigger impact on our communities and give customers a greater voice. We will treat every customer as an individual and build relationships throughout their interactions with us. We'll offer customers a choice to deliver a service at a time and speed that suits them – true convenient access.

Our aims:

Strategic priorities	Our objectives for 2024/25	Our ambition for 2030	Our ambition for 2035
Knowing our customers	We are actively listening to our customers, ensuring customers are kept safe and services are tailored to meet expectations.	All elements of our approach to understanding customers are clear and transparent.	Our customers trust us to listen to them, understand them, keep them safe and act on their needs.
Enhancing customer experience	All our services are easily accessible and easy to use.	Customer satisfaction is being improved by better speed, responsiveness and communication.	Our customers are delighted and tell others about their great experience.
Working with partners	We influence our partners to work collaboratively, to deliver what matters most for our customers.	We have a robust partner engagement plan in place and partners help us to deliver our strategic aims.	Our partners see us as an anchor institution and partner of trust.

Key transformational activity to help us get there:	Key measures:
Strategic programme one Deliver a single view of customers for Thirteen. **Strategic programme two** Customer centric service delivery.	Including compliance measures, providing assurance.

Looking to the future

Foundation two – fantastic homes

Ensuring our homes are safe and suitable for the customers living in them is our main priority. We have a successful track record of understanding the needs of our properties and prioritising investment in our existing homes and neighbourhoods to meet the needs of the communities we serve. We're committed to continuing to raise standards by enhancing the quality of our homes and improving energy efficiency, whilst being a key partner in driving regeneration and delivering new affordable homes to diversify our offer. We will do this by ensuring we have the right data to make the right decisions about how and where we invest and build.

Our aims:

Strategic priorities	Our objectives for 2024/25	Our ambition for 2030	Our ambition for 2035
Investing in our homes	We will set out plans to define our home and safety standard and approach to the assessment of all our existing and new homes.	Our maintenance and investment plans deliver the greatest impact for customers.	Our homes are all quality and safe places to live and have a positive impact on our customers' lives.
Developing for our customer needs	We are continuing to deliver our development strategy and are defining our vision for regeneration.	We are building great quality homes and regenerating communities to meet their changing needs.	We have a reputation for enhancing the economic and social value of thriving local communities.
Growing the offer	Our appetite for growth and approach to mergers and acquisitions and business change is defined.	We are actively targeting new growth hubs and executing our quality approach to growth.	We have a track record of growth and are regularly engaged in growth opportunities.
Looking after the environment	We have agreed our priorities and our road map to net zero.	Our sustainability strategy is delivering visible improvements for our business and customers.	We have an environmentally sustainable business.

Key transformational activity to help us get there:	Key measures:
Strategic programme three Property 360. **Strategic programme four** Investing in properties and communities.	Including compliance measures, providing assurance.

Foundation three – brilliant people

Our people are the key to success in all these plans and we have refreshed our mission and values to reinforce our direction of travel. We invest in our people and are creating a supportive and inclusive culture to enable colleagues and customers to thrive. We want to stay ahead of challenges, so we have a clear drive to transform our systems and ways of working that equip colleagues with the right skills, technology and support to do a great job for our customers. Data is a critical asset for any business, and ensuring its security and integrity is fundamental to leveraging its full potential.

We are in a strong financial position and have renegotiated arrangements to ensure we have enough capacity to deliver our ambitious plans. We have robust processes in place to provide strong assurance to the board, our partners and funders so we continue to be a successful business.

Our aims:

Strategic priorities	Our objectives for 2024/25	Our ambition for 2030	Our ambition for 2035
Strong foundations	We are clear on our priorities and have governance in place to ensure we have capacity to deliver our business plan and remain safe and compliant.	We are seeing transformation to ensure we are in a strong position to deliver for customers and colleagues.	We are a well governed, innovative, secure and digitally enabled organisation with strong financials.
Our brilliant culture	We have listened to feedback and implemented actions to enhance colleague experience.	Our culture is embedded and showing tangible results for customer satisfaction.	Colleagues feel respected, appreciated and valued and our culture is delivering for our customers.
Right skills to deliver for our customers	We know where our skills gaps are and have a plan in place to address them.	Our strategic workforce plan is successful, and people feel supported to be the best they can be.	We are known for investing in people to have the right skills to deliver for our customers.
Rewarding great people	Colleagues are clear about what is expected of them and are supported to achieve.	Our approach to talent, succession, performance and reward motivates and empowers people.	Our people are all passionate ambassadors of Thirteen as a great place to work.
Inclusive workplace	Our ED&I approach is in place, and we are clear on what we need to do.	Our organisation is a welcoming place to work where all colleagues are valued and feel respected.	We are an inclusive organisation that successfully attracts and retains brilliant people.

Key transformational activity to help us get there:	Key measures:
Strategic programme five Culture programme.	Including compliance measures, providing assurance.

Financing our priorities

> Whilst we are clear on our priorities, we recognise that we need to remain adaptable and flex the plan where necessary to respond to changing conditions in our environment.

We recognise that the economic environment for both ourselves and our customers will continue to be challenging in the coming years, with ongoing inflationary pressures and the requirement to invest more in our customer services and property condition than ever before.

With this in mind, we have set a challenging but robust budget for the coming year. Growth through our development strategy will continue and we intend to deliver 1,861 new homes over the next five years to meet the strong demand for affordable housing in Teesside and our other operating areas. We also continue to prioritise damp and mould eradication work to ensure our customers have safe homes to live in. The board approved an updated financial plan in June 2024 which demonstrates we have the resources in the coming years to deliver our strategic objectives, environmental obligations and protect our property assets, whilst continuing to provide the services our customers require.

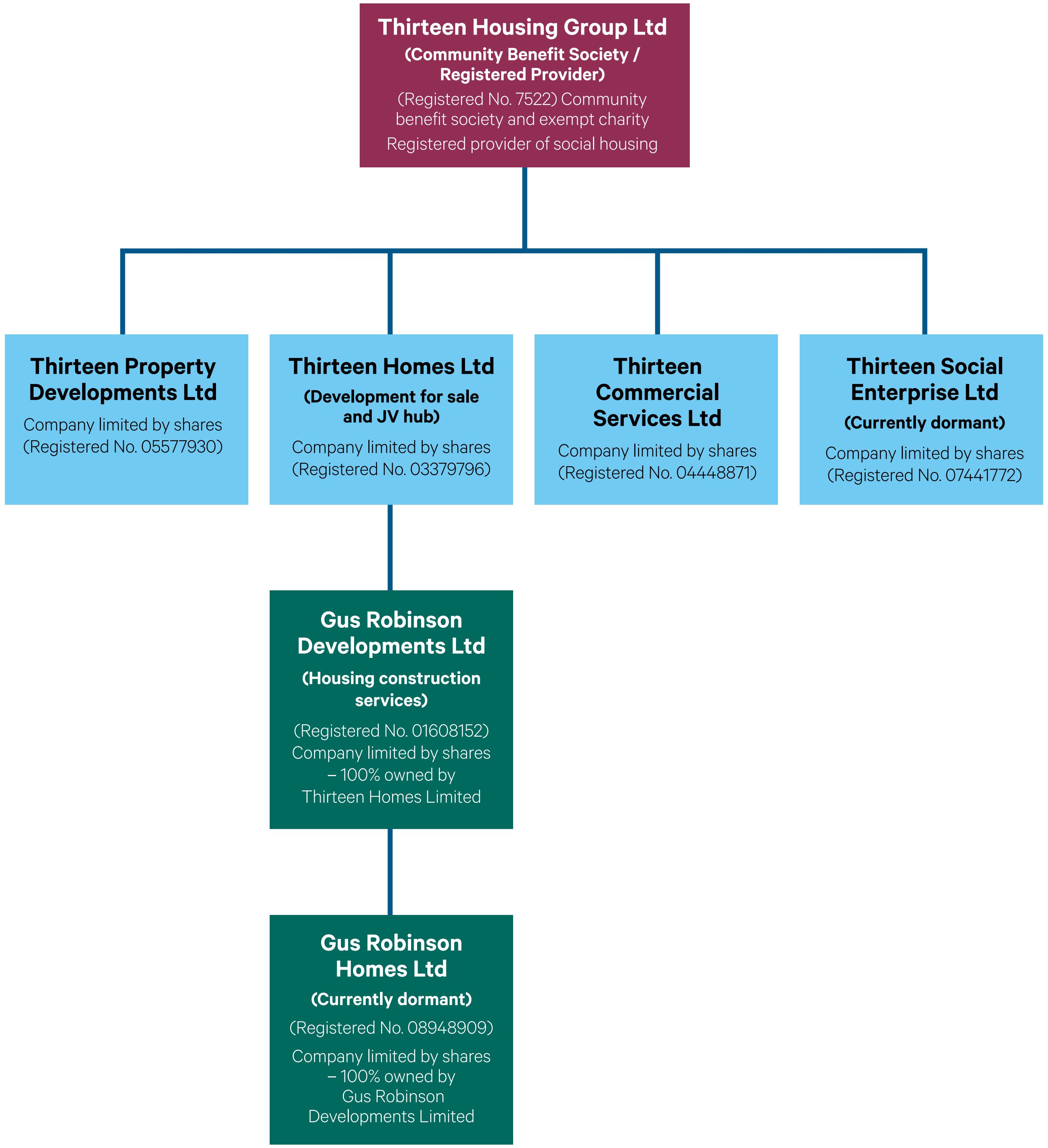
Our financial metrics compare favourably to our sector peer group, but we still need to be clear on how we allocate our financial capacity to achieve our priorities fully. We need to ensure that we make the best possible use of the resources available to us. We have successfully renegotiated our financial covenants to ensure that we have the financial capacity required to deliver on our competing priorities throughout this strategic plan and beyond. In 2024/25 we will be investing £314m into delivering our three foundations and over the next five years, this investment will total £1.3bn. To deliver the level of investment planned within our homes, customers and people, we will need to continue to secure the necessary funding that is critical for the delivery of our ambition. To maximise funding available to the group, we will continue to explore innovative finance mechanisms to enhance certainty over long term cost of funding and ensure the effective use of property assets as security. To ensure financial and funding sustainability, we will maintain robust financial management practices underpinned by key metrics such as EBITDA-MRI interest cover, margin and leverage.

Whilst we are clear on our priorities, we recognise that we need to remain adaptable and flex the plan where necessary to respond to changing conditions in our environment. We will ensure key risks are managed and continue to listen and respond to the changing needs of our customers.

Our V1 rating, confirmed by the RSH in January 2024, demonstrates our financial resilience with the financial capacity to deal with a range of adverse scenarios.

Our governance arrangements

The group consists of a parent association with a number of subsidiary companies.



Thirteen Housing Group Limited

Thirteen is a community benefit society registered with the Financial Conduct Authority and a social housing provider registered with the RSH. Thirteen is the parent organisation and landlord of the group and owns all group assets. Its principal activities are managing social housing, developing affordable homes and providing housing-related support and employability services.

Thirteen Commercial Services Limited

Thirteen Commercial Services is a private limited company registered at Companies House and is a wholly owned subsidiary of Thirteen. The main activities of Thirteen Commercial Services relate to lettings and management of commercial and non-social properties on behalf of Thirteen.

Thirteen Homes Limited

Thirteen Homes is a private limited company registered at Companies House and a wholly owned subsidiary of Thirteen. Thirteen Homes is responsible for the delivery of new homes for sale.

Thirteen Property Development Limited

Thirteen Property Development is a private limited company registered at Companies House and a wholly owned subsidiary of Thirteen. The company is responsible for contracting new home delivery for Thirteen.

Thirteen Social Enterprises Limited

Thirteen Social Enterprises is a private limited company registered at Companies House. The company has been dormant throughout the year and remains dormant.

Gus Robinson Developments Limited

Gus Robinson Developments is a private limited company registered at Companies House. It is a subsidiary of Thirteen Homes and is being wound up to reduce overall risk to the group.

Gus Robinson Homes Limited

Gus Robinson Homes is a private limited company registered at Companies House and a subsidiary of Gus Robinson Developments. The company has been dormant throughout the year and remains dormant.

The Thirteen Board

The Thirteen Board is committed to achieving the highest standards of corporate governance in its oversight of the delivery of Thirteen's strategic plan and priorities, risk management, values and ethics. During the financial year, we followed corporate governance best practice and complied with the NHF Code of Governance 2020.

A board of 11 non-executive directors and one executive director (the chief executive) currently governs the group, supported by five committees, remuneration, audit and risk, finance, and development and investment and customer, with day-to-day management delegated to the executive team. The chairs of each of the five committees hold positions as non-executive directors on the Thirteen Board, with the balance made up of six independent non-executive directors, including the Chair of Thirteen. During the year, membership of Thirteen Homes and Gus Robinson Developments was reduced to one director with oversight now delegated to the Development and Investment Committee.

The chief executive becomes a board member at the start of employment.

All board directors within Thirteen Group have been appointed, with the support of an external consultant, to achieve a complementary blend of skills, experience and diversity to ensure that the boards possess the necessary competencies to carry out their duties. A board performance review programme and board induction, development and training support this. Non-executive board directors are appointed for a fixed term of six years, subject to an annual performance review and the ongoing requirement for their skills and experience, unless the board determines a different period before the appointment. Non-executive board directors appointed under this article retire at the end of their fixed term but may be reappointed by the board up to a maximum time of nine years if required.

The remuneration paid to non-executive directors of the group in the financial year was £193,846 (2023: £177,571). A breakdown of remuneration paid to each non-executive director is included in note 10 of the financial statements.

Our governance arrangements

Committee structure

Each committee has dedicated terms of reference and delegated responsibility for specific functions to assure the board of internal control, risks, compliance, financial viability, investment, and employee relations.

Audit and Risk Committee - assures the board comply with its statutory duties. Its role is to scrutinise self-assessments against regulatory and legal requirements and to monitor, review and challenge the group's strategic assurance framework, including external and internal auditor reports, compliance and risk management arrangements and controls. This in turn provides assurance to the board that Thirteen complies with regulatory and legislative requirements and have an effective and adequate internal control system reflecting the group's nature, size and strategy.

Finance Committee - responsible for the financial health and effective long-term financial planning to support Thirteen's strategic plan and priorities. Its role is to review, on behalf of the board, all decisions regarding lending and borrowing, scrutinise new lending instruments and arrangements, and generally monitor the performance of the loan portfolio.

Development and Investment Committee - responsible for considering new business and commercial growth projects and opportunities, including development and regeneration projects, and making recommendations to the Thirteen Board for approval.

Remuneration Committee - provides a formal and transparent mechanism for developing payments, remuneration, recruitment, talent and succession and performance review policies. It looks at arrangements for executives and board directors and oversees people responsibilities.

Customer Committee – has oversight of the performance delivery of all services that impact customers, including customer insight from consultation, complaints and satisfaction surveys, to ensure the voice of the customer is heard. The chair is a member of the Thirteen Board, and the committee consists of five customer members and one independent non-executive.

Executive directors

The executive directors are employed and can participate in the group's pension schemes on the same terms as other colleagues and hold no interest in Thirteen's shares. They act as executives within the authority delegated by the board.

Directors' indemnities

As permitted by the Articles of Association, the directors benefit from an indemnity, a qualifying third-party indemnity provision. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained directors' and officers' liability insurance for itself and its directors throughout the financial year.

Our governance arrangements

Board and committee membership and attendance

Board	Board Attendance
Andrew Wilson	100%
Annette Clark (to November 2023)	40%
Anthony Riley	88%
Catherine Wilburn	100%
Christopher Newton	88%
Jane Earl	100%
Lee Ali (from September 2023)	100%
Mark Simpson (to October 2023)	75%
Matthew Forrest	100%
Richard Buckley	63%
Robert Cuffe	100%
Rob Goward	88%
Salma Yasmeen	88%
Stuart Duthie (from September 2023)	86%

Finance Committee
Andrew Wilson (Chair)
Neil Pattison (to September 2023)
Nick Taylor
Richard Buckley (from April 2022)
Vishnu Reddy

Audit & Risk Committee
Robert Cuffe (Chair)
Miriam Harte
Lee Ali (from July 2023)
Winsome Small

Customer Committee
Catherine Wilburn
Dawn Keogh
Russell Jameson
Ryan Davis
Val Scollen
Winsome Small
Yaadam Sarr (to October 2023)

Thirteen Homes Board
Anthony Riley (to March 2024)
Chris Smith (to March 2024)
Laura Mack (to March 2024)
Matthew Forrest (from March 2024)
Vishnu Reddy (to March 2024)

Gus Robinson Developments Board
Andrew Wilson (to October 2023)
Chris Smith (to March 2024)
Jane Castor (to March 2024)
Matthew Forrest (from March 2024)

Remuneration Committee
Caroline Moore
Christopher Newton (from March 2023)
Gustavo Imhof
Rob Goward
Salma Yasmeen

Remuneration Committee
Anthony Riley (Chair)
Laura Mack
Neil Pattison (to September 2023)
Nick Taylor

Compliance

During 2023/24 the RSH confirmed our governance and financial viability grades at G1/V1. This judgement is the highest rating achievable and confirms a continuing culture of strong governance, financial viability and sound financial management arrangements. The board has conducted its annual assessment of compliance with the RSH's regulatory framework to confirm compliance against the Governance and Financial Viability Standard, reviewing performance against the economic regulatory standards and receiving assurance from our involved customers that we comply with the consumer standards.

NHF Merger Code

We have adopted the voluntary NHF Merger Code and comply with the principal recommendations within the code. No discussions were held with other housing associations during 2023/24.

Modern Slavery Act 2015

We are committed to understanding modern slavery risks and complying with our legal and statutory responsibilities. We have a statement of compliance with the act's requirements, which details our actions to ensure that slavery and human trafficking do not exist in any part of the group or supply chain. The board reviews the statement annually and it is available on our website.

Our operating environment and risk management

Operating environment

The business, our customers, and partners continue to face challenges due to the lingering effects of events like the Covid pandemic and Russia's invasion of Ukraine. These events have caused food and fuel prices to rise, leading to higher-than-expected inflation and a long-lasting cost-of-living crisis. Additionally, fewer people available for work in the UK because of Brexit and increasing long-term unemployment have also contributed to inflation by raising hiring costs.

- Gross national product (GDP) in the UK was broadly flat over the first part of 2023, with the UK entering a technical recession at the end of the year. Between October and December 2023, GDP fell by 0.3% compared to the previous three-month period. Despite this reduction, there are some positive signs. GDP is estimated to have grown by 0.7% between January and March 2024, which is 0.3% higher than the same quarter in 2023, and by 0.4% in May 2024 after showing no growth in April 2024. More positive news comes from OECD forecasts that UK GDP will grow by 0.4% in 2024 and by 1% in 2025.
- We continue to face a cost-of-living crisis however, the inflation rate has fallen over the year, and it is much lower than its record high of 11.1% in October 2022. Despite this, inflation was above the government's target of 2% for a large part of the year.
- Consumer prices, as measured by the Consumer Prices Index (CPI), were 8.7% higher in April 2023 than a year before, however, this rate dropped throughout the year to reach 2.3% in April 2024, the lowest since September 2021. The UK's annual inflation rate is expected to continue falling in 2024, though more gradually than in 2023, due to lower energy prices and reduced inflation in consumer goods and food.

- The fall in inflation has raised the prospect that it could drop below the Bank of England (BoE) target of 2%. Many economists believe inflationary pressures have reduced, and recent jobs data shows the labour market has weakened, easing the pressure on employers to increase wages and the prices charged to customers.
- The BoE held rates at 5.25% for the seventh time running in June 2024, followed by a 0.25% decrease to 5% in August. This cut follows a prolonged growth from 0.1% in December 2021. The increases have been in response to soaring inflation however this eased over the latter part of 2023/24. Predictions of significant rate cuts later in 2024 have been downplayed by the Monetary Policy Committee whose members remain cautious whilst inflationary pressure still exists. The cost of borrowing and debt is continuing to put pressure on business and household budgets.
- Employment rates have been consistently below pre-pandemic levels, and the UK is the only G7 country where this is still the case. The UK employment rate (ages 16-64) was estimated at 74.4% in the quarter March to May 2024 which is a decrease from the previous quarter and lower than the previous year.
- It is concerning to see that the percentage of people aged between 18 and 24 who are not in employment or full-time education has risen over the past year. The percentage of working age adults who are economically inactive in the quarter from March to May 2024 was 22.1% which is consistently higher than pre-pandemic levels and higher than the prior year. In the North East, the rate of economic inactivity was the highest in England at 27.5% and the region had the lowest working age employment rate at 69%. There has been a national trend of people leaving the labour market since the pandemic and areas losing workers due to Brexit. This trend continues in the North East where the employment rate decreased by 4.6% between March and May 2024 and the same quarter last year. This has led to record numbers of unfilled job vacancies and skills shortages in various sectors. As of July 2024, the national labour market now shows signs of slowing with the number of vacancies falling over 2024. This eases inflationary pressure from the higher wages a workers shortage creates.
- Throughout 2023, house prices and sales numbers fell slightly, with a noticeable difference between the North and South. The North held up better, and despite the challenging economic conditions, the market performed relatively well. This resilience reflects the current housing shortage. In early 2024, house prices showed signs of recovery, with the UK housing market performing better than many expected. Lower debt costs and an improving economic outlook have created more room for house price growth. Whilst this is positive, the scope for significant acceleration in market activity is likely to be limited, as mortgage rates remain much higher than in previous years.
- According to government data, starts on new build properties hit a peak of almost 70,000 in the second quarter of 2023. But this then plummeted to 23,730 in the next three quarters, which is only marginally above the 20-year low recorded at the start of the Covid pandemic. While the 2023 housing completion figures painted a bleak picture, there have been indications from the industry that 2024 could be a better year for the construction of new homes. Research suggests an increase in the number of starts on new social housing next year, bouncing back after a decline of 13% in 2023. This optimism is bolstered by the new Labour government's ambition to bring forward the completion of new homes, and in particular social housing.
- Whilst there is room for some optimism, over recent years, large shocks and their aftermath have resulted in significant revisions to economic forecasts. Businesses and individuals will need to continue to brace themselves for uncertainty despite some small signs of economic recovery.
- Thirteen's affordable homes and support services will continue to be vital, and we continue to look for the most appropriate ways of giving support to those impacted most.

Our operating environment and risk management

There have been several developments in the operating environment which have presented opportunities for the group and our communities:

- The general election in July 2024 brought about the opportunity to campaign for affordable and social housing to sit at the heart of government pledges in terms of funding and delivery. The election of the Labour government who were pledging planning reforms, increased housing delivery and potential funding for a 'council housing revolution,' presents a significant opportunity for the group and future customers.
- Investment in the region continues, building upon the establishment of the Tees Valley Combined Authority (TVCA), its Mayoral Development Corporations (MDCs), and the Freeport. Plans continue for MDCs in Hartlepool and Middlesbrough, along with further devolution in the TVCA and West Yorkshire and devolution deals in the North East, East Riding and Hull. The new government has also pledged to introduce Local Growth Plans, setting out how devolution will drive economic growth.
- Homes England has also announced that grant funding from their Affordable Homes Programme (AHP) can now be used for regeneration projects. The funding provided through the 2021-26 AHP can be used on replacement homes as part of estate regeneration as long as schemes are providing additional, new affordable homes.
- Focus continues on the sustainability agenda, and the drive to meet net zero. This brings challenging targets but many opportunities to enhance how we develop homes, invest in assets and run our business.
- The government plan to 'Get Britain Working' will support economically inactive people back into employment which will provide opportunities for our customers and the group to help with this.
- The recent development of Local Skills Improvement Plans across the country gives the group opportunities to raise skills gaps and develop actions to work towards filling them.
- Constraints in the housing market mean there will be a continued need for low-cost housing and accessible routes into home ownership.
- Support with the cost of living for employees and customers will continue to be needed in the short term. We will work with partners to ensure benefits advice is taken, employment opportunities are sought, and other ways to make money go further are shared.

Our risk management ethos

Thirteen's strategic assurance framework ensures we are prepared for and able to respond to challenges and opportunities. It consolidates our approach to assurance and identifies the critical components of an effective assurance framework. This includes risk management, stress testing, internal controls, business continuity, internal audit, insurance and governance. The framework enables board and committee members, the leadership team and service directors to better understand, manage and review assurance arrangements, so the outcomes of assurance activity are used constructively to inform and support strategic decisions, improve controls and protect the business. A suite of monitoring arrangements, activities and reviews ensures decisions are based on intelligent risk management and appreciation of these decisions' impacts on group priorities, customers and colleagues. The Thirteen Board ensures appropriate and effective assurance and risk management arrangements and delegates authority for specific elements to the Audit and Risk Committee.

Strategic risk management

The board agrees on a set of strategic risks at least once a year. It considers the risks that could result in Thirteen's inability to deliver its strategic ambitions and/or core business.

The board regularly reviews risk and risk appetite to ensure that the strategic risks reflect the external and operating environments and that the appetite for risk remains appropriate. In formulating its risk appetite, the board considers the outcomes of stress testing exercises that set financial and performance tolerances to protect the group. This is supported by a mitigation action plan, identifying capacity and flexibility to manage the business in the event it is compromised.

It also reviews processes that challenge arrangements beyond traditional control testing, such as 'testing the brakes' sessions that inform action plans and controls.

The board has delegated authority to the Audit and Risk Committee to scrutinise risk controls, mitigating actions, and reporting concerns. Each committee and subsidiary board are also responsible for considering the impact of their discussions and decisions on the strategic risks and escalating to the Thirteen Board where appropriate. Our strategic risks reflect a 'three lines of defence' approach to assurance, incorporating management controls and oversight; assurance and performance reporting, independently scrutinised by an appropriate body, board or committee; and external independent assessments, including internal and external audit and consultants' reports.

Risk management is embedded across all projects and functions, and there are a set of key risk indicators and financial golden rules that act as early warning indicators to trigger appropriate responses.

The board and leadership team consider the following to be key strategic risks for Thirteen:

Risk		Risk appetite	Risk owner
1	Failure to deliver against customer expectations	**Minimal**	Executive Director - Customer Services
2	Failure to meet legal and regulatory requirements to keep customers and colleagues legal and safe	**Averse**	Group Chief Executive
3	Failure to respond effectively to economic volatility and optimise growth and income opportunities	**Open**	Deputy Chief Executive
4	Failure to maintain a financially viable business	**Cautious**	Chief Financial Officer
5	Failure to manage a successful development programme	**Minimal**	Executive Director of Development
6	Failure to effectively manage our homes, buildings, and places of work	**Cautious**	Group Chief Executive
7	Failure to manage regulatory expectations	**Averse**	Chief Finance Officer
8	We are unable to maintain a culture that makes it possible to nurture, retain and attract colleagues	**Open**	Deputy Chief Executive
9	Inaccurate or insufficient data leads to poor decision making and/or service provision.	**Minimal**	Chief Information and Technology Officer
10	Our IT infrastructure and controls make us susceptible to cyber-attacks and / or system failures	**Minimal**	Chief Information and Technology Officer

Our operating environment and risk management

The Audit and Risk Committee has summarised the committee's work during 2023-24 and, supported by the annual reports from our internal and external auditors, have evidenced to the board that an appropriate assurance and control framework is in place.

Service risk management

Strategic risks are supported by operational risk registers for all key service areas and are owned and reviewed by service directors. Mitigating controls and progress on actions are monitored quarterly and reported to the Audit and Risk Committee by exception.

Internal controls assurance

The Thirteen Board acknowledges its overall responsibility for establishing and maintaining a comprehensive internal control and risk management system and reviewing its effectiveness. The board is committed to ensuring Thirteen adheres to the Governance and Financial Viability Standard and associated code of practice including all relevant laws.

The Audit and Risk Committee is responsible to the board for monitoring these arrangements and reporting on their effectiveness:

- Strategic and service risk reporting and monitoring.
- Causes for concern, exceptional event and risk event reporting are reported to the leadership team and the Audit and Risk Committee. This includes fraud, whistleblowing and control failures, defence against regulatory sanctions and learning tools, all to ensure implementation of improvements or additional controls to prevent a recurrence. Including, where appropriate, reporting to and feedback from regulators.
- Stress testing, testing the brakes and business planning arrangements.
- Business continuity plans (managing a major crisis), disaster recovery plans (loss of IT services) and local resilience arrangements (managing localised crisis issues), and systems of prevention and recovery to deal with potential threats to the business and ensure the continuation of services.
- Insurance arrangements, including providing financial protection against loss and meeting legal obligations.
- Assurance framework update and assurance monitoring reports will reflect changes in the assurance operating environment and regulatory landscape, including the sector risk profile and regulatory downgrades, and provide oversight of assurance matters.
- Transparency reporting to provide an overview of probity arrangements and related matters, including the declaration of interests, gifts and hospitality, letting of property and exceptions to standing orders.
- Health and safety oversight will include policy, training, audit and monitoring arrangements and implementation of our health and safety culture programme.

Management controls

Management controls are regularly reviewed and tested via internal assurance monitoring and independent assessment. All findings are implemented to agreed timescales, and where appropriate, tested. Management controls are in established documents, including the strategic assurance framework, standing orders, policies and supporting procedures. They are monitored via KPIs, board reporting requirements, budget monitoring and the assurance framework.

Independent assessment

Thirteen receives independent scrutiny, review and assurance from a variety of sources, including the following:

- Internal audit arrangements - providing independent assurance that our risk management, governance and internal control processes are operating effectively.
- External audit arrangements - independent validation of annual accounts and compliance with accounting standards.
- Regulator of Social Housing - audits, including in-depth assessments/inspections and annual stability reviews.
- Other regulatory bodies, including ombudsman, HSE, environmental health – outcomes, opinions, recommended actions and enforcement requirements received as a result of audits, reports and referrals.
- Peer comparisons - allow for appropriate benchmarking and learning from other organisations and 'best in the field'.
- Independent reports and audits – assess our status and provide specialist advice and alternative insight into topics and best practice. Boards and committees can request independent advice on any topic at any time.
- Customer co-regulation and involvement framework - ensuring the customers' voice is heard, engagement with customers in the operation of the business and assessment of compliance with the consumer standards

The board has reviewed the effectiveness of its internal control systems including risk management, for the year to 31 March 2024 and up to the date of signing these financial statements. It has not identified any weaknesses sufficient to cause material misstatement or loss, which requires disclosure in the financial statements.

The Audit and Risk Committee has agreed to a protocol with the independent auditors, setting out policies for determining the non-audit work that independent auditors and procedures can undertake for periodic review and selection of independent auditors. The level of fees paid for their work is set out in note 5 of the financial statements. The Audit and Risk Committee annually evaluate the performance of internal auditors.

Our operating environment and risk management

Management of financial risks

The group uses various financial instruments, including loans and cash, and other items such as rent arrears and trade creditors that arise directly from operations. The main risks are exchange rate risk, interest rate risk, liquidity risk, counterparty risk, and refinancing risk. The board reviews and agrees to policies for managing each risk and monitors these areas as part of stress testing arrangements, summarised below:

Exchange rate risk

We borrow and lend only in sterling, so we are not directly exposed to exchange rate risk. Our Private Placement investors hold currency swaps in relation to a portion of this funding. We would be exposed to their exchange rate risk in the form of break costs if we chose to repay this funding, but as this is not our intention, indirect exchange rate risk is negligible.

Interest rate risk

The group finances operations through a mixture of retained surpluses, bank borrowings and capital market debt. Exposure to interest fluctuations is managed using both fixed and variable rate facilities, with a minimum of 70% required to be fixed as per the treasury policy.

Liquidity risk

The group manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs through financial planning and cash flow forecasting and invests cash assets safely and profitably. Operational liquidity must cover one month's forecast expenditure, and capital funding liquidity must cover 24 months' net cash flow.

Counterparty risk

Group treasury policy requires investing and borrowing counterparties to reach a minimum standard based on credit reference rating agency ratings. Counterparty limits also operate at £15m for bank deposits or £30m for money market funds.

Refinancing risk

The group ensures that the maturity profile of borrowings is structured to ensure that refinancing or renewal terms are as competitive as possible given prevailing market conditions. The treasury policy requires that no more than 25% mature in the next year and no more than 50% of borrowings will mature in the next five years.

Golden rules

The board's financial risk appetite is linked to the strategic risks and managed through a set of golden rules which identify acceptable tolerance levels for nine financial measures:

	Golden rules	Golden rule	2024 achieved
1	Minimum cash equivalent[1]	£26m	£24.3m
2	Liquidity balance	£114.4m	£260.8m
3	Liquidity %	24 months	55 months
4	Intragroup on-lending	£25m	£19.3m
5	Interest cover [2]	240%	404%
6	Gearing [2]	40%	33%
7	Asset cover	200%	287%
8	Sales risk	15%	7%
9	Contractor exposure [3]	£112m	£115.1m

Results for 2023/24 demonstrate substantial headroom to the golden rules, except for minimum cash equivalent which was rectified within the five-day period permissible in the treasury policy, and contractor exposure which is a board-agreed exception. These measures are routinely reported to the Finance Committee and board.

(1) Minimum cash equivalent dropped below the internal golden rule but was rectified within five working days of year end.
(2) Gearing and interest cover calculations for golden rules and loan covenant purposes differ from those used for the VFM metrics.
(3) Thirteen Board agreed to an exception to the contractor exposure golden rule for one specific contractor to enable delivery of two key development contracts.

Consumer regulation and tenant safety

> We have continued to invest in and develop our team of building safety experts. More importantly, we've also enhanced our customer engagement initiatives to ensure that customers always have a voice...

Alongside the wider sector, we are working to meet the increased expectations of the consumer regulations introduced in April 2024.

Whilst the approach to this new regulatory environment is developing, we have been preparing through reviewing policies, processes and the data we hold to support us in evidencing our approach, identify any changes required to inform ongoing service improvements and embed this in our ways of working going forward. During the year, in support of this work:

- We continued to develop and monitor our approach and commitment to the Charter for Social Housing Residents.
- We have worked with our involved customers, recognising they add value and insight to our approach to service delivery and to ensure we include appropriate representation of our geographical presence in strategic decision making.
- Actively engaged with our customers in developing service standards, ensuring the standards reflect what is important to them and what they expect from Thirteen and reviewing our compliance against consumer standards.
- We have a Customer Committee which has specific responsibility for monitoring the impact of the group's performance on customers. This is set up to ensure great customer experience and positive outcomes, with a focus on health and safety.

TSMs are part of the new regulatory framework, and we are working to better understand the data we rely on and ensure it accurately reflects our services and our customers experiences, helping to guide future decision making. We publish our results on the perception measures every quarter, allowing our customers to see how we are performing and ensure transparency on our performance and focus areas.

As part of the introduction of the Building Safety Act 2024 there are new requirements placed on landlords to provide information to customers in high rise residential buildings about the homes they live in. We are committed to providing well managed and safe homes to all our customers, so, in partnership with our involved customers, we have produced bespoke building safety customer engagement strategies for each of our high rise blocks. These strategies detail our approach to building safety and provide

our customers with important information about the buildings they live in, our customer engagement offer, key contact information and what both Thirteen and the customer is responsible for.

To address our customers' concerns regarding damp and mould, we have implemented revised arrangements to ensure we are able to respond in a timely manner and keep the customer informed on our progress. We are currently working to understand how we meet the potential enhanced expectations of Awaab's Law, ensuring we can commit the necessary resources to ensure compliance.

We have continued to invest in and develop our team of building safety experts. More importantly, we've also enhanced our customer engagement initiatives to ensure that customers always have a voice and that they understand how to keep themselves and their homes safe.

Going concern

The board has considered the impact of the delivery of the strategic priorities, development and investment plans, as well as the subsidiary business plans, as part of their assessment and approval of the latest group financial plan in June 2024.

These considerations include rigorous stress testing and multi-variant scenarios which are deemed to be a key risk to lender covenant compliance. Lender compliance is maintained throughout the plan's life, demonstrating the financial plan's resilience and confirming the group's future viability. At year-end, the group held £124.8m cash balances and had £136.5m undrawn facilities with funders.

On this basis, the board has reasonable expectations that we have adequate financial resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of approving these financial statements, and the ability to manage its financial risks adequately. The group, therefore, continues to adopt the going concern basis in the financial statements.

As required as a registered housing provider, the financial plan has been shared with the RSH.

Statement of board's responsibilities

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the registered housing provider and of the surplus or deficit for that period. In preparing these financial statements, the board is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare financial statements on the going concern basis, unless it is inappropriate to presume that the RSL will continue in business.

The board is responsible for keeping proper accounting records that are sufficient to show and explain the RSL's transactions and disclose, with reasonable accuracy, at any time, the financial position of the RSL and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and Regulations thereunder the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2022. It is also responsible for safeguarding the assets of the RSL and hence for, taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor
KPMG LLP was appointed independent auditor for Thirteen Housing Group Limited on 2 March 2022.

This report was approved by the board of Thirteen Housing Group Limited on 18 September 2024 and signed by order of the board by:

Jane Earl
Chair of Thirteen Housing Group

Independent auditor's report to members of Thirteen Housing Group Limited

Opinion

We have audited the financial statements of Thirteen Housing Group Limited ("the Association") for the year ended 31 March 2024 which comprise the Group and Association Statements of Comprehensive Income, Group and Association Statements of Changes in Reserves, Group and Association Statements of Financial Position, Group Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Group and the Association as at 31 March 2024 and of the income and expenditure of the Group and the Association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Going concern

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

In our evaluation of the Board's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Association's ability to continue as a going concern for the going concern period.

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors, the Audit and Risk Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition due to limited perceived pressure and opportunity from non-listed status/simplicity of revenue transactions and sources.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals containing unusual cash, revenue and borrowing combinations, those posted by senior finance management, those posted and approved by the same user and journals containing key words.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias including assessing the assumptions used in the pension valuations.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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

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

Independent auditor's report to members of Thirteen Housing Group Limited

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative and community benefit societies regulation), pension legislation, specific disclosures required by housing legislation and requirements imposed by the Regulator of Social Housing and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

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

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

Other information

The Association's Board is responsible for the other information, which comprises the Strategic Report and the report of the Board of Directors. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 77, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association, for our audit work, for this report, or for the opinions we have formed.

Richard Lee for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

26 September 2024

Group and Association Statements of Comprehensive Income

For the year ended 31 March 2024

	Note	Group		Association	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Turnover	3	207,305	197,959	202,669	186,391
Cost of sales	3	(14,190)	(16,898)	(9,512)	(5,793)
Operating expenditure	3	(149,980)	(144,488)	(151,556)	(139,007)
Gain on disposal of fixed assets	6	1,788	3,196	1,750	3,196
Operating surplus	5	44,923	39,769	43,351	44,787
Impairment of loans receivable	20	-	-	209	(13,574)
Impairment of fixed assets	13	-	(185)	-	(185)
Change in valuation of investment properties	14	(2,172)	9	(2,172)	9
Interest receivable	7	3,167	695	3,917	1,580
Interest payable and similar charges	8	(16,898)	(15,886)	(16,898)	(15,886)
Gift Aid/(Reversal of Gift Aid)		-	-	32	(342)
Surplus on ordinary activities before taxation		29,020	24,402	28,439	16,389
Tax on surplus on ordinary activities	11	-	-	-	-
Surplus for the year		29,020	24,402	28,439	16,389
Actuarial gain/(loss) in respect of pension schemes	28	(4,456)	66,506	(4,456)	66,445
Movement on deferred tax	11	-	52	-	-
Total comprehensive income/(expense) for the year		24,564	90,960	23,983	82,834

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

The financial statements on pages 82 to 127 were approved and authorised for issue by the board of directors on 18 September 2024 and signed on its behalf by:

Jane Earl
Chair

Matt Forrest
Group Chief Executive

Jane Castor
Secretary

Group and Association Statements of Changes in Reserves

For the year ended 31 March 2024

Group

	Income and Expenditure Reserve £'000	Restricted Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
As at 1 April 2022	433,887	438	261,498	695,823
Surplus for the year	24,402	-	-	24,402
Other comprehensive expense	66,558	-	-	66,558
Transfer with the revaluation reserve	3,339	-	(3,339)	-
Reverse previous revaluation	-	-	(154)	(154)
As at 31 March 2023	528,186	438	258,005	786,629
Surplus for the year	29,020	-	-	29,020
Other comprehensive expense	(4,456)	-	-	(4,456)
Transfer with the revaluation reserve	2,989	-	(2,989)	-
Reverse previous revaluation	-	-	(213)	(213)
As at 31 March 2024	555,739	438	254,803	810,980

Association

	Income and Expenditure Reserve £'000	Restricted Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
As at 1 April 2022	441,524	438	261,818	703,780
Surplus for the year	16,389	-	-	16,389
Other comprehensive expense	66,445	-	-	66,445
Transfer with the revaluation reserve	3,339	-	(3,339)	-
Reverse previous revaluation	-	-	(154)	(154)
As at 31 March 2023	527,697	438	258,325	786,460
Surplus for the year	28,439	-	-	28,439
Other comprehensive expense	(4,456)	-	-	(4,456)
Transfer with the revaluation reserve	2,989	-	(2,989)	-
Reverse previous revaluation	-	-	(213)	(213)
As at 31 March 2024	554,669	438	255,123	810,230

The revaluation reserve relates entirely to the revaluation of housing properties. Restricted reserves are made up of unexpended grants and donations to be applied for specific purposes.

The accompanying notes form part of these financial statements.

Group and Association Statements of Financial Position

At 31 March 2024

	Note	Group		Association	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets					
Tangible fixed assets	12,13	1,386,687	1,261,872	1,386,687	1,261,825
Investment properties	14	9,006	8,931	9,006	8,931
Intangible assets and goodwill	15	-	45	-	-
Homebuy loans receivable	16	770	800	770	800
Financial assets	17	-	-	-	-
Investments in subsidiaries	18	-	-	50	50
Total fixed assets		1,396,463	1,271,648	1,396,513	1,271,606
Current assets					
Stock	19	11,227	4,735	9,733	4,155
Trade and other debtors	20	31,194	21,809	31,083	21,725
Cash and cash equivalents	21	124,764	51,339	124,282	50,626
		167,185	77,883	165,098	76,506
Creditors: amounts falling due within one year	22	(102,191)	(91,116)	(100,904)	(89,866)
Net current assets/(liabilities)		64,994	(13,233)	64,194	(13,360)
Total assets less current liabilities		1,461,457	1,258,415	1,460,707	1,258,246
Creditors: amounts falling due after more than one year	23	(650,477)	(471,786)	(650,477)	(471,786)
Provisions for liabilities					
Defined benefit pension liability	28	-	-	-	-
Total net assets		810,980	786,629	810,230	786,460
Reserves					
Income and expenditure reserve		555,739	528,186	554,669	527,697
Revaluation reserve		254,803	258,005	255,123	258,325
Restricted reserve		438	438	438	438
Total Reserves		810,980	786,629	810,230	786,460

The accompanying notes form part of these financial statements.

The financial statements on pages 82 to 127 were approved and authorised for issue by the board of directors on 18 September 2024 and signed on its behalf by:

Jane Earl
Chair

Matt Forrest
Group Chief Executive

Jane Castor
Secretary

Group Statement of Cash Flows

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Net cash generated from operating activities	31	65,331	79,987
Cash flow from investing activities			
Purchase of tangible fixed assets		(172,387)	(111,854)
Proceeds from sale of tangible fixed assets		19,975	8,543
Loans repaid by homeowners	16	30	74
Grants received		24,556	7,591
Interest received	7	1,348	695
		(126,478)	(94,951)
Cash flow from financing activities			
Interest paid		(16,898)	(13,974)
New secured loans		166,000	-
Repayments of borrowings		(12,165)	(6,315)
AHGS balance receivable		(2,365)	-
		134,572	(20,289)
Net change in cash and cash equivalents		73,425	(35,253)
Cash and cash equivalents at beginning of the year		51,339	86,592
Cash and cash equivalents at end of the year		124,764	51,339

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Statement of compliance

Thirteen Housing Group Limited is a housing association. It is registered as a community benefit society under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing.

2. Accounting policies

Basis of preparation

The financial statements of the group and association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) and the Housing SORP 2018: statement of recommended practice for registered social housing providers (SORP), and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The association is a public benefit entity, as defined by FRS 102.

The financial statements are presented in thousands sterling (£'000) to the nearest thousand, except where stated otherwise.

The following exemptions have been applied to the individual accounts:

- Presentation of a statement of cash flows and related notes; and
- Presentation of financial instruments disclosures.

The following companies have taken advantage of the exemption from audit under Section 479A of the Companies Act 2006. Accordingly, as the ultimate parent undertaking, Thirteen Housing Group has consented to the exemption and in accordance with Section 479C of the Companies Act 2006, has guaranteed all outstanding liabilities of the following companies as at 31 March 2024 until they are satisfied in full:

Company	Company Number
Thirteen Property Development Limited	5577930
Thirteen Commercial Services Limited	4448871

Measurement convention

The financial statements are prepared on the historical cost basis, except for investment properties which are held at fair value through the income and expenditure and financial instruments that must be held at fair value, through the income and expenditure.

Going concern

The financial statements have been prepared on a going concern basis, which the board considers to be appropriate for the following reasons.

A going concern assessment has been completed and reviewed by the board. The assessment is based on the 30-year business plan, which is projected from the current financial position and incorporates committed and budgeted expenditure over the next 12 months, alongside future business plans, including growth and investment. The group has long-term debt facilities in place, which are sufficient for financing planned expenditure in the short term and over the 30-year period included in the business plan. As at 31 March 2024, the undrawn loan facilities amounted to £136.5m, in addition to available cash balances of £124.8m, which is more than sufficient to finance the operations under current operating conditions and under adverse operating conditions, described below.

The 30-year business plan is subject to several assumptions and subjective judgements. This includes adverse cost inflation, interest rate increases, increases in void loss and arrears, and contractor failure. Consideration is given to whether the group can meet its financial obligations and comply with its loan covenants under adverse scenarios including:

- Multiple contractor failure and WIP impairments
- Failure to meet EPC C target and change in EPC C and decarbonisation deadlines
- A three-year freeze on rent increases.

The going concern assessment demonstrates that under such adverse conditions the plan provides sufficient liquidity to continue operations, service debt facilities, and comply with lenders' covenants.

Consequently, the board is confident that the group will have sufficient funds to continue to meet its liabilities as they come due for at least 12 months from the approval date of the financial statements. Therefore, the financial statements have been prepared on a going concern basis.

Basis of consolidation

The financial statements consolidate the financial statements of Thirteen Housing Group and its subsidiaries. Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee to obtain benefit from its activities.

Intra-group transactions, balances and unrealised surpluses on transactions between group entities are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements of the parent association. A list of subsidiaries is provided in note 18.

Significant judgements and estimates

The following are the significant management judgements and estimates that have been made when applying the accounting policies of the group and association.

Investment property classifications and valuation

Management have assessed that all properties, except those let at market rent, are held primarily for their social benefit and as such have been classified as property, plant and equipment. Market rent properties are classified as investment properties and are held at fair value. Investment properties are valued by a qualified, external valuer at least every three years.

Impairment assessment

Indicators of impairment are considered annually for cash-generating units and the recoverable amount assessed if an indicator exists.

Management must apply judgement in determining the level of cash-generating units and consider size, tenure and geographical location when doing so. Management must estimate the recoverable amount for cash-generating units with indicators of impairment and apply the principles of the SORP, using the depreciated replacement cost method for estimating value in use for properties held for social benefit.

Property components and lives

Management considers the assigned lives of assets and individual components annually. The useful lives were determined from historic asset replacement profiles and by benchmarking against similar organisations. The useful lives assigned are disclosed in note 12.

Financial instrument classifications

Management have chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments as permitted by FRS 102. The standard requires management to apply judgement when classifying financial instruments.

Recoverability of housing properties for sale

Properties for sale are stated at the lower of cost and estimated selling price, less costs to sell. This estimate being based on current market values.

Recoverability of rental arrears

The recoverability of each customers' rent arrears is estimated based on their payment history over the preceding year.

Defined benefit pension scheme obligations

The pension liability and service cost recognised within the financial statements is based on several underlying assumptions. These include inflation, mortality rates, salary changes, interest and investment rates and discount factors. Management utilises pension actuarial experts to help determine the appropriate assumptions and calculations to apply. The key assumptions are presented in note 28.

Notes to the financial statements

Turnover

Turnover comprises rent and service charge income (net of void losses), proceeds from the sale of first tranche sales of low-cost home ownership and properties built for outright sale, grants and contract income and income from the sale of goods and rendering of services, which includes construction contracts. Turnover also includes amortisation of deferred Social Housing Grant (SHG) which is recognised in the income and expenditure account under the accrual model.

Rent and service charge income (net of void losses) is recognised from the date the property is first let. Income is raised weekly in advance in the housing management system and so adjustment is made in the financial statements to only recognise income related to the financial year.

Grants and contract income is recognised when it is entitled to be received under the terms of the contract. Where contracts include an element that is subject to certain conditions being satisfied (e.g. 'payment by results') this element is recognised once it has been verified that those conditions have been met.

Income from the sale of properties is recognised at the point of legal completion of the sale.

Income from the sale of other goods and rendering of services is recognised in the period in which the services are provided and, in the case of construction contracts, in accordance with the stage of completion of the contract.

Value added tax (VAT)

The majority of the group's supplies are exempt from VAT. Input VAT is recovered where a taxable supply is made, and output VAT is charged. Non-recoverable input VAT in relation to non-taxable supplies is expensed to the Statement of Comprehensive Income.

Thirteen has a partial exemption arrangement and has entered VAT shelter arrangements with local authorities to recover VAT on improvement works to certain properties. The VAT recovered through these arrangements is credited to operating costs.

Interests in joint ventures

The association has contractual agreements with other participants to engage in joint activities that do not create an entity carrying on trade or business of its own. The association accounts for its own share of assets, liabilities and cash flows in such joint arrangements, measured in accordance with the terms of the arrangement.

Reserves

The group establishes restricted reserves for funds that are subject to external restrictions and must be applied for specific purposes. The reserve comprises unexpended grants.

The revaluation reserve comprises the difference between the deemed cost of housing properties and the carrying value on transition to FRS 102. The difference in depreciation on the deemed cost and historic cost is credited to the revenue reserve annually.

Further accounting policies are presented with the relevant note.

3. Particulars of turnover, cost of sales, operating expenditure and operating surplus

Group - continuing activities

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Gain on disposal of assets £'000	2024 Operating surplus/ (deficit) £'000
Social housing lettings	183,030	-	(139,250)	-	43,780
Other social housing activities					
First tranche low-cost home ownership sales	10,157	(9,512)	-	-	645
Supporting people contract income	1,169	-	(1,610)	-	(441)
Charges for support services	504	-	(694)	-	(190)
Revenue grants from local authorities and other agencies	3,895	-	(5,363)	-	(1,468)
Development costs not capitalised	-	-	(230)	-	(230)
Community / neighbourhood services	2	-	(1,141)	-	(1,139)
Management services	463	-	(169)	-	294
Other	770	-	(152)	-	618
	16,960	(9,512)	(9,359)	-	(1,911)
Activities other than social housing					
Properties developed for outright sale	431	(473)	-	-	(42)
Sale of land	3,206	(2,316)	-	-	890
Commercial building and construction	(63)	(1,889)	-	(17)	(1,969)
Student accommodation	516	-	(302)	-	214
Market rent	198	-	(101)	-	97
Commercial units	689	-	(632)	-	57
Garages	770	-	(568)	-	202
Management services	701	-	(521)	-	180
Other	867	-	(1,901)	-	(1,034)
Reversal of impairment of work in progress	-	-	2,654	-	2,654
Right to Buy, Right to Acquire and staircasing sales	-	-	-	1,805	1,805
	7,315	(4,678)	(1,371)	1,788	3,054
Total	207,305	(14,190)	(149,980)	1,788	44,923

Notes to the financial statements

3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

Group - continuing activities

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Gain on disposal of assets £'000	2023 Operating surplus/ (deficit) £'000
Social housing lettings	168,656	-	(126,771)	-	41,885
Other social housing activities					
First tranche low-cost home ownership sales	7,786	(5,793)	-	-	1,993
Supporting people contract income	1,166	-	(1,243)	-	(77)
Charges for support services	760	-	(810)	-	(50)
Revenue grants from local authorities and other agencies	4,081	-	(4,349)	-	(268)
Development costs not capitalised	-	-	(750)	-	(750)
Community / neighbourhood services	-	-	(2,086)	-	(2,086)
Management services	365	-	(129)	-	236
Other	506	-	(252)	-	254
	14,664	(5,793)	(9,619)	-	(748)
Activities other than social housing					
Properties developed for outright sale	6,462	(6,292)	-	-	170
Sale of land	-	-	-	-	-
Commercial building and construction	4,190	(4,813)	-	-	(623)
Student accommodation	468	-	(419)	-	49
Market rent	153	-	(69)	-	84
Commercial units	672	-	(575)	-	97
Garages	736	-	(343)	-	393
Management services	606	-	(614)	-	(8)
Other	1,352	-	(1,958)	-	(606)
Impairment of work in progress	-	-	(4,120)	-	(4,120)
Right to Buy, Right to Acquire and staircasing sales	-	-	-	3,196	3,196
	14,639	(11,105)	(8,098)	3,196	(1,368)
Total	197,959	(16,898)	(144,488)	3,196	39,769

3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

Association - continuing activities

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Gain on disposal of assets £'000	2024 Operating surplus/ (deficit) £'000
Social housing lettings	183,030	-	(139,226)	-	43,804
Other social housing activities					
First tranche low-cost home ownership sales	10,157	(9,512)	-	-	645
Supporting people contract income	1,169	-	(1,617)	-	(448)
Charges for support services	504	-	(697)	-	(193)
Revenue grants from local authorities and other agencies	3,895	-	(5,385)	-	(1,490)
Development costs not capitalised	-	-	(147)	-	(147)
Community / neighbourhood services	2	-	(1,141)	-	(1,139)
Management services	466	-	(169)	-	297
Other	766	-	(152)	-	614
	16,959	(9,512)	(9,308)	-	(1,861)
Activities other than social housing					
Market rent	198	-	(110)	-	88
Commercial units	689	-	(640)	-	49
Garages	770	-	(568)	-	202
Management services	364	-	(494)	-	(130)
Other	659	-	(1,210)	-	(551)
Right to Buy, Right to Acquire and staircasing sales	-	-	-	1,750	1,750
	2,680	-	(3,022)	1,750	1,408
Total	202,669	(9,512)	(151,556)	1,750	43,351

3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

Association - continuing activities

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Gain on disposal of assets £'000	2023 Operating surplus/ (deficit) £'000
Social housing lettings	168,656	-	(126,738)	-	41,918
Other social housing activities					
First tranche low-cost home ownership sales	7,786	(5,793)	-	-	1,993
Supporting people contract income	1,166	-	(1,250)	-	(84)
Charges for support services	760	-	(814)	-	(54)
Revenue grants from local authorities and other agencies	4,081	-	(4,372)	-	(291)
Development costs not capitalised -	-	-	(284)		(284)
Community / neighbourhood services	-	-	(2,086)	-	(2,086)
Management services	365	-	(129)	-	236
Other	506	-	(252)	-	254
	14,664	(5,793)	(9,187)	-	(316)
Activities other than social housing					
Properties developed for outright sale	-	-	-	-	-
Market rent	153	-	(87)	-	66
Commercial units	672	-	(643)	-	29
Garages	736	-	(343)	-	393
Management services	369	-	(411)	-	(42)
Other	1,141	-	(1,598)	-	(457)
Right to Buy, Right to Acquire and staircasing sales	-	-	-	3,196	3,196
	3,071	-	(3,082)	3,196	3,185
Total	186,391	(5,793)	(139,007)	3,196	44,787

3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

Particulars of income and expenditure from social housing lettings

Group	General needs housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	2024 Total £'000	2023 Total £'000
Rent receivable net of identifiable service charges	152,787	16,524	3,881	173,192	159,133
Service charge income	3,633	4,288	427	8,348	7,932
Amortised government grants	1,080	240	170	1,490	1,317
Government grants taken to income	-	-	-	-	274
Turnover from social housing lettings	157,500	21,052	4,478	183,030	168,656
Management	(22,324)	(3,747)	(1,091)	(27,162)	(27,131)
Service charge costs	(10,016)	(5,787)	(244)	(16,047)	(14,014)
Routine maintenance	(41,102)	(4,275)	(544)	(45,921)	(37,962)
Planned maintenance	(5,773)	(876)	(80)	(6,729)	(6,404)
Major repairs expenditure	(12,401)	(1,209)	(547)	(14,157)	(12,777)
Bad debts	(2,128)	(209)	(66)	(2,403)	(122)
Depreciation of housing properties	(23,955)	(2,219)	(1,010)	(27,184)	(27,898)
Impairment of housing properties	219	134	-	353	(463)
Operating expenditure on social housing lettings	(117,480)	(18,188)	(3,582)	(139,250)	(126,771)
Operating surplus on social housing lettings	40,020	2,864	896	43,780	41,885
Void losses	(2,877)	(663)	(122)	(3,662)	(3,259)

Notes to the financial statements

3. Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

Particulars of income and expenditure from social housing lettings

Association	General needs housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	2024 Total £'000	2023 Total £'000
Rent receivable net of identifiable service charges	152,787	16,524	3,881	173,192	159,133
Service charge income	3,633	4,288	427	8,348	7,932
Amortised government grants	1,080	240	170	1,490	1,317
Government grants taken to income	-	-	-	-	274
Turnover from social housing lettings	157,500	21,052	4,478	183,030	168,656
Management	(22,804)	(3,745)	(1,090)	(27,639)	(27,103)
Service charge costs	(9,988)	(5,787)	(244)	(16,019)	(14,014)
Routine maintenance	(40,677)	(4,274)	(544)	(45,495)	(37,957)
Planned maintenance	(5,726)	(876)	(80)	(6,682)	(6,404)
Major repairs expenditure	(12,401)	(1,209)	(547)	(14,157)	(12,777)
Bad debts	(2,128)	(209)	(66)	(2,403)	(122)
Depreciation of housing properties	(23,955)	(2,219)	(1,010)	(27,184)	(27,898)
Impairment of housing properties	219	134	-	353	(463)
Operating expenditure on social housing lettings	(117,460)	(18,185)	(3,581)	(139,226)	(126,738)
Operating surplus on social housing lettings	40,040	2,867	897	43,804	41,918
Void losses	(2,877)	(663)	(122)	(3,662)	(3,259)

4. Accommodation in management and development

At the end of the year, accommodation in management for each class of accommodation was as follows:

Group and association	2024 Number of properties	2023 Number of properties
Social housing		
General housing		
- social rent	25,798	25,774
- affordable rent	4,827	4,514
Supported housing and housing for older people		
- social rent	2,562	2,629
- affordable rent	430	472
Low-cost home ownership	1,366	1,190
Total owned	34,983	34,579
General housing managed for others	46	69
Supported housing managed for others	9	30
Leasehold properties	728	726
Total owned and managed	35,766	35,404
Non-social housing		
Market rented	81	79
Student accommodation	100	100
Leasehold properties	89	90
Total owned and managed	36,036	35,673
Accommodation in development at the year end	1,221	1,277

The group built and acquired 542 new units through the development programme and acquired one further unit in the year for rent and low-cost home ownership. After a reduction in stock through sales and demolition, social housing units owned increased by 404 to 34,983.

Notes to the financial statements

5. Operating surplus

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
This is arrived after charging:				
Depreciation of social housing properties	27,412	26,816	27,412	26,816
Impairment/(reversal of impairment) of housing properties	(353)	463	(353)	463
Depreciation of other tangible fixed assets	5,713	6,983	5,690	6,963
Impairment/(reversal of impairment) of other tangible fixed assets and loans receivable	-	185	(209)	13,759
Impairment /(reversal of impairment) of current assets	(2,654)	4,120	-	-
Operating lease rentals				
- Land and buildings	439	93	439	389
- Office equipment and computers	48	1,567	48	93
- Motor vehicles	2,651	-	2,651	1,567
Auditors' remuneration (excluding VAT)				
- For audit services	277	266	277	266

Auditors' remuneration includes fees for all audited entities within Thirteen Housing Group.

6. Gain on disposal of fixed assets

Group	Proceeds £'000	Costs of sales £'000	2024 Total £'000	2023 Total £'000
Right to Buy	1,702	(1,447)	255	582
Right to Acquire	2,256	(1,138)	1,118	2,145
Low-cost home ownership staircasing	1,292	(906)	386	423
Other	752	(743)	9	37
Gain on disposal of housing property assets	6,002	(4,234)	1,768	3,187
Gain on disposal of other fixed assets	180	(160)	20	9
Surplus	6,182	(4,394)	1,788	3,196

Association	Proceeds £'000	Costs of sales £'000	2024 Total £'000	2023 Total £'000
Right to Buy	1,702	(1,447)	255	582
Right to Acquire	2,256	(1,138)	1,118	2,145
Low cost home ownership staircasing	1,292	(906)	386	423
Other	752	(743)	9	37
Gain on disposal of housing property assets	6,002	(4,234)	1,768	3,187
Gain/(loss) on disposal of other fixed assets	8	(26)	(18)	9
Surplus	6,010	(4,260)	1,750	3,196

7. Interest receivable

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Interest receivable from current accounts	10	30	9	30
Interest receivable from investments	1,329	665	1,329	648
Loan interest receivable	9	-	760	902
	1,348	695	2,098	1,580
Net interest receivable on pension scheme assets	1,819	-	1,819	-
	3,167	695	3,917	1,580

Pension scheme net interest receivable represents the return on assets, less interest cost on defined benefit obligations. Further details are provided in note 28.

8. Interest payable and similar charges

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Interest payable on loans and overdrafts	18,227	14,971	18,227	14,971
Amortisation of borrowing costs	293	168	293	168
Interest payable charged to other activities	76	42	76	42
	18,596	15,181	18,596	15,181
Less: Interest capitalised on housing properties under construction	(1,698)	(1,040)	(1,698)	(1,040)
	16,898	14,141	16,898	14,141
Pension scheme finance costs	-	1,745	-	1,745
	16,898	15,886	16,898	15,886

Interest on borrowings is capitalised to housing properties during the period of construction, either on borrowings specifically taken to finance development, or on an average cost of borrowings based on net borrowings applied to the net development cost after deducting Social Housing Grant receivable.

The average interest rate used was 4.8% (2023: 4.2%).

Pension scheme finance costs represent the return on assets, less interest cost on defined benefit obligations. Further details are provided in note 28.

Notes to the financial statements

9. Employees

The average number of persons employed during the year expressed as full-time equivalents (37 hours per week) was:

	Group		Association	
	2024 Number	2023 Number	2024 Number	2023 Number
Administration	263	256	263	253
Regeneration and development	69	74	68	65
Housing, support and care	1,173	1,118	1,173	1,118
	1,505	1,448	1,504	1,436

Employee costs:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Wages and salaries	55,269	51,281	55,181	50,599
Social security costs	5,593	5,436	5,583	5,371
Other pension costs	5,682	5,275	5,679	5,263
	66,544	61,992	66,443	61,233
Restructuring costs	150	189	150	189
	66,694	62,181	66,593	61,422

Other pension costs exclude current service costs and credits accounted for under section 28 of FRS 102. For the financial year, the cash contributions exceeded the current service cost by £2.9m resulting in a credit to expenditure (2023: £2.4m).

The full-time equivalent number of staff who received remuneration over £60,000, including basic pay and pension contributions:

	Group		Association	
	2024 Number	2023 Number	2024 Number	2023 Number
£60,000 to £70,000	52	50	52	48
£70,001 to £80,000	21	17	21	17
£80,001 to £90,000	18	13	18	12
£90,001 to £100,000	5	5	5	5
£100,001 to £110,000	4	4	3	3
£110,001 to £120,000	1	4	1	4
£120,001 to £130,000	3	2	3	2
£130,001 to £140,000	2	2	2	2
£140,001 to £150,000	1	-	1	-
£150,001 to £160,000	-	1	-	1
£160,001 to £170,000	1	2	1	2
£170,001 to £180,000	2	2	2	2
£180,001 to £190,000	2	1	2	1
£230,001 to £240,000	1	-	1	-
	113	103	112	99

10. Key management personnel

Key management personnel are defined as the chief executive and the executive directors:

	2024 £'000	2023 £'000
Aggregate amount payable to directors (including benefits in kind)	1,081	1,049
Pension contributions	153	165
	1,234	1,214

The chief executive was the highest paid director during the reporting period (2023: deputy chief executive). The remuneration of the chief executive, excluding pension contributions, was £210,000 (2023: deputy chief executive remuneration from August 2022 £159,612). During the year, the chief executive, was an ordinary member of the defined contribution pension scheme. The group did not make any further contribution to an individual pension arrangement for the chief executive.

Non-executive directors

Emoluments paid to non-executive directors of the group amounted to £193,846 (2023: £177,571). An analysis of these payments is shown below:

Non-Executive Directors

	2024 £'000	2023 £'000		2024 £'000	2023 £'000
Andrew Wilson	12	12	Mark Simpson	6	8
Annette Clark	7	13	Neil Pattison	3	6
Anthony Riley	16	14	Nicholas Taylor	6	6
Behzad Parniani	1	1	Richard Buckley	9	8
Caroline Anne Moore	4	3	Robert Cuffe	11	8
Catherine Harte	4	3	Robert Goward	13	12
Catherine Wilburn	12	11	Russell Jameson	4	1
Christopher Newton	9	8	Ryan Davis	4	1
Claire Bell	1	1	Salma Yasmeen	9	9
Dawn Keogh	4	1	Stephanie Taylor	-	2
Gogu Vishnu Reddy	7	7	Winsome Small	6	6
Gustavo Imhof	4	3	Ya Adam Sarr	2	1
Jane Earl	22	22	Stuart Duthie	5	-
Kate Ball	-	2	Lee Ali	5	-
Kayleigh Fuller	1	1	**Total**	**194**	**177**
Laura Mack	7	7			

Notes to the financial statements

11. Tax on surplus on ordinary activities

Current tax	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
UK corporation tax on surplus for the year	-	-	-	-
Total current tax charge	-	-	-	-
Deferred tax				
Origination and reversal of timing differences	-	-	-	-
Changes in tax rates	-	-	-	-
Total deferred tax credit	-	-	-	-
Total charge/(credit) for the year	-	-	-	-
Deferred tax (credited)/charged to other comprehensive income	-	(52)	-	-
	-	(52)	-	-

Factors affecting tax charge for the current year

The tax charge for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below:

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Surplus on ordinary activities before tax	29,020	24,402	28,439	16,389
Theoretical tax at UK corporation tax rate of 25% (2023: 19%)	7,110	4,636	7,193	3,114
Effects of:				
Charitable activities not taxable	(7,193)	(3,535)	(7,193)	(3,114)
Deferred tax not provided	91	(1,101)	-	-
Income not taxable (capital)	(8)	-	-	-
Adjustment in respect of previous years	-	-	-	-
Total charge/(credit) for the year	-	-	-	-
Corporation Tax Liability	-	-	-	-

11. Tax on surplus on ordinary activities (continued)

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Deferred tax liability/(asset)				
Short term timing differences	-	-	-	-
Deferred tax:				
1 April 2023	-	52	-	-
Charge/(Credit) to the income statement	-	(52)	-	-
Charge/(Credit) to other comprehensive income	-	-	-	-
31 March 2024	-	-	-	-

The Finance Bill 2021 increased the main rate of corporation tax from 19% to 25% with effect from 1 April 2023 with profits between £50,000 and £250,000 subject to a marginal relief to provide a gradual increase in the effective corporation tax rate. There is an unrecognised deferred tax asset of £1,534,469 (2023: £1,101,531) which is measured at 25% (2023: 19%).

12. Tangible fixed assets – housing properties

Housing properties

Housing properties are classified as property, plant and equipment where they are held for social benefit. Housing properties are principally properties available for rent and properties subject to shared ownership leases.

As a result of the group restructure that took place on 1 July 2017, housing properties, as with all assets and liabilities, were transferred to Thirteen Housing Group Limited at their carrying value and are subsequently held at deemed cost, rather than being adjusted to fair value in accordance with section 19.29 of FRS 102.

Land is initially recognised at cost and considered annually for any indicators of impairment. The group holds no speculative land with a carrying value.

The association measures additions to existing properties, and properties under construction, at cost. Costs include the direct costs of acquisition including fees, development staff costs, development period interest, and expenditure incurred on improvements.

Expenditure on improvements that enhance the economic benefits of an asset by increasing its rental stream, reducing future maintenance costs, or significantly extending its useful economic life; or expenditure on improvements that restore or replace a component that has been treated separately for depreciation purposes, is capitalised.

Shared ownership and other shared equity schemes

The cost of unsold shared ownership properties, including those under construction, are split proportionally between current and fixed assets according to the expected percentage of the first tranche sale. The cost of the expected first tranche is included in current assets in stock, with the remainder being included in fixed assets. The remainder is reclassified to fixed assets if a first tranche sale is lower than expected.

Notes to the financial statements

12. Tangible fixed assets – housing properties (continued)

Depreciation of housing properties

Freehold land and assets under construction are not depreciated. Depreciation of buildings is provided on the cost to write down the net book value of housing properties to their estimated residual value. Depreciation is calculated on a straight-line basis over the useful economic life. Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Major components are treated as separable assets and depreciated over their expected useful economic lives, or the lives of the structure to which they relate if shorter. The lives for components in years, are as follows:

Component	Years	Component	Years
Land	Not depreciated	Electrical	30-50
Structure	25-125	Heating	30
Structural works	25-125	Boiler only	15
Short leasehold	Over life of lease	Compliance and security	12
Roofs	50	Aids and adaptations	15
Kitchens	20	Environmental works	15
Bathrooms	30	Air Source Heat Pumps	20
Windows	30	Solar/PV panels	25
Doors	30		

Impairment

Indicators of impairment are considered annually for cash-generating units and the recoverable amount assessed if an indicator exists. Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of fair value, less costs to sell and the value in use. Management use the depreciated replacement cost method for estimating value in use for properties held for social benefit. Any such write down is charged to the Statement of Comprehensive Income unless it is a reversal of a past revaluation surplus.

Management must apply judgement in determining the level of cash-generating units and consider size, tenure and geographical location when doing so.

Key indicators included in the management's review include materially higher development costs not identified during planning, changes in governmental policy, demand for properties, the market value of properties, and obsolescence of properties.

Individually insignificant impairments have been recognised on multiple properties, including properties that have suffered fire damage. The aggregate impairment is nil, comprising £0.3m new impairments offset by a £0.3m reversal of impairments (2023: £0.5m).

Borrowing costs

Interest on borrowings is capitalised to housing properties during the period of construction, either on borrowings specifically taken to finance development, or an average cost of borrowings based on net borrowings applied to the net development cost after deducting Social Housing Grant receivable. The average interest rate used was 4.8% (2023: 4.2%).

The cumulative amount of interest capitalised to the reporting date is £16.6m (2023: £14.9m).

12. Tangible fixed assets – housing properties (continued)

Group and association	Social housing properties hold for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Shared ownership properties under construction £'000	Total housing properties £'000
Historical or deemed cost					
At 1 April 2023	1,290,469	68,712	80,300	13,525	1,453,006
Development of new properties	-	44,597	-	633	45,230
Newly built properties acquired	-	41,931	-	44,354	86,285
Works to existing properties	-	33,533	-	6	33,539
Other additions	-	383	-	200	583
Interest capitalised	-	1,178	-	519	1,697
Schemes completed	79,928	(79,928)	29,262	(29,262)	-
Disposals	(14,397)	(74)	(1,087)	-	(15,558)
Transfer between classes	1,242	-	(1,242)	-	-
Transfer to other fixed assets	-	(1,184)	-	-	(1,184)
Transfer to current assets	(1,964)	-	-	(13,499)	(15,463)
Transfer to investment property	-	(719)	-	-	(719)
At 31 March 2024	1,355,278	108,429	107,233	16,476	1,587,416
Accumulated depreciation and impairment					
At 1 April 2023	229,820	3,795	4,547	169	238,331
Depreciation charged in year	26,636	-	776	-	27,412
Impairment charged in year	(26)	-	-	-	(26)
Depreciation released on disposal	(11,430)	-	(159)	-	(11,589)
Impairment released on disposal	(117)	-	-	-	(117)
Schemes completed	-	-	169	(169)	-
Transfer between classes	285	-	(285)	-	-
Transfer to current assets	(606)	-	-	-	(606)
At 31 March 2024	244,562	3,795	5,048	-	253,405
Net book value					
At 31 March 2024	**1,110,716**	**104,634**	**102,185**	**16,476**	**1,334,011**
At 31 March 2023	1,060,649	64,917	75,753	13,356	1,214,675

Notes to the financial statements

12. Tangible fixed assets – housing properties (continued)

Group and association	2024 £'000	2023 £'000
Total accumulated government grant receivable at 31 March was:		
Held as deferred income	232,664	200,878
Recognised in the Statement of Comprehensive Income	80,995	79,453
	313,659	280,331
Housing properties book value, net of depreciation		
Freehold	1,319,060	1,200,282
Long leasehold	13,919	13,919
Short leasehold	1,032	901
	1,334,011	1,215,102
Expenditure on works to existing properties		
Improvement works capitalised	33,539	22,045
Components capitalised to other fixed assets	8,899	9,100
Amounts charged to expenditure	14,157	12,777
	56,595	43,922

13. Tangible fixed assets – other

Other tangible fixed assets

Other fixed assets are measured at cost. Only costs that can be directly attributed to acquiring the asset and bringing it into use are capitalised. Other fixed assets are depreciated over their useful economic lives on a straight-line basis to their residual value. Freehold land is not depreciated.

The principal useful economic lives used for the depreciation of other fixed assets are:

Component	Years	Component	Years
Freehold buildings	25-125	Motor vehicles	5
Leasehold property	Life of lease	Other plant and equipment	10
Furniture and fittings	5	Market rented equipment	10
Computers	5	Service chargeable fittings	3-35

Impairment

Individually insignificant impairments have been recognised on multiple properties, including on garages earmarked for demolition. The aggregate impairment is a reversal of (£0.1m), comprising £0.2m new impairments offset by a £0.3m reversal of impairments (2023: £0.3m impairment).

13. Tangible fixed assets – other (continued)

Group	Freehold land and buildings £'000	Furniture fittings and ICT / office equipment £'000	Other plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2023	18,021	44,459	466	39	62,985
Additions	-	11,350	179	-	11,529
Disposals	(8)	(1,733)	(114)	(39)	(1,894)
Transfers between classes	(580)	88	492	-	-
Transfers from housing properties	-	1,184	-	-	1,184
Transfers to investment property	(263)	(1,157)	(492)	-	(1,912)
Correction to cost and depreciation	-	6,454	36	-	6,490
At 31 March 2024	17,170	60,645	567	-	78,382
Accumulated depreciation					
At 1 April 2023	2,612	12,846	293	36	15,787
Charged in year	336	5,030	344	3	5,713
Impairment adjustment	148	(262)	-	-	(114)
Released on disposal	(8)	(1,608)	(189)	(39)	(1,844)
Transfers to investment property	(4)	(181)	(141)	-	(326)
Correction to cost	-	6,454	36	-	6,490
At 31 March 2024	3,084	22,279	343	-	25,706
Net book value					
At 31 March 2024	**14,086**	**38,366**	**224**	**-**	**52,676**
At 31 March 2023	15,409	31,613	173	3	47,198

Notes to the financial statements

13. Tangible fixed assets – other (continued)

Association	Freehold land and buildings £'000	Furniture fittings and ICT / office equipment £'000	Other plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2023	18,021	44,385	466	-	62,872
Additions	-	11,350	179	-	11,529
Disposals	(8)	(1,659)	(114)	-	(1,781)
Transfers between classes	(580)	88	492	-	-
Transfers from housing properties	-	1,184	-	-	1,184
Transfers to investment property	(263)	(1,157)	(492)	-	(1,912)
Correction from depreciation	-	6,454	36	-	6,490
At 31 March 2024	17,170	60,645	567	-	78,382
Accumulated depreciation					
At 1 April 2023	2,612	12,814	296	-	15,722
Charged in year	336	5,010	344	-	5,690
Impairment adjustment	148	(262)	-	-	(114)
Released on disposal	(8)	(1,556)	(192)	-	(1,756)
Transfers to investment property	(4)	(181)	(141)	-	(326)
Correction to cost	-	6,454	36	-	6,490
At 31 March 2024	3,084	22,279	343	-	25,706
Net book value					
At 31 March 2024	**14,086**	**38,366**	**224**	**-**	**52,676**
At 31 March 2023	15,409	31,572	169	-	47,150

Other fixed assets contain investment works undertaken to our properties, such as communal areas, door entry systems and CCTV systems. There was £3m (2023: £2.8m) depreciation charged in the year relating to assets in our housing properties.

14. Investment properties

Investment property

Investment property consists of properties not held for social benefit and office accommodation that is leased commercially. Investment property is carried at fair value which is considered to be its open market value. Changes in fair value are recognised in income and expenditure.

External valuation of all investment properties held by the association was carried out at 31 March 2024 by Align Property Partners Limited. Valuations are completed in accordance with the RICS Valuation Standards 2014 ('The Red Book'). The valuations were undertaken on the basis of market value as individual units with the assumption of vacant possession or that the tenant who is in occupation occupies under an assured shorthold tenancy, is not a protected tenant and vacant possession can be secured if required.

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	8,931	8,922	8,931	8,922
Disposals	(57)	-	(57)	-
Transfer from housing properties	718	-	718	-
Transfer from other fixed assets	1,586	-	1,586	-
Gain/(loss) from adjustment in fair value	(2,172)	9	(2,172)	9
At 31 March	9,006	8,931	9,006	8,931

Notes to the financial statements

15. Intangible assets and goodwill

Amortisation

Amortisation is charged on a straight-line basis over the useful economic life of intangible assets, less the estimated residual value. The principle useful economic lives are:

Component	Years
Property designs	5

The property designs were developed by Thirteen Homes and have been impaired in full in 2024, as they are no longer to be used.

Goodwill

Management is required to determine the finite useful life over which goodwill is to be amortised on a systematic basis. If a reliable estimate of the useful life cannot be determined, the life will not exceed 10 years.

The goodwill arose on the acquisition of Gus Robinson Developments in 2019 by Thirteen Homes and the useful life has been assessed as 10 years. Goodwill is assessed annually for impairment by comparing the carrying value to the recoverable amount and was fully impaired in 2021. Management considered it reasonable to impair the goodwill in full, given the trading conditions in the medium term and the subsidiary's re-focus on delivering group contracts only.

The association has no intangible assets or goodwill (2023: nil).

Group	Goodwill £'000	Property designs £'000	Software £'000	Total £'000
Cost				
At 1 April 2023	1,964	105	43	2,112
Transfers in from stock (work in progress)	-	1	-	1
Disposals	-	(106)	-	(106)
At 31 March 2024	1,964	-	43	2,007
Accumulated amortisation				
At 1 April 2023	1,964	60	43	2,067
Charged in year	-	21	-	21
Impairment	-	25	-	25
Disposals	-	(106)	-	(106)
At 31 March 2024	1,964	-	43	2,007
Net book value				
At 31 March 2024	-	-	-	-
At 31 March 2023	-	45	-	45

16. Homebuy loans receivable

The association received Homebuy Grant, representing a percentage of the market value of a property to advance interest free loans to a homebuyer. The loans meet the definition of concessionary loans and are shown as a fixed asset investments on the Statement of Financial Position.

Group and Association	2024 £'000	2023 £'000
At 1 April	800	874
Interest charged	8	11
Payments received	(38)	(85)
At 31 March	770	800

17. Financial assets

Thirteen Homes had a joint arrangement with Woodside Homes, under which 50% of the shares of Woodside Homes Limited are held by Thirteen Homes. The shareholding in Woodside Homes was sold at cost in the previous financial year.

The association has no financial assets (2023: nil).

Group	2024 £'000	2023 £'000
At 1 April	-	1
Disposed of	-	(1)
At 1 April and 31 March	-	-

18. Investments in subsidiaries

Association	2024 £'000	2023 £'000
At 1 April	50	50
Additions	-	-
At 1 April and 31 March	50	50

The association has the following investments in subsidiaries, all of which have been consolidated into the group financial statements:

Name	Regulated / Non-regulated	Nature of business	Ownership 2024	Ownership 2023
Thirteen Homes	Non-regulated	Property development	100%	100%
Thirteen Commercial Services	Non-regulated	Property management	100%	100%
Thirteen Property Development	Non-regulated	Build and design	100%	100%
Thirteen Social Enterprise	Non-regulated	Community investment	100%	100%
Gus Robinson Developments	Non-regulated	Property development	100%	100%
Gus Robinson Homes	Non-regulated	Property development	100%	100%

Notes to the financial statements

18. Investments in subsidiaries (continued)

All subsidiaries are directly owned by the association apart from Gus Robinson Developments which is indirectly owned through Thirteen Homes, and Gus Robinson Homes which is indirectly owned through Gus Robinson Developments. The association has the right to appoint members to the boards of the subsidiaries and thereby exercises control over them. Thirteen Social Enterprises and Gus Robinson Homes were dormant throughout the financial year.

The registered address for all entities is: 2 Hudson Quay, Windward Way, Middlesbrough TS2 1QG.

None of the subsidiary entities are registered providers of social housing.

During the financial year, the association provided services to the above unregistered group companies as follows:

Company	Nature of the transaction	2024 £'000	2023 £'000
Thirteen Commercial Services	Management services	91	116
Thirteen Commercial Services	Repair and cleaning services	20	35
Thirteen Homes	Management services	77	273
Thirteen Property Developments	Management services	-	-
Gus Robinson Developments	Management services	58	270
		246	694

In addition, interest was chargeable by the association on intra-group loans, as follows:

Company	Nature of the transaction	2024 £'000	2023 £'000
Thirteen Homes	Interest on intra-group loan	559	624
Gus Robinson Developments	Interest on intra-group loan	192	278
		751	902

Interest is charged on the intra-group loans at a fixed rate of 4.5%.

Thirteen Commercial Services provided services to the association as follows:

Company	Nature of the transaction	2024 £'000	2023 £'000
Thirteen Housing Group	Management services on a cost sharing basis with no profit element	128	131
		128	131

Thirteen Property Development provided services to the association as follows:

Company	Nature of the transaction	2024 £'000	2023 £'000
Thirteen Housing Group	Build and design services on an agreed fee with no profit element	124	-
		124	-

19. Stock

Stocks and properties for sale

Properties for sale are valued at the lower of cost and net realisable value and include units developed for outright sale and first tranches of shared ownership properties and work in progress. Net realisable value is based on estimated sales price after allowing for further costs of completion and disposal.

Stocks of raw materials are valued at the lower of cost and net realisable value.

Other properties for sale represent former general needs social housing stock, which is being marketed for sale.

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
First tranche shared ownership properties:				
Completed	8,375	4,155	8,375	4,155
Works in progress	-	-	-	-
Outright sale properties:				
Completed	-	505	-	-
Works in progress	1,494	75	-	-
Other housing properties for sale	1,358	-	1,358	-
	11,227	4,735	9,733	4,155

20. Trade and other debtors

Bad debts

The recoverability of each customer's rent arrears is estimated based on their payment history over the preceding year. Former customer arrears are provided for in full. Where there is a policy in the organisation not to collect 100% of the income chargeable, the amount not collectable is provided immediately.

The provision for bad debts on the sales ledger are estimated based on historic recoverability based on the age of the debts at the reporting date, and adjusted for any known reasons that might affect recoverability for specific debtors.

Write-offs must be approved by the board and are only considered once all avenues for collection have been exhausted.

Intra-group loans

The association has extended revolving credit facilities to Thirteen Homes and Gus Robinson Developments which collectively will not exceed £50m at any given time. The facilities have a fixed interest rate of 4.5% and are repayable in November 2027 and January 2030 respectively.

The association has continued to impair the loan made to Gus Robinson Developments (cumulatively £8.7m (2023: £7.1m)). The board considers it prudent to impair, but not write off, because the recovery of the loan is uncertain and dependent upon the as yet unknown conditions that will exist on wind-up of the company.

The association has also impaired the loan to Thirteen Homes Limited by £9.6m (2023: £11.4m). The board considers it prudent to impair the loan because the profitability of the company is expected to be reduced because of the write-off of a significant value of work in progress. As a result, the recoverability of the loan is in doubt.

Notes to the financial statements

20. Trade and other debtors (continued)

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due within one year				
Rent and service charges arrears	7,836	8,896	7,783	8,858
Less: provision for bad debts	(3,327)	(3,604)	(3,275)	(3,569)
	4,509	5,292	4,508	5,289
Other debtors	2,736	2,195	1,796	1,392
Social Housing Grant receivable	12,000	4,530	12,000	4,530
VAT reclaimable	315	344	214	290
Amounts owed by group undertakings	-	-	62	41
Prepayments and accrued income	11,446	9,081	11,278	8,639
	31,006	21,442	29,858	20,181
Due after more than one year				
VAT reclaimable	188	367	188	367
Amounts owed by group undertakings	-	-	1,037	1,177
	31,194	21,809	31,083	21,725

21. Cash and cash equivalents

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Money market investments	14,586	1,586	14,586	1,586
Deposit accounts	2,647	44,000	2,648	44,000
Cash at bank and in hand	107,531	5,753	107,048	5,040
	124,764	51,339	124,282	50,626

22. Creditors: amounts falling due within one year

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans and overdrafts (note 26)	14,096	19,509	14,096	19,509
Rents and service charges received in advance	5,372	4,826	5,366	4,819
Social Housing Grant received in advance	50,594	38,216	50,594	38,216
Deferred capital grant (note 24)	1,653	1,395	1,653	1,395
Development creditors	3,664	3,904	3,664	3,904
Building safety provision	1,493	-	1,493	-
Other taxation and social security	1,308	1,865	1,308	1,867
Other creditors	7,404	5,383	6,877	4,546
Amounts owed to group undertakings	-	-	1,458	1,077
Accruals and deferred income	15,684	15,093	13,472	13,608
Leaseholder sinking funds	923	925	923	925
	102,191	91,116	100,904	89,866

Group and association loans and overdrafts include accrued interest payable of £3.4m (2023: £1.4m).

All properties in the group's portfolio were built in accordance with building regulations and accepted practices at the time of being built. The group is committed to ensuring continued compliance with the latest health and safety standards. The group provides for the costs of building safety works to the extent that it has a legal or constructive obligation. The cost of the remediation works has been estimated internally and the works are expected to be completed within 12 months of the reporting date. No reimbursement is expected.

Group and association Building safety provision	**2024 £'000**
At 1 April 2023	-
Additions	1,493
At 31 March 2024	1,493

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

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans (note 26)	471,956	310,718	471,956	310,718
Borrowing costs unamortised	(3,598)	(1,647)	(3,598)	(1,647)
Deferred capital grant (note 24)	180,417	161,150	180,417	161,150
Recycled capital grant fund (note 25)	1,702	1,565	1,702	1,565
	650,477	471,786	650,477	471,786

Notes to the financial statements

24. Deferred capital grant

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England and is used to support the build and development of housing properties. It is held on the Statement of Financial Position and amortised to the Statement of Comprehensive Income over the life of the property asset which the grant was received for, under the accruals method.

SHG due, or received in advance, is included as a current asset or liability. SHG is subordinated to the repayment of loans.

SHG released on the sale of a property may be repayable but is normally available to be recycled and is credited to the recycled capital grant fund (RCGF). The individual disposal of components does not create a relevant event for recycling purposes. Should the entire property be disposed, the association must recycle the full related grant, and a contingent liability would be disclosed to reflect this.

Other grants

Other grants may be receivable from local authorities and other organisations. Capital grants are utilised to reduce the capital costs of housing properties, including land costs. The accounting treatment for capital grants is dependent upon the source of the funding:

- Grants from government sources are held on the Statement of Financial Position as a deferred capital grant and amortised to the Statement of Comprehensive Income over the life of the structure of the property.
- Grants from non-government sources are recognised in the Statement of Comprehensive Income once any conditions attached to the receipt of the funding has been met.

Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same financial year as the expenditure to which they relate.

	Group £'000	Association £'000
Cost		
At 1 April	184,285	184,285
Received during the period	21,583	21,583
Disposals	(601)	(601)
At 31 March	205,267	205,267
Accumulated amortisation		
At 1 April	21,740	21,740
Released to income in the period	1,541	1,541
Released on disposal	(84)	(84)
At 31 March	23,197	23,197
Net book value		
At 31 March 2024	**182,070**	**182,070**
At 31 March 2023	162,545	162,545

	Group £'000	Association £'000
Amounts to be released within one year	1,653	1,653
Amounts to be released in more than one year	180,417	180,417
	182,070	182,070

25. Recycled capital grant fund

Group and association		2024 £'000	2023 £'000
At 1 April		1,565	1,507
Inputs to the RCGF:	Grant recycled	695	403
	Interest accrued	76	-
Recycling of grant:	New build	(634)	(345)
At 31 March		1,702	1,565
Amounts three years old or older		-	-

26. Analysis of changes in net debt

Group	At 1 April 2023 £'000	Cash Flows £'000	Non-Cash Movements £'000	At 31 March 2024 £'000
Cash and cash equivalents	(51,339)	(73,425)	-	(124,764)
Housing loans due in one year	19,509	(24,336)	18,923	14,096
Housing loans due after one year	310,718	176,778	(15,540)	471,956
	278,888	79,017	3,383	361,288

Association	At 1 April 2023 £'000	Cash Flows £'000	Non-Cash Movements £'000	At 31 March 2024 £'000
Cash and cash equivalents	(50,626)	(73,656)	-	(124,282)
Housing loans due in one year	19,509	(24,336)	18,923	14,096
Housing loans due after one year	310,718	176,778	(15,540)	471,956
	279,601	78,786	3,383	361,770

27. Non-equity share capital

Shares of £1 each issued, but not fully paid:

Group and association	2024 £	2023 £
At 1 April	11	11
Issued during the year	-	-
Cancelled during the year	-	-
At 31 March	11	11

The shares do not have a right to any dividend of distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid up.

Notes to the financial statements

28. Pension provisions

The group participates in the following pension schemes:

Scheme	Description
Teesside Pension Fund (LGPS)	Multi-employer defined benefit scheme
Thirteen Housing Group Pension Scheme (THGPS)	Defined benefit pension scheme
Gus Robinson Developments Limited Pension & Assurance Scheme (GRD)	Closed defined benefit scheme
Thirteen Defined Contribution Scheme	Defined contribution scheme for Thirteen Housing Group employees
Peoples pension	Defined contribution scheme for Gus Robinson employees

The Trustee of the THGPS (The Pensions Trust) has performed a review of the changes made to the Scheme's Trust Deed and Rules and the benefits of all schemes in the Trust. As a result, there is uncertainty surrounding some of these changes and therefore the Trustee is seeking clarification from the High Court. The case will be heard in February 2025 and the Trustee will present the case that the schemes should be administered as they are now and if successful, there will be no change to members' benefits. However, if the outcome of the court case is that some changes to Scheme Rules have not been validly made, this may increase benefits for some members, resulting in arrears being due in respect of benefits that have already been paid. The Trustee estimates that additional liabilities resulting from this would be circa £2m.

Defined benefit schemes

Plan assets are measured using market values. Defined benefit obligations are measured using a projected unit method that are discounted at the current rate of return on high quality corporate bond yields of equivalent term and currency to the liability.

Material pension scheme assets are recognised to the extent that they are realisable through a refund or reduction in future contributions. To be prudent, assets that management judge not to be realisable through a refund or reduced future contributions, and all deficits, are recognised in full. Service and finance costs are recognised in the income and expenditure with actuarial changes in the fair value of plan assets and obligations being recognised in other comprehensive income.

AA+ corporate bond yields are used to determine the FRS102 discount rate. These have continued to rise year-on-year, reducing the value of pension scheme liabilities.

On 31 March 2024, the corporate bond yield curve used to set the discount rate for the Thirteen Housing Group Pension Scheme transitioned from the "UK Mercer Yield Curve - without options" to the "UK Mercer Yield Curve – expanded dataset". This was introduced to expand the bond universe and improve the stability of the curve from month to month. The impact of this on pension liabilities is estimated as £1.6m.

All defined benefit pension schemes reported a surplus for the year ended 31 March 2024. In accordance with the group's policy, a pension asset is only recognised to the extent that it is realisable through a refund or by a reduction in future contributions. As management do not consider it possible for Thirteen Housing Group to obtain a refund or reduction in future contributions for the pension schemes, the surplus is restricted to £nil, with the restriction recognised in other comprehensive income.

The results of the defined benefit schemes are presented in aggregate.

28. Pension provisions (continued)

Breakdown of amounts recognised in profit and loss

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current service credit	(2,637)	(3,476)	(2,637)	(3,455)
Amounts charged to operating costs	(2,637)	(3,476)	(2,637)	(3,455)

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Net interest (credit)/cost	(1,819)	1,745	(1,819)	1,744
Amounts charged to other finance costs	(1,819)	1,745	(1,819)	1,744

Analysis of amounts recognised in other comprehensive income

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cumulative actuarial gain	53,937	103,490	53,937	102,897
Restriction of surplus	(58,393)	(36,984)	(58,393)	(36,452)
	(4,456)	66,506	(4,456)	66,445
Cumulative actuarial gain/(loss)	39,227	43,683	38,958	43,414

Reconciliation of funded status to statement of financial position

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Present value of scheme liabilities	(220,637)	(222,011)	(220,634)	(222,008)
Fair value of assets	279,030	258,995	279,027	258,992
Net surplus on defined benefit pension schemes	**58,393**	**36,984**	**58,393**	**36,984**
Restriction of surplus	(58,393)	(36,984)	(58,393)	(36,984)
Net liability recognised in the statement of financial position	-	-	-	-

Changes to the present value of the defined benefit obligation

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Opening scheme liabilities	(222,011)	(343,616)	(222,008)	(340,063)
Business combinations	-	-	-	(2,700)
Current service cost	(3,068)	(6,721)	(3,068)	(6,721)
Interest cost	(10,566)	(9,420)	(10,566)	(9,380)
Actuarial gains on scheme liabilities	9,787	134,975	9,787	134,121
Benefits paid	7,981	5,933	7,981	5,897
Contributions by participants	(2,783)	(3,162)	(2,783)	(3,162)
Expenses paid	23	-	23	-
Closing defined benefit obligation	(220,637)	(222,011)	(220,634)	(222,008)

Notes to the financial statements

28. Pension provisions (continued)

Changes to the fair value of assets

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Opening fair value of scheme assets	258,995	275,379	258,992	271,907
Business combinations	-	-	-	3,232
Interest income on assets	12,385	7,675	12,385	7,636
Remeasurement gains on assets	7,166	(31,485)	7,166	(31,224)
Contributions by employer	5,920	10,395	5,920	10,374
Contributions by participants	2,783	3,162	2,783	3,162
Expenses	(238)	(198)	(238)	(198)
Benefits paid	(7,981)	(5,933)	(7,981)	(5,897)
Closing fair value of scheme assets	279,030	258,995	279,027	258,992
Restriction of surplus	(58,393)	(36,984)	(58,393)	(36,984)
Closing fair value after restriction of surplus	220,637	222,011	220,634	222,008

Plan assets

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Equity	171,903	181,296	171,903	181,295
Bonds	3,850	-	3,850	-
Property	60,611	59,569	60,611	59,568
Cash	11,950	18,130	11,950	18,129
Other assets	30,716	-	30,713	-
	279,030	258,995	279,027	258,992

Group and association reconciliation of asset ceiling

	GRD £'000	THGPS £'000	LGPS £'000	Total £'000
Asset ceiling restriction of surplus brought forward 1 April 2023	639	826	35,519	36,984
Change in the irrecoverable surplus attributable to interest charged to profit and loss	31	40	1,740	1,811
Change in the irrecoverable surplus attributable to remeasurement recognised in other comprehensive income	(457)	66	19,989	19,598
Asset ceiling restriction of surplus carried forward 31 March 2024	**213**	**932**	**57,248**	**58,393**

28. Pension provisions (continued)

Actuarial assumptions

	LGPS 2024 % pa	LGPS 2023 % pa	THGPS/SHPS 2024 % pa	THGPS/SHPS 2023 % pa	GRD 2024 % pa	GRD 2023 % pa
Discount rate	4.9	4.8	4.9	4.8	4.8	4.7
RPI inflation	n/a	n/a	3.1	3.1	3.2	3.2
CPI inflation	2.8	3.0	2.8	2.8	2.4	2.4
Salary growth	2.8	3.0	2.8	2.8	3.0	3.2

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

Future lifetime from age 65:

	LGPS 2024 Years	LGPS 2023 Years	THGPS/SHPS 2024 Years	THGPS/SHPS 2023 Years	GRD 2024 Years	GRD 2023 Years
Aged 65 at 31 March						
Males	20.5	20.6	20.6	20.9	19.5	20.0
Females	23.5	23.7	22.9	23.6	21.5	22.0
Aged 45 at 31 March						
Males	21.3	21.5	22.2	22.3	20.7	21.4
Females	25.0	25.2	24.4	25.0	23.0	23.5

The above ages represent the latest fund valuation at the balance sheet date.

Sensitivity to assumptions

The effect of movements in the main assumptions on the value of liabilities are shown in the table below:

	2023/24 LGPS	2023/24 THGPS	2023/24 GRD	2022/23 LGPS	2022/23 THGPS	2022/23 GRD
Discount rate -0.1%	2.0%	2.1%	1.2%	2.0%	2.2%	1.5%
Pay inflation +0.1%	0%	1.3%	0.6%	-	1.4%	-
CPI +0.1%	2.0%	1.1%	0.6%	2.0%	1.1%	-

Notes to the financial statements

28. Pension provisions (continued)

Non-cash impact of pension schemes on Operating Surplus

	2024 £'000	2023 £'000
THGPS		
Current service cost	270	894
Contributions paid during year	(2,878)	(6,488)
Teesside Pension Fund		
Current service cost	2,775	5,824
Contributions paid during year	(2,999)	(2,654)
GRD		
Current service cost	23	3
Contributions paid during year	(43)	(3)
Non-cash pension (credit)/charge to operating surplus	(2,852)	(2,424)

SHPS defined benefit scheme

The SHPS was closed in June 2022 and all assets and liabilities were transferred to the Thirteen Housing Pension Scheme. The non-cash impact of the SHPS on operating surplus was therefore £nil (2023: £nil).

Defined contributions schemes

Payments to the defined contribution schemes are recognised as an expense in the income and expenditure account when they fall due. Amounts not paid at 31 March 2024 are shown as a liability in the Statement of Financial Position. During the year, employer contributions of £709k (2023: £202k) were made to defined contribution schemes.

29. Capital commitments

Capital expenditure commitments were as follows:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Capital expenditure contracted for, but not provided for	183,559	302,063	183,559	300,333
Capital expenditure authorised by the board, but not contracted	87,837	152,790	86,129	152,790
	271,396	454,853	269,688	453,123

The capital commitments for the development of new property assets will be financed from the association's cash balance (£124.8m), drawing on approved loan facilities (£136.5m), and social housing grants (£181.1m). The balance of funding is determined as the development schemes occur and commitments are realised.

30. Contingent liabilities

ARCC Consortium

Group and association

The Achieving Real Change in the Community (ARCC) was set up in 2015 to deliver the Ministry of Justice's (MoJ) rehabilitation contract in Durham and Tees Valley. The consortium consists of eight partners, including three local authorities and Thirteen Housing Group. The contract ended in June 2021 and provision has been made by ARCC to cover the parent company guarantee liability and any potential liabilities should HMRC make a claim. There is very minimal risk to Thirteen of any future liability and therefore no provision has been made in the financial statements.

Social Housing Grant

Group and association

The group has an obligation to recycle or repay social housing grant if properties are disposed of. In addition to the amount disclosed in creditors, £80.8m of grant has been credited to reserves to date through amortisation (2023: £79.4m). The timing of any future repayment, if any, is uncertain.

31. Net cash generated from operating activities

Non-cash impact of pension schemes on Operating Surplus

Group		2024 £'000	2023 £'000
Surplus for the year		29,020	24,402
Adjustments for non-cash items:			
Depreciation of tangible fixed assets	5	33,125	26,815
Impairment of tangible fixed assets		(140)	402
Amortisation of intangible fixed assets	15	21	21
Impairment of intangible fixed assets		24	-
Increase/(decrease) in stock		11,077	(382)
(Increase)/decrease in trade and other debtors		450	(774)
Increase/(decrease) in trade and other creditors		(1,294)	1,836
Pension costs less contributions payable		(4,456)	(1,731)
Carrying amount of fixed assets disposals		3,901	26,313
Revaluation on investment property		2,172	(9)
Tangible fixed assets revalued		-	(154)
Reversal of stock impairment		(2,654)	-
Adjustments for investing or financing activities:			
Proceeds from sale of assets		(19,975)	(8,543)
Government grants utilised in the year	24	(1,490)	(1,655)
Interest and financing costs	8	16,898	14,141
Interest received	7	(1,348)	(695)
Net cash generated from operating activities		65,331	79,987

Notes to the financial statements

32. Operating leases

Group and association

Operating leases where the group and association is the lessee

The future minimum lease payments which the group and association is committed to make under non-cancellable operating leases are as follows:

	2024 £'000	2023 £'000
Land and buildings		
Payments due:		
Not later than one year	360	383
Later than one year and not later than five years	831	852
Later than five years	926	818
	2,117	2,053
Office and other equipment		
Payments due:		
Not later than one year	48	69
Later than one year and not later than five years	60	138
Later than five years	-	131
	108	338
Motor vehicles		
Payments due:		
Not later than one year	2,218	221
Later than one year and not later than five years	7,476	247
Later than five years	-	-
	9,694	468

Operating leases where the group and association is the lessor

The group owns 45 (2023: 72) retail units that are leased to third parties on non-cancellable leases. Rents are set in accordance with market conditions. The latest expiry date is December 2030. The group also leases two properties to specialist housing providers on a non-cancellable lease.

The future minimum rentals receivable under non-cancellable operating leases are as follows:

Where the company is the lessor, lease rentals receivable for non-cancellable leases:

	2024 £'000	2023 £'000
Land and buildings		
Payments due:		
Not later than one year	471	447
Later than one year and not later than five years	1,196	1,094
Later than five years	412	436
	2,079	1,977

33. Related party transactions

Group and association

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

The group participates in five pension schemes, Thirteen Housing Group Pension Scheme; a multi-employer defined benefit scheme, Teesside Pension Fund; a multi-employer defined benefit pension scheme, Gus Robinson Developments Limited Pension and Assurance Scheme; a closed defined benefit pension scheme, Thirteen Defined Benefit Contribution Scheme; a defined contribution pension scheme, and the People's Pension scheme; a defined contribution pension scheme. Transactions between the group and the pension schemes are detailed in note 28. The balances included in creditors as due to the pension providers is £684,914 (2023: £356,723). Balances outstanding at year end will be settled in cash by 22nd after the month they relate to.

Through declarations of interest from key management personnel, the following related party transactions are required to be disclosed:

- Northern Housing Consortium Limited was paid £20,567 (2023: £16,637) by the association during the year, for which a credit note of £855 (2023: £nil) was received and remained outstanding at 31 March 2024. Matt Forrest is a board member of Northern Housing Consortium Limited.
- Middlesbrough College was paid £1,259 (2023: £859) by the association in respect of course fees during the year; there were no outstanding balances owed by the association (2023: £nil). The association received £3,000 (2023: £3,000) from Middlesbrough College for apprenticeship funding during the year and a further £500 was owed by Middlesbrough College as at 31 March 2024. Jane Castor is a governor of Middlesbrough College.
- Homefair Blinds UK Limited was paid £1,885 (2023: £868) by the association for goods and services during the year. There were no outstanding balances owed by the association at the 31 March 2024. David Ripley's spouse is the owner of Homefair Blinds UK Limited.
- Storm Tempest Property Consultancy was paid £144,125 (2023: £36,359) by the association and £624 (2023: £nil) by Gus Robinson Developments Limited, for services during the year. The association owed the company a further £6,210, which was outstanding at 31 March 2024. Joy Whinnerah's partner is an Associate Director of Storm Tempest Property Consultancy.

The association has applied the exemptions available under paragraph 33.1A of FRS 102 not to disclose transactions with other group companies. Transactions between unregistered group companies are disclosed in note 18.

34. Agreements to improve existing properties

Group and association

Agreements to purchase improved properties from the local authority and separately to deliver those improvements transferred to Thirteen Housing Group between 2008-12. Whilst the local authority retained an obligation to improve the properties, the group was contracted to deliver those improvements. The underlying substance is that the properties were purchased in their existing condition at the agreed price to which the group would undertake the specified improvements. Management have offset the asset arising from the local authorities' obligation to improve the properties against the group's liability to perform the improvement works.

At the point of entering the agreement, the estimated gross value of the improvements for Erimus Housing and Housing Hartlepool were £185m and £86m respectively which have been completed.

The estimated gross value of the improvements for Tristar Homes was £217m. At 31 March 2024 the gross value of invoiced work on which VAT had been reclaimed was £98m (2023: £91.9m).

Notes to the financial statements

35. Joint ventures

Group and association

The association accounts for its own share of assets, liabilities, and cash flows in joint arrangements, measured in accordance with the terms of the arrangement.

Thirteen Homes held 50% of the share capital in Woodside Homes Limited, which was sold at cost during the previous financial year.

36. Financial assets and liabilities

Financial instruments

The group has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments and to follow the disclosure requirements of FRS 102 Section 11 and 12.

The group has not elected to hold any financial instruments at fair value through profit or loss.

Financial assets

The group and association initially recognise financial assets at fair value. Financial assets are classified at initial recognition and on any subsequent reclassification event in one of four primary categories:

- Financial assets at fair value through profit or loss

  These are either: held for trading because they are acquired for the purpose of selling or are a derivative; or are designated as such. They are initially recognised fair value, excluding transaction costs. At each reporting date, they are re-measured at fair value with change being recognised in the Statement of Comprehensive Income as interest receivable or payable. The group has not designated any non-derivatives as fair value through profit or loss.

- Loans and receivables

  These are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market and have not been designated as either fair value through profit or loss or as available for sale. Such assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Comprehensive Income when loans and receivables are derecognised or impaired.

- Held to maturity

  These are non-derivative financial assets with fixed and determinable payments and a fixed maturity date where the group or association has an intention and ability to hold them to maturity. Gains and losses are recognised in the Statement of Comprehensive Income when loans and receivables are derecognised or impaired.

- Available for sale

  These are non-derivative financial assets that are designated as such or are not classified in any of the other categories. These are held at fair value with gains or losses being recognised in the Statement of Changes in Equity. If there is no active market for a financial asset and it is not appropriate to determine fair value using valuation techniques, financial assets are carried at amortised cost.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows, discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. Impairment provisions for bad and doubtful debts are calculated based on customer payment history with 100% of former tenant arrears being provided for.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

36. Financial assets and liabilities (continued)

Financial instruments

Financial liabilities

The group and association classify financial liabilities at initial recognition and on any subsequent reclassification event into one of two primary categories:

- Financial liabilities at fair value through profit or loss

  These are derivatives initially measured at fair value, excluding transaction costs. At each reporting date, they are re-measured at fair value with change being recognised in the Statement of Comprehensive Income as interest receivable or payable. The group has not designated any non-derivatives as fair value through profit or loss.

- Other financial liabilities

  All other financial liabilities are held at amortised cost using the effective interest rate method, this includes loans, overdrafts and trade payables. Loans include un-amortised issue costs.

Embedded derivatives

Embedded derivatives are identified upon initial recognition of a financial instrument. Embedded derivatives are held at amortised cost if their economic characteristics and risks are closely related to the host contract and the host contract is not held at fair value through profit or loss. Embedded derivatives that are not closely related to the host contract and the host contract itself is not held at fair value through profit or loss are accounted for separately to the host contract at fair value through profit or loss.

Hedge accounting

The group does not have any hedges in place.

The group's policy on managing financial risk is explained in the strategic report.

The financial instruments may be analysed for group and association as follows:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets that are debt instruments measured at amortised cost				
- Rent receivable	4,509	5,292	4,508	5,289
- Amounts owed by group undertakings	-	-	1,099	1,218
- Other receivables and prepayments	26,685	16,517	25,476	15,218
- Cash and cash equivalents	124,764	51,339	124,282	50,626
	155,958	73,148	155,365	72,351

Notes to the financial statements

36. Financial assets and liabilities (continued)

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
- Derivative financial instruments (a)	-	-	-	-
Financial liabilities measured at amortised cost				
- Loans and overdrafts (b)	486,052	330,227	486,052	330,227
- Rent in advance	5,372	4,826	5,366	4,819
- Amounts owed to group undertakings	-	-	1,458	1,077
- Other creditors and accruals	261,246	227,850	258,507	225,529
	752,670	562,903	751,383	561,652

(a) Loan notes issued by the association include a prepayment option that is not closely related to the host loan. The embedded derivative has been accounted for separately from the host loan, but its fair value at the reporting date is nil (2023: nil). The value of the host loan is £100m and is itself measured at amortised cost.

(b) The loan portfolio includes loans with prepayment options, all of which are considered closely related to the loan itself and would compensate the lender for lost interest, apart from the loan notes issuance described in (a).

Liquidity

Loans of £366.7m (2023: £293.6m) have fixed rates of interest between 2.3% and 11.8%.

Loans of £115.9m (2023: £35.2m) have variable rates of interest up to 1.8% over SONIA.

Final instalments fall to be repaid in the period from 2024 to 2056.

All loans are secured by fixed charges over the group's properties.

At the reporting date, the group and association had undrawn loan facilities of £136.5m (2022: £142.5m).

Loans are repayable as follows:

	2024 £'000	2023 £'000
Within one year or on demand	10,714	18,116
One year or more but less than two years	12,520	16,433
Two years or more but less than five years	96,397	52,254
Five years or more	363,038	242,031
	482,669	328,834
Accrued interest due within one year	3,383	1,393
	486,052	330,227

37. Post balance sheet events

After the reporting date, revolving credit facility loans of £73.8m were voluntarily repaid in advance of the repayment date. Of this amount, £66.0m were included in loans repayable in two years or more but less than five years, and £7.8m were repayable in five years or more. All repaid loans are able to be redrawn as required.

After the reporting date, the group took the decision to temporarily relocate customers from Dawson House following a building safety visit as part of planned investment works to the block. The block has a net book value of £1.7m and the accounts include a provision for £0.5m for building safety works. The group is exploring the feasibility of additional remediation. No impairment or further provision has been recognised as the board considers that the cost of any additional remediation will not be material.

38. Ultimate parent undertakings and controlling party

The ultimate parent undertaking and controlling party is Thirteen Housing Group Limited, a community benefit society registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing with the Regulator of Social Housing.

Thirteen Housing Group Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at the reporting date. The consolidated financial statements of Thirteen Housing Group Limited are available from the group's registered office at 2 Hudson Quay, Windward Way, Middlesbrough TS2 1QG.

Other Company information

Registrations

Registered as a community benefit society under the Co-operative and Community Benefit Societies Act 2014, number 7522.

Registered by the Regulator of Social Housing, number L4522.

Board

Chair	Jane Earl
Other Members	Andrew Wilson Annette Clark (to November 2023) Anthony Riley Catherine Wilburn Christopher Newton (to July 2024) Lee Ali (from September 2023) Mark Simpson (to October 2023) Richard Buckley (to July 2024) Robert Cuffe Rob Goward Salma Yasmeen Stuart Duthie (from September 2023)

Executive Directors

Group Chief Executive	Matt Forrest
Deputy Chief Executive	Christine Smith
Chief Finance Officer	Jane Castor
Chief Information and Technical Officer	Matt Cavanagh
Executive Director of Assets	Paul Jenkins (to May 2024)
Executive Director of Customer Services	David Ripley
Executive Director of Development and Partnerships	Joy Whinnerah

Registered Office

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Independent Auditor

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Chartered Accountants
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Solicitor

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Banker

NatWest
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