

# **PROGRESS HOUSING ASSOCIATION LIMITED**

**Financial statements for the year ended  
31 March 2023**

**Co-operative and Community Benefit Society (FCA) No: 27792R**

**Regulator of Social Housing No: LH4032**

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

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**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Members of the board of management and executive officers**

Members of the board (all of whom are non-executive directors):

Nicola Bevan	
Gavin Cawthra	
Adam Dennett	
Yasmin Fearon	Deputy Group Chair
Nigel Ingram	Appointed 1 April 2023
Elaine Johnstone	Appointed 1 April 2023
Brian Ricketts	Retired 27 September 2022
Deborah Shackleton CBE	Retired 27 September 2022
Maggie Shannon	
James Sinclair Taylor	
Neil Townsend	
Anna Urbanowicz	Appointed 27 September 2022
Samantha Veal	
Nigel Wright	Group Chair

The following serve as independent members of the Group's committees and are not members of the board:

Kylie Blackham	Remuneration and Nominations Committee
Suzanne Horrill	Group Audit Committee
Ruth Lowry	Group Audit Committee
	Appointed 27 September 2022
Mahua Nandi	RWP Committee
	Group Audit Committee
Neil McCall	RWP Committee
	Retired 27 September 2022

Company Secretary	Deborah Atherton, ACCA
Registered office	Sumner House, 21 King Street, Leyland, PR25 2LW
Executive officers	Jacqui De-Rose BSc, MCIH Bernie Keenan  Deborah Atherton ACCA Tammy Bradley BA (Hons), MCIH Andy Speer MBA, ACMA, BA (Hons) Les Warren FCA MBA
	Group Chief Executive
	Deputy Chief Executive and Executive Director (Services & Growth)
	Retired 9 October 2022
	Executive Director (Governance, People & Communications)
	Executive Director (Operations & Support)
	Executive Director (Finance & Corporate Services)
	Executive Director (RWP & Development)
	Appointed 1 July 2023
Auditors	BDO LLP, 3 Hardman Street, Manchester, M3 3AT

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Five year financial highlights**

for the financial years ended 31 March	2023 £000's	2022 £000's	2021 £000's	2020 £000's	2019 £000's
<b>Statement of Comprehensive Income</b>					
Turnover	88,909	86,757	83,096	79,063	73,552
Operating surplus	15,105	12,956	15,845	16,984	17,871
Surplus after tax	8,039	7,286	9,276	9,381	10,428
<b>Statement of Financial Position</b>					
Tangible fixed assets	579,770	555,308	534,504	524,448	512,084
Net current assets/(liabilities)	4,294	2,234	(3,626)	429	(4,547)
Debt due after more than one year	256,838	240,775	226,496	232,367	228,178
Pension liabilities/(assets)	659	7,005	12,359	7,886	5,675
Net assets	305,316	290,518	277,262	272,110	264,043
Revaluation reserve	173,259	175,375	177,200	178,784	180,727
<b>Key financial ratios and indicators</b>					
Operating margin	16.2%	14.7%	19.1%	21.2%	24.1%
Headline social housing cost per unit	6,104	6,051	5,365	5,242	5,077
General needs & independent living cost per unit	4,162	4,280	3,716	3,464	3,527
Supported living cost per unit	10,349	9,979	8,794	8,699	8,340

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Report of the board**

The board presents its report and the audited financial statements of Progress Housing Association Limited (the “Association”) for the year ended 31 March 2023. The Association is a fully owned subsidiary of Progress Housing Group Limited which prepares consolidated financial statements incorporating the Association (the “Group”).

**Principal activities**

The Association provides high quality homes and housing management for communities across England and Southern Scotland. It owns and/or manages over 10,500 properties through its Progress Housing Group and RWP brands including homes for rent, housing for older people, supported living accommodation, key worker accommodation, supported accommodation for people experiencing homelessness, shared ownership and leasehold accommodation.

The Association, through its Progress Lifeline brand, is also the regional leader in the North West in technology enabled care services (TECS) with aspirations to become a national leader. The Association supports over 65,000 people to maintain independence through the delivery of a person-centred service tailored to the needs of the individual. The Association believes that TECS improves the quality of life and should be easily available for all who need it.

The Association, through its Progress Living brand, supports the health service to do its job by providing workers with high-quality accommodation right where it is needed in Lincolnshire. The Association does not use standard accommodation models. It tailors its services to meet the specific needs of health workers.

**Strategic report**

The Association has not included a strategic report in these financial statements on the basis that a strategic report for the Group has been included in the financial statements of its parent company Progress Housing Group Limited.

## **Progress Housing Association Limited**

### **Financial statements for the year ended 31 March 2023**

#### **Business performance**

##### **Financial performance for the year**

The surplus after tax for the year ended 31 March 2023 was £8m (2022: £7.3m). The total comprehensive income for the year ended 31 March 2023 was £14.8m (2022: £13.3m). This includes actuarial gains on the defined benefit pension scheme of £6.8m (2022: £6.0m).

Total fixed assets are £581.6m (2022: £557.2m). The Association's share of the pension fund deficit in the Social Housing Pension Scheme (SHPS) is £0.7 million. The Association had £305.3m of net assets as at the 31 March 2023 (2022: £290.5m).

#### **Key performance indicators and Value for Money (VFM)**

The Group has a performance management framework including KPIs and VFM metrics that underpins the vision and strategic aims identified within its Strategic Plan. KPIs are set by the board using a balanced scorecard methodology which assesses performance against financial, customer and communities, learning and growth and operating process targets.

To demonstrate VFM, the Group reports on the metrics prescribed by the Regulator of Social Housing (RSH) in its VFM Standard 2018 alongside a number of additional related metrics identified by the board. The board is committed to ensuring that VFM is embedded in both the Group's culture and its decision-making processes.

#### **Regulation**

As a registered provider, the Association is regulated by the Regulator of Social Housing (RSH). The Group continues to hold a G1/V1 rating. The board monitors its ongoing compliance with both the economic and consumer Regulatory Standards and compliance is reported to the board on an annual basis with any changes or implications arising within the year being reported on an ad hoc basis. In line with the changes to the Accounting Direction for Private Registered Providers of Social Housing in 2019, the board confirms compliance with these standards up until the date of signing of the accounts.

#### **Going concern**

For the Association, after making appropriate enquiries, and whilst recognising both a changing policy landscape, the impacts of high inflation, interest rates and the ongoing conflict in Ukraine, the board is satisfied that no significant risks or exposures exist other than those disclosed in the financial statements and the Association is well placed to understand and manage the challenges and business risks ahead.

## **Progress Housing Association Limited**

### **Financial statements for the year ended 31 March 2023**

#### **Going concern (continued)**

The board has approved a budget for the Association for the coming year and also its long term financial plans. The long term financial plans reflect ongoing compliance, building quality and net zero carbon commitments, new development programmes and also the delivery of the Association's planned maintenance programmes.

The Association has in place £305m of reserves and £357m of external loan facilities with £265m utilised at 31 March 2023. The long term financial plans show that the Association has sufficient funding to support its business activities and is able to service its debt facilities whilst continuing to comply with lenders' covenants. Sensitivities have been put through the long term financial plans for the Association in order to test going concern and provide the board with assurance that it has a resilient plan in place.

For these reasons, the board considers it has a reasonable expectation that the Association will be able to continue in operation and meet its liabilities as they fall due for a period of at least 12 months following the signing of the accounts. The board therefore continues to adopt the going concern basis in the financial statements.

#### **Statement of compliance**

The Group strategic report has been prepared in accordance with best practice guidance and the board, which operates co-determinus with the board of the parent company, in approving the Group financial statements, is also approving the associated Group strategic report.

#### **Statement of disclosure to the auditor**

At the time of approval of this report:

- a) so far as the board is aware, there is no relevant audit information of which the Association's auditor is unaware; and
- b) the board has taken all steps that they ought to have taken as board members in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

#### **Auditor**

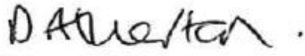
BDO LLP have expressed their willingness to continue in office, accordingly a resolution is to be proposed at the Annual General Meeting for their re-appointment.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Annual General Meeting**

The Annual General Meeting of the Association will be held on 4 September 2023.

The report of the board was approved by order of the board and signed on its behalf by:

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**Deborah Atherton**

**Company Secretary**

31 July 2023



**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Statement of the board's responsibilities**

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

Co-operative and Community Benefit Society law and social housing legislation requires the board to prepare financial statements for each financial year. Under these regulations, the board has elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the income and expenditure of the Group and Company for the period stated.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice for Registered Social Housing Providers (updated 2018) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The board is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2022.

The board is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Independent auditor's report to the members of Progress Housing Association Limited for the year ended 31 March 2023**

*Opinion on the financial statements*

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

*Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

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

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Independent auditors report to the member of Progress Housing Association Limited**  
**(Continued)**

*Conclusions relating to going concern*

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

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

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

*Other information*

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

We have nothing to report in this regard.

*Matters on which we are required to report by exception*

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

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Independent auditors report to the member of Progress Housing Association Limited**  
**(Continued)**

*Matters on which we are required to report by exception (continued)*

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

*Responsibilities of the board*

As explained more fully in the board members responsibilities statement, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

*Auditor's responsibilities for the audit of the financial statements*

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

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Independent auditors report to the member of Progress Housing Association Limited**  
**(Continued)**

*Auditor's responsibilities for the audit of the financial statements (continued)*

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

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

*Non-compliance with laws and regulations*

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

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

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

Our procedures in respect of the above included:

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

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Independent auditors report to the member of Progress Housing Association Limited**  
**(Continued)**

*Auditor's responsibilities for the audit of the financial statements (continued)*

*Extent to which the audit was capable of detecting irregularities, including fraud (continued)*

*Fraud*

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

Our risk assessment procedures included:

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

Our procedures in respect of the above included:

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

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

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Independent auditors report to the member of Progress Housing Association Limited**  
**(Continued)**

*Auditor's responsibilities for the audit of the financial statements (continued)*

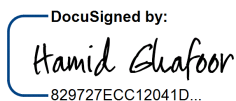
*Extent to which the audit was capable of detecting irregularities, including fraud (continued)*

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

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

*Use of our report*

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

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Hamid Ghafoor

**BDO LLP, Statutory Auditor**

**3 Hardman Street**

**Manchester**

**United Kingdom**

Date 16 August 2023

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

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Statement of Comprehensive Income**

*For the year ended 31 March 2023*

	Note	2023 £'000	2022 £'000
Turnover	2	88,909	86,757
Operating expenditure	2	(72,810)	(69,321)
Cost of sales	2	(1,670)	(4,650)
		14,429	12,786
Gain on disposal of property, plant and equipment	2	676	170
<b>Operating surplus</b>	<b>2</b>	<b>15,105</b>	<b>12,956</b>
Movement in fair value of investment properties	11	107	64
Interest receivable	7	781	586
Interest payable and financing costs	8	(7,954)	(6,320)
<b>Surplus before tax</b>		<b>8,039</b>	<b>7,286</b>
Tax on surplus on ordinary activities	9	-	-
<b>Surplus after tax</b>		<b>8,039</b>	<b>7,286</b>
Actuarial gain on pension schemes	26	6,759	5,970
<b>Total comprehensive income for the year</b>		<b>14,798</b>	<b>13,256</b>

The notes on pages 19 to 53 form an integral part of these financial statements.



**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**


**Statement of Financial Position**

As at 31 March 2023


	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Housing properties at cost	10	572,941	548,769
Other tangible fixed assets	11	6,759	6,539
Intangible fixed assets	12	158	200
Investment in joint venture	13	1,723	1,723
		<u>581,581</u>	<u>557,231</u>
<b>Current assets</b>			
Stock	14	2,769	1,768
Debtors	15	18,202	18,274
Investments	16	245	242
Cash and cash equivalents		3,897	1,591
		<u>25,113</u>	<u>21,875</u>
Less: Creditors amounts falling due within one year	17	(20,819)	(19,641)
<b>Net current assets</b>		<u>4,294</u>	<u>2,234</u>
<b>Total assets less current liabilities</b>		<u>585,875</u>	<u>559,465</u>
<b>Creditors</b>			
Amounts falling due after more than one year	19	(279,900)	(261,942)
<b>Provision for liabilities</b>			
Pension liabilities	26	(659)	(7,005)
<b>Net assets</b>		<u>305,316</u>	<u>290,518</u>
<b>Reserves</b>			
Share capital	20	-	-
Revaluation reserves		173,259	175,375
Income and expenditure reserves		132,057	115,143
		<u>305,316</u>	<u>290,518</u>

The notes on pages 19 to 53 form an integral part of these financial statements.


The financial statements were approved by the board on 31 July 2023.

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**Nigel Wright**  
 Board member

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**Yasmin Fearon**  
 Board member

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**Deborah Atherton**  
 Company Secretary

**Date: 31 July 2023**

Co-operative and Community Benefit Society (FCA) No: 27792R

Regulator of Social Housing No: LH4032

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Statement of Changes in Reserves**

*For the year ended 31 March 2023*

	Revaluation reserves	Income and expenditure reserves	Total
	£'000	£'000	£'000
<b>At 1 April 2022</b>	<b>175,375</b>	<b>115,143</b>	<b>290,518</b>
Surplus for the year		8,039	8,039
Actuarial gain on pension scheme		6,759	6,759
Total comprehensive income for the year	-	14,798	14,798
Realisation of revaluation reserve in respect of:			
Disposals of housing property	(638)	638	-
Depreciation on revalued housing property	(1,297)	1,297	-
Impairment on revalued housing property	(181)	181	-
<b>As at 31 March 2023</b>	<b>173,259</b>	<b>132,057</b>	<b>305,316</b>
<b>At 1 April 2021</b>	<b>177,200</b>	<b>100,062</b>	<b>277,262</b>
Surplus for the year		7,286	7,286
Actuarial gain on pension scheme		5,970	5,970
Total comprehensive income for the year	-	13,256	13,256
Realisation of revaluation reserve in respect of:			
Disposals of housing property	(254)	254	-
Depreciation on revalued housing property	(1,304)	1,304	-
Impairment on revalued housing property	(267)	267	-
<b>As at 31 March 2022</b>	<b>175,375</b>	<b>115,143</b>	<b>290,518</b>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

## **Notes to the financial statements**

### **1. Accounting policies**

#### **(1) Basis of accounting**

The financial statements are prepared in accordance with Financial Reporting Standard 102 (FRS 102) – the applicable financial reporting standard in the UK and Republic of Ireland and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers (updated 2018) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

#### **Going concern**

The Association's business activities, its current financial position and factors likely to affect its future development are set out within the report of the board. The Association has in place long-term borrowing facilities which provide adequate resources to finance reinvestment and development programmes, along with the Association's day to day operations. The Association also has a long-term business plan which shows that it is able to service debt facilities, whilst continuing to comply with lenders' covenants.

On this basis, the board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

#### **FRS 102 – reduced disclosure exemptions**

The Association has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- The requirements of section 7 – Statement of Cash Flows; and
- Section 33 - related party transactions.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**(2) Turnover**

Turnover comprises rental income and service charges receivable net of voids, fees and revenue grants from local authorities and Homes England, social housing grant amortisation, income from first tranche shared ownership sales, income from properties built for sale and income receivable from other sources.

Rental income is recognised on the basis of the amount receivable for the year. Rental income received in advance is disclosed within creditors in the balance sheet.

The Association operates both fixed and variable service charge regimes depending on the scheme and tenure of property. Service charges under both regimes are initially budgeted based on estimates of the costs of service charge goods and services to be supplied.

Under the variable service charge regime, a reconciliation of the actual service charge goods and services carried out, versus the budget, is carried out in September each year, for the previous financial years' service charges, with any under or over recovery on a scheme-by-scheme basis apportioned and then debited or credited to each variable service charge property, and thus reflected as a debtor or creditor accordingly.

Service charge income is thus recognised on the basis of the amount receivable for the year based on estimated service charges, as well as the variable service charge adjustment for the previous year.

An element of the variable service charges for leaseholders relates to the replacement of components and major repairs for their block, which is held within sinking funds ring-fenced specifically for this use. These sinking funds are shown as creditors on the balance sheet.

Revenue grants are recognised within income in the same period as the related expenditure, provided that the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and its individual components (excluding land) under the accruals model.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**(2) Turnover (continued)**

Income from first tranche sales and properties built for open market sale is recognised when legal completion occurs.

**(3) Housing properties**

Housing properties completed prior to 1 April 2014 are stated at 'deemed cost' as permitted by the transitional arrangements of FRS 102 para 35.10d and are accounted for under the cost model. The valuation in place at the transition date, 1 April 2014, was deemed cost. This value is then depreciated each year, and stated at net book value which is equivalent to cost less depreciation. All housing properties acquired after 1 April 2014 are accounted for at cost, and then subsequently depreciated.

Completed housing properties have been split between their land and structure costs and a specific set of major components that require periodic replacement. Refurbishment or replacement of such a component is capitalised and then depreciated on a straight line basis over the estimated useful economic life of the component as detailed in the accounting policy 26.

A small number of staff flats included within property, plant and equipment are held at historic cost net book value as these units do not generate any rental cash flows.

Freehold land is not depreciated.

Housing properties in the course of construction are stated at cost and are transferred to housing properties held for letting when completed. Development costs which arise directly from the construction or acquisition of a property are capitalised to housing properties in the course of construction.

**(4) Social housing grant and other capital grants**

Social housing grant (SHG) can be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met.

The net SHG received and not spent is included in current liabilities, taking into account all properties under construction. SHG allocated to lease properties is included in current liabilities and amortised over the lease term.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**4) Social housing grant and other capital grants (continued)**

In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt. Other capital grants are also repayable under certain conditions and may be secured by first legal charge on the housing property.

Social housing grants received in the year are recognised in current and non-current liabilities based on the accrual model, and are amortised over their useful life which is generally 80 years unless specific conditions apply.

**(5) Capitalisation of interest and development overheads**

Interest is capitalised on loans financing schemes in development up to the point of practical completion. This is calculated by reference to the Association's cost of borrowing and relevant development costs.

Administration costs relating to development activities are capitalised based on an apportionment of the support costs directly incurred on this activity.

**(6) Other tangible fixed assets and depreciation**

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis, at rates considered appropriate to write off the assets over their effective working lives.

- Fixtures and fittings: over 3-10 years.
- Commercial properties: over 30 years.
- TECS equipment: over 3-5 years.
- Computer equipment: over 3 years.

**(7) Investment properties**

Investment properties are properties which are not social housing properties, which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

All investment properties were measured reliably in the year without undue cost or effort and therefore are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income in the period that they arise.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**(7) Investment properties (continued)**

No depreciation is provided in respect of investment properties applying the fair value model. This treatment, as regards the Association's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the board considers that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

The investment property portfolio is reviewed every year with a formal valuation being obtained at least every 3 years, with internal assessments being carried out in the interim years.

**(8) Pensions scheme accounting**

The Association participates in Lancashire County Council's Superannuation Fund and the Social Housing Pension Scheme defined benefit schemes. For current service, mandatory contributions to the defined benefit pension schemes are calculated as a percentage of pensionable salaries of employees, determined in accordance with actuarial advice. The cost of providing pensions is charged to the period over which the Association benefits from the employee's service, in accordance with FRS102.

The valuation of defined benefit pension scheme obligations has a number of critical underlying assumptions, including standard rates of inflation, mortality, discount rates and anticipation of future salaries. Variation in these assumptions may significantly impact the net asset/liability and the annual expense.

Both schemes' assumptions and calculations are based on independent actuarial reviews. The board is satisfied that these assumptions are appropriate.

**(9) Major repairs and improvements**

Expenditure incurred relating to improvements, defined as an increase in the net rental stream or the life of a property in the SORP, is capitalised as components. The carrying amount of components replaced is written off to operating expenditure.

Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the Statement of Comprehensive Income in the period in which it is incurred.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**(10) Taxation**

The Association has charitable status and no liability to corporation tax arises on its operational surplus for the year. For the same reasons, no provision is made for deferred taxation.

**(11) Value Added Tax**

The Association is registered for VAT. A large proportion of its income, including rents, is exempt from VAT. Most of its expenditure is therefore subject to VAT which cannot be reclaimed and expenditure is therefore shown inclusive of VAT. Any VAT recovered under the partial exemption calculation is credited to the Statement of Comprehensive Income.

**(12) Stock**

Stock represents shared ownership property stock and property services van stock.

Shared ownership stock consists of both completed properties to be sold and work in progress. These elements are split between fixed assets and current assets, according to the proportion of the property that will be sold at first tranche.

Stock of properties for sale is held at the lower of cost and net realisable value.

**(13) Bad and doubtful debts**

The Association provides against rent arrears of current and former tenants and other trade debtors to the extent that they are considered to be irrecoverable.

**(14) Operating leases**

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

**(15) Interest payable and finance costs**

Interest, agency fees, non-utilisation fees and consent fees are expensed within the financial year. Amortisation relates to loan arrangement fees which are written off over the period of the loan.

Interest is capitalised on loans financing schemes in the course of development as explained in accounting policy 5.



**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**(15) Interest payable and finance costs (continued)**

Also included within finance costs is interest in respect of the defined benefit pension schemes. A pension interest charge is included in respect of the unwinding of scheme liabilities.

**(16) Housing loans**

Housing loans are classified as creditors and are held at amortised cost using the effective rate of interest.

**(17) Service charges and sinking funds**

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents. Until these costs are incurred this liability is held on the Statement of Financial Position within creditors. A separate bank account is used to hold these funds separately from the Association's bank accounts.

**(18) First tranche shared ownership sales**

The Association has adopted the accounting treatment in the SORP such that:

- shared ownership properties are split proportionally between current and fixed assets based on the first tranche sale proportion;
- first tranche sale proportions are accounted for as current assets and the related sales proceeds shown in turnover; and
- the remaining element of the shared ownership property is accounted for as a fixed asset so that any subsequent sale is treated as a part disposal of a fixed asset.

**(19) Properties managed on behalf of others**

All income and expenditure relating to the management of properties for other agencies is included in the Statement of Comprehensive Income. The assets and liabilities relating to this income and expenditure are included in the Statement of Financial Position.

**(20) Properties managed by agents**

Where the Association carries the majority of the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the majority of the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Association.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**(20) Properties managed by agents (continued)**

In both cases, the assets and associated liabilities are included in the Statement of Financial Position.

**(21) Supporting people**

This income includes Supporting People (SP) contract income received from Administering Authorities, plus support charges to individual tenants. When accounted for as part of rent, the income is shown as “charges for support services” in income from social housing lettings. The related costs are shown as “support” expenditure in expenditure from social housing lettings.

If the charges to individuals are not dealt with as part of rent, the income and related costs are shown as “other supporting people income” in other social housing activities.

SP contract income received from Administering Authorities and not dealt with as part of the rent is shown as “charges for support services” in other social housing activities.

**(22) Impairment of fixed assets**

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset’s remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in the Statement of Comprehensive Income.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**(23) Joint venture accounting**

The Association includes a third share of Leeds Independent Living Accommodation Company Holdings Limited (LiLAC), which is a joint venture contracted through a PFI arrangement. To account for this, the subordinated debt loaned to the joint venture company is recognised in the Associations financial statements.

**(24) Service concession arrangements**

The Group elected to take the ‘first time adopter’ exemption permitted by para 35.10(i) of FRS 102 to continue to account for Service Concession Arrangements that were in existence at the date of transition, under the pre 1 April 2014 UK GAAP methodology.

**(25) Financial instruments**

The Association’s loan facilities have been assessed as basic financial instruments and have been treated as such as outlined in FRS 102 section 11.

**(26) Depreciation of housing properties - components**

Components of housing properties are depreciated on a straight line basis over their useful economic lives at the following rates, determined by the length of time the individual component will be used before it is replaced:

Structure:	shorter of 80 years or the remaining length of the lease
Rewires:	40 years
Kitchen:	10-20 years
Bathrooms:	15-30 years
Boilers:	15 years
Heating system:	30 years
Windows and doors:	30 years
Lifts:	25 years
Photo voltaic installations:	25 years
Unadopted roads:	80 years

The useful lives are determined by reviewing stock condition survey data and component replacement cycles, and also through regular benchmarking of the industry.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**(27) Intangible fixed assets and amortisation**

Purchased goodwill arising on business combinations in respect of acquisitions is capitalised. Positive goodwill is amortised to nil on a straight line basis over the estimated useful life of 5 years.

**(28) Significant judgements and estimates**

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the Association's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset, and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- The measurement basis to determine the recoverable amount of assets where there are indicators of impairment. Factors taken into consideration include the value of the asset in use and the depreciated replacement cost.
- The anticipated costs to complete on a development scheme. These are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the recoverability of the cost of properties developed for outright sale and/or land held for sale, is determined. This judgement is also based on the best estimate of sales value based on economic conditions within the area of development.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation, such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.
- Whether leases entered into by the Association either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership between current and fixed assets.
- The basis of bad debt provision which continues on the same basis as previous year.

**Other key sources of estimation and assumptions**

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed periodically and may vary depending on a number of factors. Residual value

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

Other key sources of estimation and assumptions (continued)

assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**2 Turnover, operating expenditure and operating surplus**

	2023			
	Turnover	Cost of sales	Operating expenditure	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000
<b>Social housing lettings (note 3a)</b>	73,695	-	(59,912)	13,783
<b>Other social housing activities</b>				
Charges for support services (note 3b)	158	-	(371)	(213)
First tranche shared ownership sales	2,249	(1,670)	-	579
<b>Activities other than social housing (note 3c)</b>				
Lettings	4,723	-	(3,947)	776
Progress Lifeline services	7,845	-	(7,510)	335
Other	239	-	(1,070)	(831)
	<b>88,909</b>	<b>(1,670)</b>	<b>(72, 810)</b>	<b>14,429</b>
Gain on disposal of property, plant and equipment (note 6)				676
<b>Total</b>				<b>15,105</b>

	2022			
	Turnover	Cost of sales	Operating expenditure	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000
<b>Social housing lettings (note 3a)</b>	69,541	-	(58,573)	10,968
<b>Other social housing activities</b>				
Charges for support services (note 3b)	188	-	(406)	(218)
First tranche shared ownership sales	6,083	(4,650)	-	1,433
<b>Activities other than social housing (note 3c)</b>				
Lettings	4,252	-	(3,685)	567
Progress Lifeline services	6,458	-	(6,123)	335
Other	235	-	(534)	(299)
	<b>86,757</b>	<b>(4,650)</b>	<b>(69,321)</b>	<b>12,786</b>
Gain on disposal of property, plant and equipment (note 6)				170
<b>Total</b>				<b>12,956</b>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**3(a) Income and expenditure from social housing lettings**

	General needs £'000	Housing for older people £'000	Supported housing £'000	Shared ownership £'000	Total 2023 £'000	Total 2022 £'000
<b>Income</b>						
Rent receivable net of identifiable service charges	25,685	5,429	30,143	957	62,214	59,345
Service charge income	712	1,639	6,626	112	9,089	7,852
Charges for support services	-	261	-	-	261	276
Amortised government grants	245	-	37	26	308	228
Void guarantee and revenue grants	6	-	1,477	-	1,483	1,526
Other income	135	28	174	3	340	314
<b>Turnover from social housing lettings</b>	<b>26,783</b>	<b>7,357</b>	<b>38,457</b>	<b>1,098</b>	<b>73,695</b>	<b>69,541</b>
<b>Expenditure</b>						
Management	(4,242)	(757)	(5,925)	(177)	(11,101)	(11,313)
Service charge costs and support	(987)	(2,072)	(8,072)	(67)	(11,198)	(9,772)
Routine maintenance	(4,709)	(1,164)	(5,522)	(24)	(11,419)	(11,197)
Planned maintenance	(1,467)	(382)	(1,153)	(7)	(3,009)	(3,009)
Major repairs expenditure	(2,372)	(632)	(2,600)	(21)	(5,625)	(6,551)
Bad debts	(160)	(35)	(88)	7	(276)	(339)
Property operating lease charges	-	-	(3,376)	-	(3,376)	(3,447)
Depreciation of housing properties	(4,921)	(1,072)	(3,093)	(175)	(9,261)	(8,852)
Impairment of housing properties	(59)	(30)	(488)	-	(577)	(955)
Other costs	(1,283)	(252)	(2,531)	(4)	(4,070)	(3,138)
<b>Operating costs on social housing lettings</b>	<b>(20,200)</b>	<b>(6,396)</b>	<b>(32,848)</b>	<b>(468)</b>	<b>(59,912)</b>	<b>(58,573)</b>
<b>Operating surplus on social housing lettings</b>	<b>6,583</b>	<b>961</b>	<b>5,609</b>	<b>630</b>	<b>13,783</b>	<b>10,968</b>
Void losses (included within turnover)	(204)	(50)	(3,749)	-	(4,003)	(3,955)

A number of the void losses above are subject to agreements where the Association is compensated for its losses. These void guarantees, which are not included in the void losses above, are chargeable to third parties in the year and totalled £1.5m (2022: £1.5m).

Impairment charges include impairment of previously revalued housing properties. There is a transfer from revaluation reserves of £0.2m (2022: £0.3m) which appears as a credit in the Statement of Changes in Reserves. The impairment on a historic cost basis is £0.3m (2022: £0.6m).

Progress Housing Association Limited  
Financial statements for the year ended 31 March 2023

## Notes to the financial statements (continued)

### 3(b) Turnover from other social housing activities

	2023 £'000	2022 £'000
<b>Other</b>		
Support services contract income	158	188

### 3(c) Turnover from non-social housing activities

	2023 £'000	2022 £'000
<b>Lettings</b>		
Other rented	335	340
Commercial properties	48	47
Key worker accommodation	4,340	3,865
	<b>4,723</b>	<b>4,252</b>
<b>Other</b>		
Progress Lifeline services	7,845	6,458
Lease income	239	235
	<b>8,084</b>	<b>6,693</b>

## 4 Accommodation in management

	General needs - social rent No.	General needs - affordable rent No.	Low cost home ownership No.	Supported housing No.	Intermediate rent No.	Other No.	Total No.
<b>Opening unit numbers</b>	<b>4,242</b>	<b>789</b>	<b>289</b>	<b>4,278</b>	<b>54</b>	<b>836</b>	<b>10,488</b>
New stock acquired	15	72	42	14	-	-	143
Other gains	-	-	-	2	-	-	2
Sales to open market	(1)	-	-	(19)	-	-	(20)
Sales to tenants freehold	(8)	-	(4)	-	-	-	(12)
Other losses	-	-	-	(29)	-	-	(29)
Movement within categories	28	(21)	-	(7)	-	-	-
<b>Net change to stock</b>	<b>34</b>	<b>51</b>	<b>38</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>84</b>
<b>Closing units numbers</b>	<b>4,276</b>	<b>840</b>	<b>327</b>	<b>4,239</b>	<b>54</b>	<b>836</b>	<b>10,572</b>

Supported housing units represent the number of tenancies, rather than the number of properties, as some properties are shared by multiple tenants.



**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**5 Surplus for the year**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Is stated after charging/(crediting):		
Auditor's remuneration (excluding VAT)	<b>Note:</b>	
In their capacity as auditors	31	25
In respect of other services	3	3
Depreciation of tangible fixed assets:		
- Housing properties	10,133	9,724
- Other fixed assets	<b>11</b> 763	357
Amortisation of intangible fixed assets	<b>12</b> 42	10
Impairment of tangible fixed assets:		
Impairment of housing properties	577	908
Impairment on previously revalued amounts	181	267
Impairment on historic cost basis	396	641
Included within impairment of housing properties above:		
- Reversal of impairment of housing properties	-	(100)
Hire of other assets - operating leases:		
- Housing properties	3,376	3,447
- Other fixed assets vehicles	766	701

**6 Gain on disposal of property, plant and equipment**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Sale proceeds	3,674	2,719
Cost of disposals	(2,013)	(2,265)
Operating costs associated with sales	(985)	(284)
<b>Gain on disposals</b>	<b>676</b>	<b>170</b>

Impairment charges of £0.6m (2022: £0.3m) have been released in the year on housing property disposals. The gain on disposal is split between housing properties of £676k (2022: £12k) and other assets £nil (2022: £158k).

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**7 Interest receivable**

	2023	2022
	£'000	£'000
Bank interest receivable	157	2
Interest receivable on loan to group company	417	378
Interest on loan to joint venture company	207	206
	<b>781</b>	<b>586</b>

**8 Interest payable and financing costs**

	2023	2022
	£'000	£'000
Bank loans	6,083	6,237
Other loans	2,360	708
Amortisation of loan issue costs	110	214
Pension scheme finance cost	188	255
Loan remeasurement	(222)	(521)
	<b>8,519</b>	<b>6,893</b>
Less: Interest capitalised	(565)	(573)
	<b>7,954</b>	<b>6,320</b>

**9 Taxation on surplus on ordinary activities**

**(a) Analysis of the charge in the period**

The tax charge on the surplus on ordinary activities for the year was as follows:

	2023	2022
	£'000	£'000
Current tax:		
UK corporation tax charge for the year	-	-
Over provision in previous years	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax on surplus on ordinary activities	-	-

**(b) Factors affecting tax charge for the period**

Surplus on ordinary activities before tax	8,039	7,286
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	1,527	1,384
Effects of:		
Charitable activity	(1,527)	(1,384)
	-	-

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**10 Tangible fixed assets – housing properties**

	Housing properties completed	Housing properties under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2022	652,270	11,150	17,119	1,768	682,307
Additions	9,259	23,413	5	7,435	40,112
Transferred on completion	15,683	(15,683)	2,072	(2,072)	-
Transferred to stock	-	-	-	(3,216)	(3,216)
Disposals	(4,000)	-	(218)	-	(4,218)
<b>As at 31 March 2023</b>	<b>673,212</b>	<b>18,880</b>	<b>18,978</b>	<b>3,915</b>	<b>714,985</b>
<b>Depreciation</b>					
At 1 April 2022	132,836	-	702	-	133,538
Charge for the year	9,721	-	175	-	9,896
Depreciation on disposals	(1,523)	-	(14)	-	(1,537)
Impairment charge for the year	519	58	-	-	577
Impairment released on disposals	(430)	-	-	-	(430)
<b>As at 31 March 2023</b>	<b>141,123</b>	<b>58</b>	<b>863</b>	<b>-</b>	<b>142,044</b>
<b>NBV</b>					
As at 1 April 2022	519,434	11,150	16,417	1,768	548,769
<b>As at 31 March 2023</b>	<b>532,089</b>	<b>18,822</b>	<b>18,115</b>	<b>3,915</b>	<b>572,941</b>

The value of secured properties (including charged to third parties) £487.9m (2022: £410.7m).

The above cost in respect of housing properties and shared ownership completed comprises:

	Housing properties completed		Shared ownership completed	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Freehold properties	479,769	466,159	17,460	15,756
Long-leasehold properties	52,320	53,275	655	661
<b>Total</b>	<b>532,089</b>	<b>519,434</b>	<b>18,115</b>	<b>16,417</b>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**10 Tangible fixed assets – housing properties (continued)**

Completed housing properties above includes £21.9m of assets (2022: £22.5m) which are not considered to be social housing properties. These assets consist of key worker accommodation totalling £19m (2022: £19.6m) and other rented accommodation totalling £2.9m (2022: £2.9m). The related rental income of these properties is presented as ‘non-social housing income’. They are not, however, investment properties as the nature of their arrangements still fits the definition of social benefit and therefore it is appropriate to account for these assets at historic cost.

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Most recent Existing Use Value for Social Housing (EUV-SH) at March 23	<u>645,852</u>	<u>620,551</u>

The above EUV-SH valuation figure includes key worker accommodation at £29.7m (2022: £29.7m)

Capital additions include £565k (2022: £573k) of interest capitalised at an average of 3.95% in the year. Property costs include an apportionment of development staff time directly spent on the administration of development activities amounting to £507k (2022: £674k) and on in-house legal costs amounting to £57k (2022: £57k).

**Major repairs, renewals and improvements**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Capitalised components	7,410	7,197
Capitalised structure	1,854	2,373
Charged to revenue	5,771	7,570
<b>Total major repairs revenue and capital</b>	<u><b>15,035</b></u>	<u><b>17,140</b></u>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**11 Tangible fixed assets – other**

	Commercial and office properties		Fixtures & fittings	Investment properties completed	Total
	Leasehold	Freehold			
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 April 2022	1,755	868	3,437	2,123	8,183
Additions	(9)	4	878	3	876
Movement in fair value				107	107
<b>At 31 March 2023</b>	<b>1,746</b>	<b>872</b>	<b>4,315</b>	<b>2,233</b>	<b>9,166</b>
<b>Depreciation</b>					
At 1 April 2022	116	407	1,121	-	1,644
Charge for the year	199	29	535		763
<b>At 31 March 2023</b>	<b>315</b>	<b>436</b>	<b>1,656</b>	<b>-</b>	<b>2,407</b>
<b>Net book value</b>					
At 1 April 2022	1,639	461	2,316	2,123	6,539
<b>At 31 March 2023</b>	<b>1,431</b>	<b>436</b>	<b>2,659</b>	<b>2,233</b>	<b>6,759</b>

Commercial and office properties and fixtures and fittings are held at cost less accumulated depreciation.

The investment property portfolio has been valued in the year by Garside Waddingham (professional external valuers). The valuations are based on market value and were undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation, Global Standards 2020 (RICS Global Red Book). This involved the assessment of the market conditions and movements in market values in similar geographical areas and similar build and structure.

	2023	2022
	£'000	£'000
Historic cost of investment properties	1,912	1,912
Accumulated depreciation	(238)	(212)
<b>Total historic depreciated cost of investment properties</b>	<b>1,674</b>	<b>1,700</b>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**12 Intangible fixed assets - goodwill**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>		
At 1 April	210	-
Additions	-	210
At 31 March	<u>210</u>	<u>210</u>
<b>Amortisation</b>		
At 1 April	(10)	-
For the year	(42)	(10)
At 31 March	<u>(52)</u>	<u>(10)</u>
<b>Net book value</b>		
At 1 April	200	-
At 31 March	<u>158</u>	<u>200</u>

**13 Fixed asset investment**

The Association holds 33.3% (£333) of the equity share capital of Leeds Independent Living Accommodation Company Holdings Limited (LiLAC), a private finance initiative commissioned by Leeds City Council to fund the reprovion of accommodation for people with learning difficulties and autism to live independently. This is a joint venture with two other shareholders, Civic PFI Investments Limited and Jack Lunn (Properties) Limited, each hold 33.3% of the equity share capital.

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Subordinated debt loaned to joint venture company	1,723	1,723

**14 Stock**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Property services - van stock	251	225
Shared ownership - completed properties held for sale	1,617	896
Shared ownership - work in progress	901	647
	<u>2,769</u>	<u>1,768</u>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**15 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Rent and service charge arrears	3,656	3,626
Less provision for rental bad debts	(1,097)	(1,020)
	<u>2,559</u>	<u>2,606</u>
Trade debtors	1,651	2,189
Less provision for sundry bad debts	(237)	(288)
Loan owed by group company	11,242	7,924
Prepayments and accrued income	1,929	2,472
Social housing grant	1,037	3,322
Other debtors	21	49
	<u>15,643</u>	<u>15,668</u>
<b>Total debtors</b>	<b><u>18,202</u></b>	<b><u>18,274</u></b>

Loans owed by group companies are repayable on demand and interest is charged at 6% and paid quarterly in arrears.

**16 Current asset investments**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Deposits held for leasehold schemes	<u>245</u>	<u>242</u>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**17 Creditors: amounts falling due within one year**

		<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
Bank balances		-	1,170
Loans	<b>19</b>	7,999	7,624
Rent and service charge received in advance		1,710	1,635
Trade creditors		1,362	1,112
Accruals and deferred income		7,557	5,370
Government grants relating to assets	<b>19</b>	296	281
Amounts owed to group companies		649	939
Other current liabilities		111	152
Recycled capital grant fund	<b>18</b>	124	46
Loan remeasurement	<b>19</b>	189	539
Employer liabilities		548	502
Sinking funds for planned maintenance		274	271
		<b>20,819</b>	<b>19,641</b>

Sinking funds are deposits held in a separate interest bearing account for any planned maintenance required to leasehold properties, collected through service charges.

Standard payment terms are 30 days from date of invoice.

Other intragroup balances are repayable on demand and do not attract interest.

**18 Recycled capital grant fund**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April	46	-
Grants recycled	77	46
Interest accrued	1	-
At 31 March	<b>124</b>	<b>46</b>
Amount of grant due for repayment	-	-



**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**19 Creditors: amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Housing loans	255,519	239,584
Housing loans remeasurement	1,319	1,191
Government grants	23,062	21,167
	<b>279,900</b>	<b>261,942</b>

**Maturity of debt**

	<b>Note</b>	<b>Bank loans</b>		<b>Other loans</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within one year	<b>17</b>	7,999	7,624	-	-
Between one and two years		8,413	23,549	-	-
Between two and five years		31,808	39,505	-	-
After five years		116,405	127,621	100,000	50,000
		156,626	190,675	100,000	50,000
Less loan issue costs		(615)	(672)	(492)	(419)
Amounts falling due after more than one year		156,011	190,003	99,508	49,581
<b>Total housing loans</b>		<b>164,010</b>	<b>197,627</b>	<b>99,508</b>	<b>49,581</b>

**Loan remeasurement**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
As at 1 April		1,730	2,251
Amortisation	<b>8</b>	(222)	(521)
As at 31 March		<b>1,508</b>	<b>1,730</b>
Due within one year	<b>17</b>	<b>189</b>	<b>539</b>
Due after one year		<b>1,319</b>	<b>1,191</b>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**19 Creditors: amounts falling due after more than one year (continued)**

The loan remeasurement is amortised over the remaining 10 years of the loan.

Housing Loans are secured by fixed charges on individual properties. The loans payable by instalments are repaid annually at fixed or variable rates of interest ranging from 0.91% to 5.54% (2022: 0.91% to 5.54%). The final instalments fall to be repaid in 2037. Loans not repayable by instalments are interest only at varying fixed or variable rates from 2.57% to 5.85% (2022: 1.58% to 7.21%). The principal falls due to be repaid in the period 2024 and 2058.

At 31 March 2023 the Association has committed undrawn facilities of £92.3m (2022: £125.8m).

Government grants relating to housing assets	Note	2023 £'000	2022 £'000
At 1 April		21,448	16,691
Grants receivable		2,218	4,985
Amortisation to Statement of Comprehensive Income	3(a)	(308)	(228)
<b>At 31 March</b>		<b>23,358</b>	<b>21,448</b>
<b>Due within one year</b>	<b>17</b>	<b>296</b>	<b>281</b>
<b>Due after one year</b>		<b>23,062</b>	<b>21,167</b>

Grants due after one year includes £1.2m (2022: £4.1m) in respect of assets under construction.

**20 Non-equity share capital**

	2023 £	2022 £
Allotted issued and fully paid:		
At 1 April	12	11
Issued during the year	1	4
Surrendered during the year	(2)	(3)
<b>At 31 March</b>	<b>11</b>	<b>12</b>

The shareholders do not have a right to any dividend or distribution upon winding-up. Each shareholder has full voting rights and £1 non-equity shares.

One share is owned by the parent company, Progress Housing Group Limited.

Two shareholders ceased to hold shares in 2022/23 as they stepped down from their roles as members of the board. One share was issued to a newly appointed member of the board.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**21 Capital commitments**

	2023	2022
	£'000	£'000
Capital expenditure contracted but not provided for in the financial statements	32,213	8,083
Capital expenditure that has been authorised by the board but has not yet been contracted for	16,489	35,451
	<b>48,702</b>	<b>43,534</b>
	2023	2022
	£'000	£'000
Expected to be financed with:		
Grants	6,567	7,931
Committed loan facilities and free cash flow	42,135	35,603
	<b>48,702</b>	<b>43,534</b>

Commitments for payables and receivables in relation to non-cancellable operating leases are analysed below:

	<b>Housing, land &amp; buildings</b>	
	2023	2022
	£'000	£'000
<b>Leased from external bodies</b>		
Less than 1 year	2,332	2,720
Within 2-5 years	2,201	3,717
More than 5 years	480	987
	<b>5,013</b>	<b>7,424</b>
	<b>Housing, land &amp; buildings</b>	
	2023	2022
	£'000	£'000
<b>Leased to external bodies</b>		
Less than 1 year	345	352
Within 2-5 years	693	784
More than 5 years	118	263
	<b>1,156</b>	<b>1,399</b>
	<b>Other leases</b>	
	2023	2022
	£'000	£'000
<b>Leased from external bodies</b>		
Less than 1 year	753	304
	<b>753</b>	<b>304</b>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**21 Capital commitments (continued)**

All leases contain permitted user clauses which limits the use to that permitted by the lease. Under FRS102 20.30c, the Association does not have any significant leasing arrangement or unusual or material restrictions.

**22 Employee information**

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
The average number of full time equivalent persons employed during the year was:	<b>524</b>	<b>479</b>

Full time equivalents are calculated based on a standard working week of 36.25 hours for all employees except for 39 hours for property services employees.

**Employee costs (for the above persons)**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Wages & salaries	16,982	14,993
Social security costs	1,548	1,287
Other pension costs	1,270	1,020
	<b>19,800</b>	<b>17,300</b>

**Remuneration bandings for all employees over £60,000**

	<b>2023</b>	<b>2022</b>
£60,000 - £70,000	3	1
£70,001 - £80,000	1	3
£80,001 - £90,000	1	1
£100,001 - £110,000	2	-
£110,001 - £120,000	1	-
	<b>8</b>	<b>5</b>

Remuneration for the above includes salaries, pension, bonuses, benefits in kind and compensation for loss of office.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**23 Related party transactions**

At the end of the financial year there were no members of the boards who are tenants of the Association (2022: nil). The Association does not report any intercompany transactions under the exemption 33.1a of FRS 102.

During the year the Association had the following intra-group transactions with non-regulated entities:

Purpose	Payment from:	Payment to:	Transactions		Balance owed at year end	
			2023 £'000	2022 £'000	2023 £'000	2022 £'000
Support (see below)	Progress Housing Association Ltd	Key Unlocking Futures Ltd	318	251	25	20
Loan	Progress Housing Association Ltd	Concert Living Ltd	3,318	4,040	11,242	7,924
Interest on loan	Concert Living Ltd	Progress Housing Association Ltd	417	378	-	-

Related party transactions between Progress Housing Association Ltd and Key Unlocking Futures Ltd consist of critical tenancy support, a community development project and management fees associated with single homeless schemes, refuges and income collection.

**24 Ultimate parent company**

The Association's ultimate parent company is Progress Housing Group Limited. Progress Housing Group Limited consolidated financial statements can be obtained from the Group's website or from the Company Secretary at the registered office:

Sumner House  
 21 King Street  
 Leyland  
 Lancashire  
 PR25 2LW

**25 Cash flow**

Under FRS102 7.1A (c) the Association has not published a cash flow as one is produced for the Group consolidated accounts of Progress Housing Group Limited.

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**26 Pension obligations**

The Association participates in two pension schemes, Lancashire County Pension Fund (LGPS) and the Social Housing Pension Scheme (SHPS) administered by the Pensions Trust. LGPS is a defined benefit scheme and SHPS has both defined benefit streams and defined contribution streams within its scheme, and detailed regulations govern the rates of pension contribution by both employees and the Association. Benefits are normally in the form of a lump sum retirement grant plus an annual pension.

As a responsible employer, the Association proactively manages the defined benefit pension schemes whilst ensuring the pension offered is competitive, through closing defined benefit pension schemes to new membership, increasing employer contributions beyond those actuarially assessed and making additional lump sum payments where indicated by actuarial assessment.

LGPS employer's contributions are based on percentages of employees' earnings as recommended by the actuary of the fund in its valuation.

The ability of the pension funds to provide statutory benefits is assessed every three years by an independent professionally qualified actuary, and employer's contributions are reviewed in light of the actuary's report.

The LGPS scheme was in a surplus position as at 31 March 2022, however as Progress Housing Association does not have unconditional rights to the assets nor is there a reduction in contributions, the asset has not been recognised.

Pension liabilities:	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Lancashire County Pension Fund	-	6,373
Social Housing Pension Scheme	659	632
	<b>659</b>	<b>7,005</b>
	<hr/> <hr/>	<hr/> <hr/>
Pension liabilities	659	7,005
	<b>659</b>	<b>7,005</b>
	<hr/> <hr/>	<hr/> <hr/>

Actuarial (gains)/losses recognised in other comprehensive income:

Lancashire County Pension Fund	(6,945)	(5,078)
Social Housing Pension Scheme	186	(892)
	<b>(6,759)</b>	<b>(5,970)</b>
	<hr/> <hr/>	<hr/> <hr/>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**Social Housing Pension Scheme**

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets	3,237	5,429
Present value of defined benefit obligation	(3,896)	(6,061)
<b>Total defined benefit liability</b>	<b>(659)</b>	<b>(632)</b>

Reconciliation of opening and closing balances of the defined benefit obligation

	<b>31 March 2023</b>
	<b>£'000</b>
Defined benefit obligation at start of period	6,061
Current service cost	-
Expenses	6
Interest expense	167
Contributions by plan participants	-
Actuarial losses due to scheme experience	29
Actuarial gains due to changes in demographic assumptions	(8)
Actuarial gains due to changes in financial assumptions	(2,298)
Benefits paid and expenses	(61)
<b>Defined benefit obligation at end of period</b>	<b>3,896</b>

Reconciliation of opening and closing balances of the fair value of plan assets

	<b>31 March 2023</b>
	<b>£'000</b>
Fair value of plan assets at start of period	5,429
Interest income	152
Experience on plan assets (excluding amounts included in interest income) – loss	(2,463)
Contributions by the employer	180
Contributions by plan participants	-
Benefits paid and expenses	(61)
<b>Fair value of plan assets at end of period</b>	<b>3,237</b>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was (£2,311,000).

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

Defined benefit costs recognised in the Statement of Comprehensive Income

	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
Current service cost	-	110
Expenses	6	5
Net interest expense	15	34
Defined benefit costs	<b>21</b>	<b>149</b>

Defined benefit costs recognised in other comprehensive income

	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(2,463)	687
Experience gains and losses arising on the plan liabilities – loss	(29)	(477)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	8	88
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	2,298	594
<b>Total amount recognised – (loss)/gain</b>	<b>(186)</b>	<b>892</b>



**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**Assets**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£'000</b>	<b>£'000</b>
Global equity	60	1,042
Absolute return	35	218
Distressed opportunities	98	194
Credit relative value	122	180
Alternative risk premia	6	179
Fund of hedge funds	-	-
Emerging markets debt	17	158
Risk sharing	238	179
Insurance-linked securities	82	127
Property	139	147
Infrastructure	370	387
Private debt	144	139
Opportunistic Illiquid credit	139	182
High yield	11	47
Opportunistic credit	-	19
Cash	23	18
Corporate bond fund	-	362
Liquid credit	-	-
Long lease property	98	140
Secured income	149	202
Liability driven investment	1,492	1,515
Currency hedging	6	(21)
Net current assets	8	15
<b>Total assets</b>	<b>3,237</b>	<b>5,429</b>

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

**Key assumptions**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount rate	4.83%	2.77%
Inflation (RPI)	3.16%	3.42%
Inflation (CPI)	2.82%	3.12%
Salary growth	3.82%	4.12%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**Key assumptions (continued)**

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

	<b>Life expectancy at age 65 (Years)</b>
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

**Lancashire county pension fund**

The most recent full actuarial valuation of the fund was at 31 March 2022, the results of which were:

Valuation method	Projected unit
Value of assets	£10,712 million

The Association's employer's contributions to the fund during the year were 20.8% of pensionable salary in the year and amounted to £454k. The following table details the numbers of staff who are members of the fund.

	<b>Employers' contributions £'000</b>		<b>No. staff</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Progress Housing Association Limited	454	453	64	66

**Actuarial assumptions**

	<b>At 31/03/23</b>	<b>At 31/03/22</b>
Rate of CPI inflation	2.70%	3.30%
Rate of increase in salaries	4.20%	4.80%
Rate of increase in pensions	2.80%	3.40%
Discount rate	4.80%	2.80%

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

Asset information	Market Value at 31 March 2023 £'000	% Split of Assets	Market Value at 31 March 2022 £'000	% Split of Assets
		%		%
Equities	38	0.10	37	0.10
Government bonds	-	0.00	304	0.80
Other bonds	77	0.20	-	0.00
Property	577	1.50	608	1.60
Cash/liquidity	308	0.80	950	2.50
Other (includes credit funds, overseas pooled & private equity funds, infrastructure)	37,465	97.40	36,089	95.00
<b>Total market value of assets</b>	<b>38,465</b>	<b>100.00</b>	<b>37,988</b>	<b>100.00</b>
Present value of scheme liabilities	(29,701)		(44,361)	
Net pension asset/(liability)	8,764		(6,373)	
Asset restriction	(8,764)		-	
<b>Net pension asset/(liability)</b>	<b>-</b>		<b>(6,373)</b>	

**Balance sheet items as at 31 March**

	<b>2023</b> <b>£000's</b>	<b>2022</b> <b>£000's</b>
Present value of funded benefit obligations	29,661	44,297
Present value of unfunded benefit obligations	40	64
<b>Total present value of benefit obligations</b>	<b>29,701</b>	<b>44,361</b>
Fair value of plan assets	(38,465)	(37,988)
<b>(Asset)/deficit</b>	<b>(8,764)</b>	<b>6,373</b>

**Components of pension cost for period to 31 March**

	<b>2023</b> <b>£000's</b>	<b>2022</b> <b>£000's</b>
Current service cost	844	907
Net interest cost	173	221
Admin expenses	13	13
Past service cost	-	-
Settlements/curtailments	-	-
<b>Total pension cost recognised in Income &amp; Expenditure</b>	<b>1,030</b>	<b>1,141</b>

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

**Amounts recognised in Other Comprehensive Income**

Remeasurements (liabilities & assets)	(15,709)	(5,078)
Asset restriction	8,764	-
<b>Total remeasurements included in Statement of Comprehensive Income</b>	<b>(6,945)</b>	<b>(5,078)</b>

**Change in benefit obligation during period to 31 March**

	<b>2023</b>		<b>2022</b>	
	<b>£000's</b>		<b>£000's</b>	
	Unfunded Benefits	All Benefits	Unfunded Benefits	All Benefits
Benefit Obligation at beginning of period	64	44,361	69	44,259
Current Service Cost	-	844	-	907
Interest on Pension Liabilities	1	1,231	1	922
Member Contributions	-	145	-	144
Past Service Cost	-	-	-	-
Remeasurements (gain) on assumptions	(21)	(15,889)	(1)	(1,001)
Benefits/transfers paid	(4)	(991)	(5)	(870)
Benefit Obligation at end of period	40	29,701	64	44,361

**Change in Plan Assets during period to 31 March**

	<b>2023</b>		<b>2022</b>	
	<b>£000's</b>		<b>£000's</b>	
	Unfunded Benefits	All Benefits	Unfunded Benefits	All Benefits
Fair value of plan assets at beginning of period	-	37,988	-	33,487
Interest on plan assets	-	1,058	-	701
Remeasurements assets	-	(180)	-	4,077
Admin expenses	-	(13)	-	(13)
Employer contributions	4	458	5	462
Member contributions	-	145	-	144
Benefits/transfers paid	(4)	(991)	(5)	(870)
Fair value of plan assets at end of period	-	38,465	-	37,988
Deficit/(Surplus)	40	(8,764)	64	6,373
Actual return on plan assets		1,197		4,771

**Progress Housing Association Limited**  
**Financial statements for the year ended 31 March 2023**

**Notes to the financial statements (continued)**

Post retirement mortality assumptions	2023	2022
Non-retired members	S3PA CMI_2021 [1.5%] (119% Males, 105% Females)	S3PA CMI_2018 [1.75%] (110% Males, 94% Females)
Retired members	S3PA CMI_2021 [1.5%] (113% Males, 105% Females)	S3PA CMI_2018 [1.75%] (103% Males, 91% Females)
<b>Life expectancy</b>		
of a male (female) future pensioner aged 65 in 20 years time	22.87 (25.6) years	23.7 (26.8) years
of a male (female) current pensioner aged 65	21.5 (23.8) years	22.3 (25) years
<b>Market value of total fund assets (£ millions)</b>	<b>10,743</b>	<b>10,504</b>

**27 Post balance sheet event**

On 18 May 2023, Progress Housing Association Limited derecognised the loan remeasurement as a financial liability as the facility it related to ended and a new loan facility was entered into.