



HONEYCOMB
GROUP



HONEYCOMB GROUP LTD.

Annual report and accounts

YEAR ENDED 31 MARCH 2024

COMPANY INFORMATION



Honeycomb Group Limited

Registered Office

308 London Road
Stoke-on-Trent
ST4 5AB

Chair

Mr A Spencer

Secretary

Greg van Enk-Bones *(appointed March 24)*
Andrew Orrey *(appointed September 2023-March 24)*
Robert Morton *(resigned September 23)*

Auditor

Beever and Struthers
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Bankers

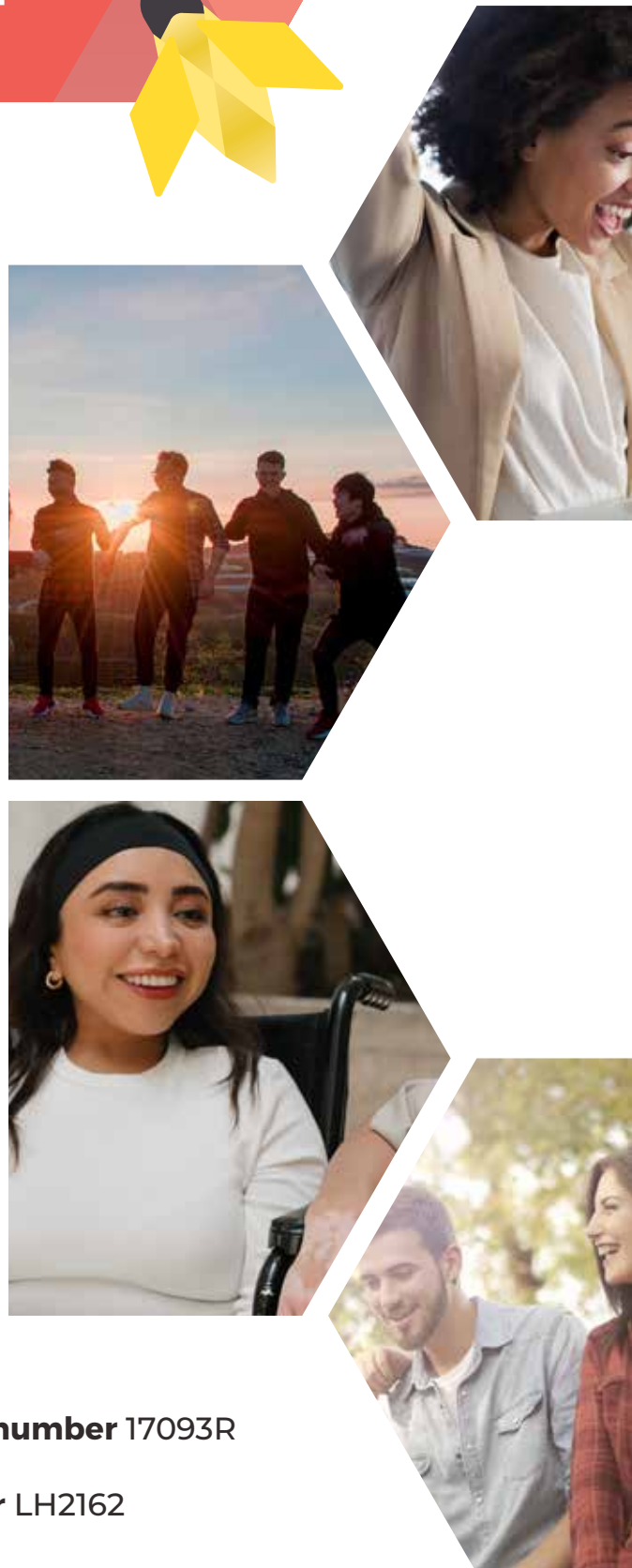
Natwest
1 Upper Market Square
Hanley
Stoke-on-Trent
ST1 1NS

Co-Operative and Community Benefit Society number 17093R

Regulator of Social Housing registered number LH2162



HONEYCOMB
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An update from our CEO

JULIE GUILDFORD SMITH

Honeycomb Group has encountered a great deal of change in both the business and the operating environment in the last 12 months. Whilst some of this has been challenging, it has also provided a great opportunity to prioritise what we need to do next, refocus on what is truly important for customers and to re-establish solid foundations on which to grow.

This year, we welcomed Mary Walker and Greg van Enk-Bones to our Executive Team. Mary was appointed Executive Director of Operations in December 2023 following key leadership roles within our Improvement and Customer Service teams. Greg joined the Group in March 2024 as Executive

Director of Finance bringing a wealth of social housing financial experience.

We also welcomed several fantastic additions to our board. In Autumn 2023, we welcomed Hanley Economic Building Society CEO Mark Selby and Director of Housing

at Women's Pioneer Housing Jess Page. We were also delighted to announce that Honeycomb Group was selected as a host board for the UK boardroom programme with Senior Development Manager, James Cox joining in January 2024.

HONEYCOMB
GROUP





2023/24 achievements

There has been plenty to celebrate over the last 12 months.

In August, the Group made an innovative repairs provider move. Informed by customer feedback, a partnership between Honeycomb Group and local repairs and maintenance provider UMS was developed. Not only did the partnership encompass spending within our city, but local knowledge, skills and experience too.

Further partnership work across the city included a £1.5 million fund awarded by Stoke-on-Trent City Council to expand domestic abuse support. Together, Honeycomb Group's Glow and Revival sustained much-needed

refuge and community accommodation but furthered the security and safety of the women, men and children living in these homes too.

Revival also furthered community support with a new home support service specialising in mental health support and Glow pursued their ambition to educate more children and young people through their XRoads programme thanks to additional funding from Staffordshire County Council.

Our homelessness charity Concrete fulfilled multiple ambitions this year with a catalogue of fantastic achievements. In August 2023, the charity launched SPHERE; a specialist project for people impacted by psychoactive substances, this was followed by the opening of Phoenix House a

new accommodation scheme for LGBTQ+ people impacted by homelessness. Finally, in December 2023, Vivian Culvert House, a trail-blazing disabled homelessness scheme was opened in Stoke-on-Trent.

Following a £1.1 million investment in compliance services and the launch of a digital safety campaign, Staffs Housing saw an 11% increase in residents feeling safe in their homes. A customer roadshow, the Big Conversation, in September 2023 generated valuable feedback and engagement. This insight was used to shape further campaigns and support over the next six months including a winter safety hub, mandatory check-ins following damp and mould resolutions and further investment across our green spaces.

LOOKING TO THE FUTURE

Honeycomb Group has an exciting year ahead with the launch of our five-year corporate plan. Developed over 10 months and informed by teams across the business as well as 450 customers, the plan will follow a phased approach.

This phased approach will enable us to be in the best shape possible as we look to the future. We'll grasp new

opportunities, have more impact and thrive but our mission remains the same; breaking barriers, building people and bettering homes.

Our priorities include improved maintenance, repairs and energy efficiency of homes whilst ensuring it is easier to get in touch with us. We also hope to invest in employability, financial stability, health and

wellbeing, as well as developing support networks. Of course, we can't do this alone. So much of the new corporate plan is about collaboration with customers, partners and teams across Honeycomb Group.

Our goal is to become an outstanding strategic partner that helps our community thrive.

We believe in a better future, and we hope you do too.



Fit for the future

In 2023, we shared our Fit for the Future plans which included the launch of our improvement board and commissioning an impartial review of our operating model. Following the review, the difficult decision to restructure teams across the Group was made. In November, a phase one consultation began which focused on our leadership team and making this as effective as possible.

Results of the consultation were shared in February 2024. Although this was a challenging time for all, making significant change within the leadership team resulted in reduced impact across the wider Group. It also created a much more opportunist environment and led to a complete transformation of our customer hub and neighbourhood model.


Customers are at the heart of everything we do, which is why we are now working together to transform the way we connect with both our customers and local communities.



Julie

Julie Guildford Smith
Group Chief Executive

THE YEAR AT A GLANCE



2,877
homes
managed



265
staff
employed



£1.26m
generated
in extra
income for
customers



229
homes
re-let



296
corporate
plan feedback
surveys
completed by
customers



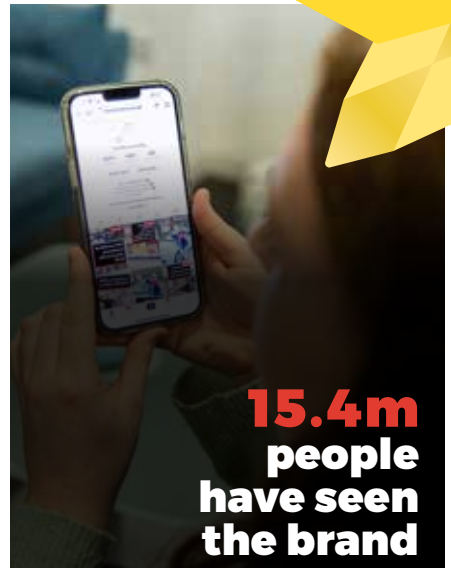
45
homes
completed



211
shared
ownership
homes
managed



600
customers
engaged
during our Big
Conversation
Event



15.4m
people
have seen
the brand

THE YEAR AT A GLANCE



513
people supported by Concrete's Destination Home partnership



1,712
children and young people took part in Glow's RWF programme



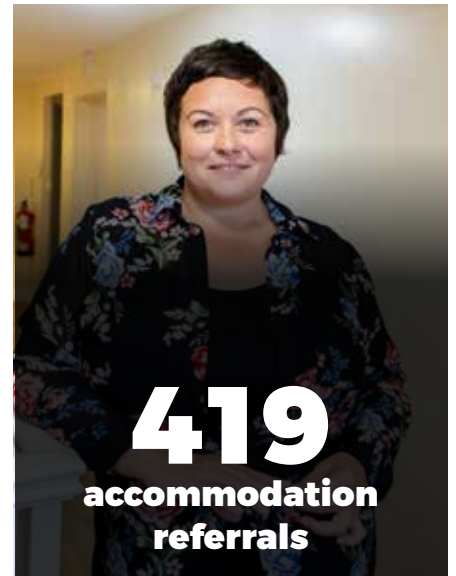
1,241
learning pathways completed



2.6%
of rent collected was arrears



99%
of customers felt safer after Glow's support



419
accommodation referrals



100%
of children who received one-to-one support feel more able to manage and understand their feelings



156
people in Cheshire have been supported by our floating support services



96%
of Concrete customers said their support worker understood their needs

About Honeycomb Group



HONEYCOMB
GROUP



glow



HONEYCOMB GROUP IS MAKING OUR REGION VIBRANT

Honeycomb Group is a team of social-minded brands championing happy homes across our region.

We're providing services and support that help people across Staffordshire, and its surrounding areas, feel secure, connected and confident.

Whether it's developing and maintaining affordable homes, providing trusted home repairs and improvements, keeping people safe and well at home or providing support services, we're tackling the social issues that can isolate people from a happy home.

OUR BRANDS



Staffs Housing is a leader in providing quality affordable housing in Staffordshire, Cheshire and the surrounding areas, ensuring there are no barriers to home-seekers finding a place they're proud to call home.



Revival is the local home improvement and support specialist, providing Stoke-on-Trent, Staffordshire and surrounding areas with trusted home repairs, and a range of friendly wellbeing support, making sure everyone is happy in a home they love.



Glow is a charity on a mission to end relationship abuse, campaigning for change and providing support throughout Staffordshire, Derbyshire and its surrounding areas. Through a full-circle approach, Glow seeks to address the issue from every angle, ensuring that no member of the community is vulnerable to an abusive relationship.



Concrete is a local charity, support network and campaigner leading the fight to erase homelessness within Staffordshire, East Cheshire and its surrounding areas. Through a community led approach, Concrete helps those without a plan, without a voice and without a home to build concrete futures by tackling the underlying issues that keep people from finding and securing a home of their own.



Hummingbird is the commercial arm of the Group, delivering profit-making services and initiatives in line with our vision. Hummingbird is a trading name of Stillness (924) Limited.

About Honeycomb Group

OUR VISION

A progressive, passionate region with no barriers to a happy home.

Close your eyes and think of a city or a place that is full of life and energy. That's what we're aiming to do for every area we serve through the work we do. Happy homes mean thriving people who are building stronger communities and growing the local economy. We want to leave every place better than it was before we got there.



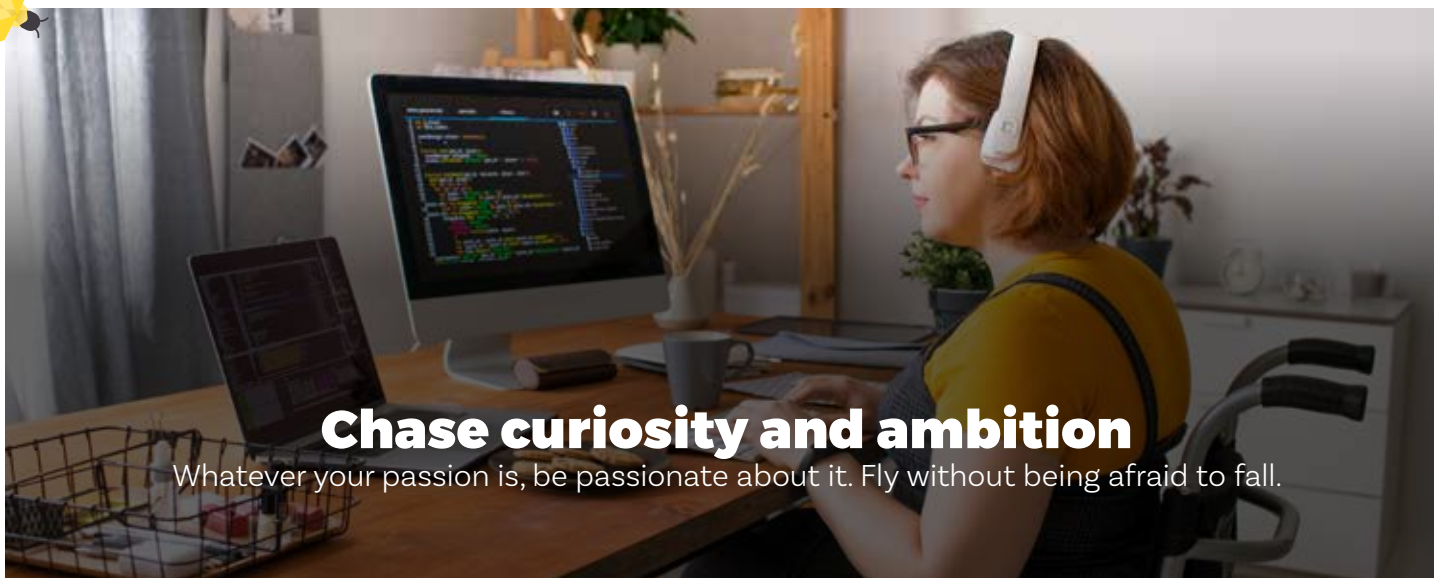
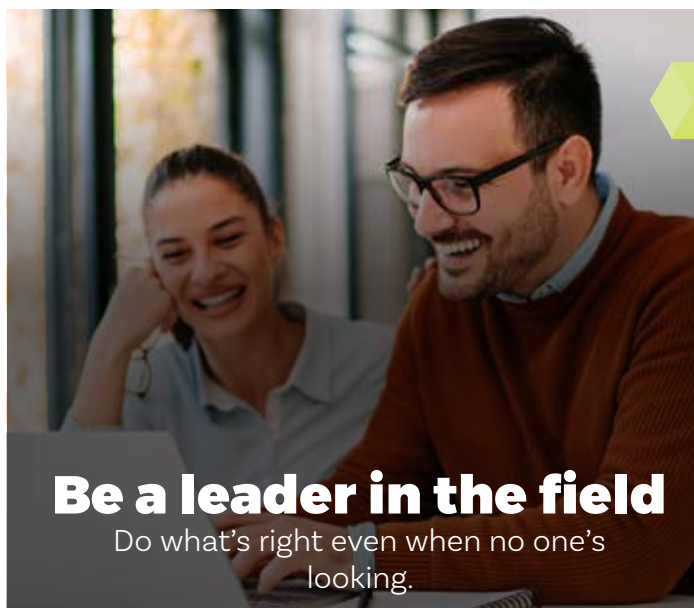
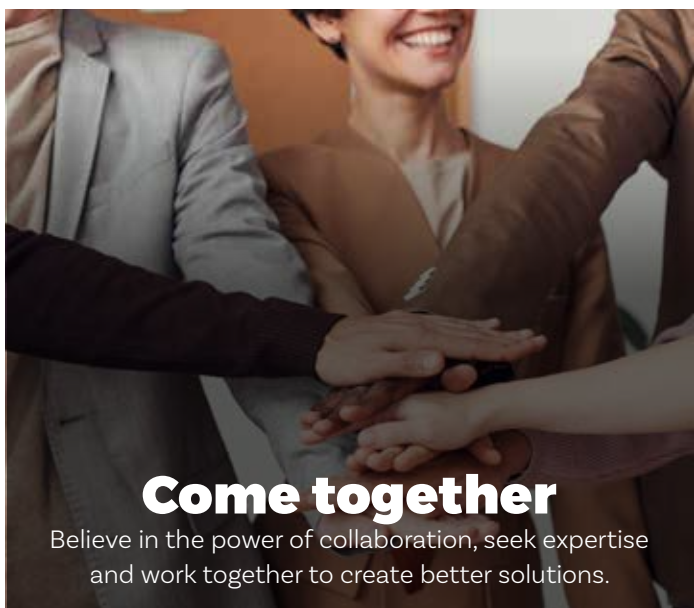
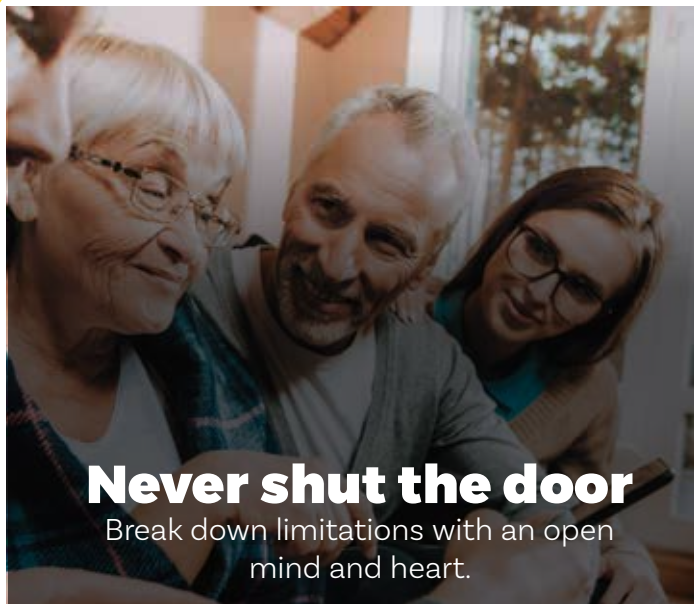
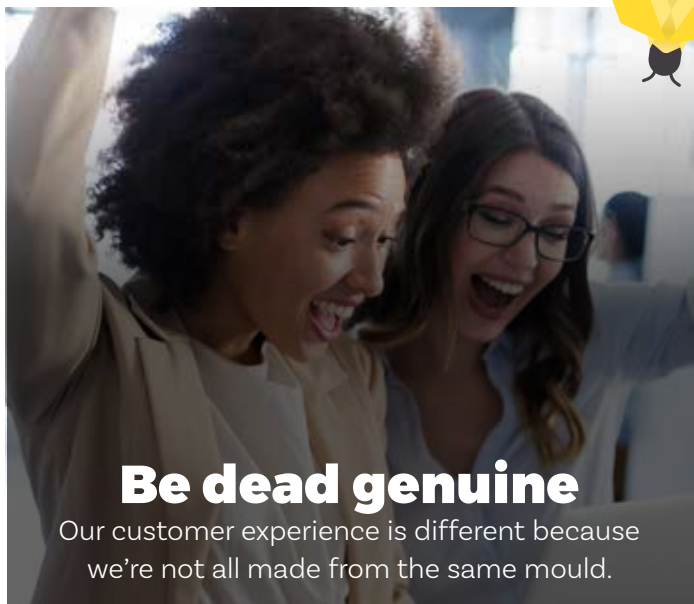
OUR MISSION

Breaking barriers, building people, bettering homes.

- Breaking down all of the social and physical barriers to a happy home in our region.
- Elevating people by addressing the root cause from all angles: preventing, recognising, responding to and rehabilitating needs from the inside out for a long-term solution.
- Bettering homes from every aspect, whether it's through the person or physical environment, so people feel secure, connected, confident and proud.



OUR VISION, MISSION AND VALUES



Our strategy - 2021-2024

OUR EIGHT AMBITIONS

In 2021 we set a three-year strategy that aimed to achieve our mission of breaking barriers, building people and bettering homes.

In collaboration with the Board, we identified eight

Group ambitions that would be the focus of our attention for the life of this strategy.

Together with our vision and values, these ambitions provide a roadmap for day-to-day

decision making, helping colleagues work with autonomy and in the best interests of customers. Our ambitions also act as an anchor in an ever-changing and challenging world.

1



Create quality, affordable homes built around you

2



Bring your home to life

3



Addressing overcoming and ending domestic abuse

4



Make homelessness history

OUR EIGHT AMBITIONS



5

**Develop a strong
and resilient
business**



6

**Increase the
supply of
affordable homes**



7

**Develop our
culture and be a
great place to work**



8

**Make sure our
brands are
recognised and valued**



Our strategy - 2021-2024



Investing in technology to support an agile workforce

Our ICT strategy is continuing to deliver improved ICT platforms and systems. Over the last year our strategy has focused on providing business agility and continuity through the adoption of Cloud services while also investing in infrastructure and operational systems.

We completed a large review of operational systems, which concluded in the procurement of a new partner to deliver a housing management and CRM system. The new project starts next year with a focus on providing excellent customer service and digital innovation.

We maintained service uptime, cyber security levels, and responded well to tech changes. With better staff equipment and a more reliable, secure and modern network, this change is a pivotal milestone in supporting the delivery of the 24/25 Thrive programme.

Over the last year, the ICT team have also supported an increasingly agile workforce while maintaining business continuity. Over 5,600 tickets were handled which included the set-up or repair of over 260 laptops and phones across the Group.



Cyber security

It's reported that in 2023 there were approximately 800,000 cyber attacks. With 9 in 10 businesses reporting phishing attacks and infrastructure being targeted every 39 seconds. Because of this, the Group has made substantial investment in cyber security in the last year to prevent an attack and keep our data safe.

Investment in training meant that staff now complete annual cyber awareness training, informing them of what to look out for and how to stay safe. While also backed up with regular mock phishing emails to test staff vigilance and to continually develop our training programme.

We've invested in new cloud-based firewall and server technologies which harness best practice and give us the ability to back up our data 24/7 with a new service contract. This enables us to better 'patch and update' our software and ICT services against threats.

Our Cyber Essentials Accreditation was also successfully renewed, which provides assurance that cyber security best practice is being followed across the Group.

DEVELOP A STRONG AND RESILIENT BUSINESS



5,600
ICT tickets handled

Richard
Head of ICT

Our strategy - 2021-2024



Providing new quality affordable homes

During 2023-24 we launched our Asset Management Strategy which set out our approach to developing and improving our homes. The strategy ensures that we have housing stock that is fit for purpose, meets the decent homes standard, and are safe and warm for our customers. We've committed to carrying out stock condition surveys in 80% of our properties. This will allow us to develop a further five-year investment programme, which will go live in 2024-25.

Alongside this, we've been looking at our properties to assess whether disposals would be a better long-term investment. Where our homes are no longer fit for purpose, are hard to let, or are in a poor condition, we've been looking into whether we can dispose of these properties to invest in more modern properties, or to improve the rest of our stock.

Construction and development became increasingly challenging over the last year, and new opportunities to supply additional homes reduced across the sector. Despite this, we're proud to say that in 2023-24 we completed 37 new high-quality homes across Stoke-on-Trent and Staffordshire.



INCREASE THE SUPPLY OF AFFORDABLE HOMES

NEW HOMES DELIVERED IN 2023-24

Goldenhill, Stoke



9 one-bed apartments



6 three-bed homes



1 three-bed bungalow



Meadow Court, Hanley



10 one-bed apartments



Dividy Road, Bentilee



5 three-bed homes



Our strategy - 2021-2024



Investing in the growth and development of staff

This year we launched our Learning & Development Platform which has created a “one stop shop” for our online training requirements with employees able to self-serve learning content at a time and place convenient to them.

The introduction of the platform has enabled employees access to over 300 training courses and 1,500 training videos. The launch has also introduced individual learning pathways, automated learning reminders, bespoke training courses and has also reduced the amount of PO approvals and invoicing. This platform also provides managers with greater oversight of their team’s training requirements by giving them access to team training data in real-time.

Since the platform launched on 1st November 2023, 1,241 learning pathways have

been completed and 2,600 individual log ins recorded.

We have also supported five apprentices:

- Level 3 - Business administrator
- Level 6 - Digital and technology solutions professional (integrated degree)
- 2 x Level 2 - Horticulture or landscape construction operative
- Level 3 - Housing and property management

Looking forward, we would like to enable volunteers and involved customers access to the L&D platform, and we are also supporting the development of our Board members by creating a bespoke training offer.

To ensure that our training stays relevant and grows with the business, we have also established a working group who are currently reviewing our Welcome Workshop to ensure that it is fit for purpose and provides new starters with an appropriate on-boarding programme.

DEVELOP OUR CULTURE TO BE A GREAT PLACE TO WORK



People strategy

Work is underway to develop a new People Strategy which will reflect the strategic objectives of the new Corporate Plan.

A key focus for the People Team will be the Thriving Culture objective which will see us developing a can do approach and culture with a skilled and happy workforce that work together and go out of their way to make things happen for customers. We intend to do this by:

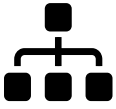
- Embedding organisation values and required behaviours
- Establishing a quality leadership team by investing in our leaders and growing our own
- Attracting talent by becoming an employer of choice
- Creating a one business approach

The People Strategy will focus on all touch points of the employment cycle, including:

- Effective recruitment campaigns that showcase the Group to be an employer of choice, both locally and further afield
- Effective on-boarding programmes that support new starters into the Group
- Investment in enhanced learning and development programmes that are bespoke to individuals and teams
- A set of core People based policies and procedures that reflect good practice
- An effective reward and recognition scheme that values the contribution of our workforce and is competitive within the marketplace
- A revised EDI strategy that both our workforce and customers can align to.



Zoe
Strategic
People Lead



Structure and ways of working

The Group has recently completed two phases of restructures to inform a Fit for the Future structure and operating model.

The reviews focussed on building strong foundations from which to deliver and grow. The vision for the new operating model was:

- Single connected business
- Strong resilient finances
- Making the best use of services, people and resources
- Improved customer experience and involvement
- Improved governance arrangements

- Improved access to data on homes and customers
- Increased corporate resilience, controlled procurement and H&S

Phase 1 included 41 members of staff and focused on roles that operated at Head of Service, Manager, Business Partner and Team Leader level. The new structure for roles operating at these tiers came into effect on 1 February 2024.

Phase 2 included 71 members of staff and predominantly focussed on the Operations and Revival side of the Group. The new structure for posts in scope of this review came into effect on 1 May 2024.

Both reviews saw the introduction of job families and standardised job descriptions. This was done to create more equity across the Group and to encourage more flexibility and a one team approach.

Job families have been established as being:

- Heads of Service
- Manager
- Strategic Lead
- Business Partner
- Team Leader
- Technical / Specialist
- Advisor
- Officer/Practitioner/ Scheme Manager/ Deputy
- Administrator/Co-ordinator/Assistant/ Worker/Gardener/ Cook





Wellbeing

Our work to support wellbeing and inclusivity has continued over the past year through the EDI staff group which has seen us support initiatives such as Mental Health Awareness Week, International Women's Day, Stoke Pride, World Kindness Day.

We have continued to highlight our support through our Menopause Commitment with an additional coaching session for Managers on how to support staff in the workplace. This is in addition to continuing with the menopause support packs in all staff facilities.



My Check In

We are continuing to drive forward improvements around our appraisal platform My Check In. Strategic objectives, in accordance with the new Corporate Plan, will be officially launched to staff in May of this year. This will then enable Heads of Service to set both team and individual objectives.

The relaunch of My Check In will also see the introduction of annual appraisals for all staff to enable progress reviews against targets and objectives.

Following its launch in 2023, our **NEW** learning and development platform has achieved:

 **1,500**
Training videos made available

 **300**
Courses made available

 **1,241**
Learning pathways completed



Our strategy - 2021-2024

Effective communication is a key priority for the business. During 2023-24, the Communication and Marketing Team continued to support Group services, projects and customer communication whilst delivering high-quality internal engagement.

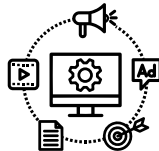


Communicating with customers

Supporting the housing and property teams, compliance, tenancy management and money advice awareness campaigns were launched over the last 12 months. The compliance campaign, which featured a new, self-serve health and safety hub, received over 1,300 engagements with 43,178 people reached.

After listening to customer feedback, the team also increased tailored communications. Customers moving into new-build homes wanted to hear more updates around build progress and site development. With this in mind, we created monthly updates tailored to each development, this was well received with an average 92% open rate.

Communicating sector and Group news also remained key throughout the year with a consumer standards consultation gaining nearly 800 engagements and the Group's corporate plan feedback survey receiving 430 participants.



Raising awareness in the community and wider sector

The team continued to raise awareness of all brands in the local community and wider sector. Supporting Glow, the team delivered a Relationship without Fear 'back to school' promotional campaign which reached 4,000 people and helped drive sales of the programme. The team also used Valentine's Day 2024 to raise awareness of healthy and unhealthy relationships. The campaign reached over 7,000 people with over 150 people accessing a support help page.

25,000 people were reached through an educational campaign promoting Concrete's Destination: Home service and 24,000 people reached through a recruitment campaign which raised awareness of homelessness sector employment. This resulted in over 800 visits to Concrete scheme-based employment opportunities.

Together during Christmas 2023, Glow and Concrete fundraising campaigns generated a reach of over 100,000 and 300 direct link clicks to the Group's donation site.

Supporting Staffs Housing, a local marketing campaign promoting over 55's villages and homes reached over 10,000 people which led to 195 applications for these homes. Further afield, the team also raised awareness of the wider Group across the social housing sector with a specific regulation campaign reaching over 10,000. The team continued to pitch to sector media with several Inside Housing opinion pieces and features secured. A special achievement during 2023 was a BBC Midlands Today feature covering Concrete's SPHERE project.

MAKING SURE OUR BRANDS ARE RECOGNISED AND VALUED



Group engagement and internal communications

The team continued to inform Group colleagues with Intranet 'The Hive' receiving over 131,000 hits in the last 12 months. Around 83% of staff logged into the site each month to read blogs, stay up to date with projects and access useful information.

A new internal campaign for 2023 was the THRIVE hub which aimed to raise awareness of the Improvement Programme. The hub featured improvement project pages which enabled staff to stay up to date and remain informed with ongoing project developments. The hub proved a success with nearly 4,000 visits.



2021-24

CORPORATE PLAN OBJECTIVE
"Achieve a 5m social media reach"



9m
achieved

Our strategy - 2021-2024



Our focus over the year has been on ensuring our homes are safe for our customers and making sure we meet the increased safety standards expected from us as a social housing provider. This has meant significant investment of over **£1m** to complete safety inspections and any corrective works to address any findings. We've welcomed audits in all these areas and have established a new team to focus on these key areas. As a result, our performance in all the compliance areas show we're fully compliant with the standards we have to meet.



Compliance

To make sure our customers continued to feel safe in their homes, we provided some key customer guidance and information around the key areas of compliance, lift safety, fire safety, gas safety, electrical safety, and legionella safety. As part of the campaign, we created explainer videos that shared our commitment in those areas and made customers aware of their own responsibility in helping keep themselves and their neighbours safe at home.



Damp and mould

We developed a robust approach to dealing with damp and mould issues in our properties and created new customer guidance to encourage residents to report any issues and allow them to understand what they can expect from us in return.

QUALITY AFFORDABLE HOMES BUILT AROUND YOU



Repair responsibilities

We also ran a campaign to ensure customers understand their responsibilities to maintain their homes, and so they understand our repair responsibilities as their landlord. The campaign created a brand-new repairs hub with instructional videos to help residents upkeep their homes, to give them a helping hand when replacing light bulbs, toilet sinks, sink plugs, unblocking drains and so much more.



New repairs provider

During the year we listened to customers who told us they were not satisfied with our responsive repair's provider. After serious consideration and consultation with our customers, we agreed to part ways. In August 2023, we enlisted local provider Unitas, who provide over 17,000 repairs across the city as the repair's provider for Stoke-on-Trent City Council. Customers were involved throughout the whole selection process and felt Unitas would provide customers with a better service. With local tradespeople, with a wider skill set and availability.



1,597

gas services completed



41

Legionella risk assessments completed



208

New fire doors installed



652

EICR completed



£140k

Spent on asbestos surveys



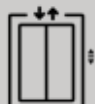
£682k

Spent on fire door replacement programme



121

Fire risk assessments completed



18

Lift inspections completed



£1m

Spent on safety inspections

Our strategy - 2021-2024



Supporting customers

Over the last 12 months Revival has supported customers to be more independent, resilient, and connected through services in Stoke-on-Trent and Derbyshire.

At the start of the year, Revival delivered key services for Stoke-on-Trent Council's Hospital Discharge Service and Welfare Check Service. These services were combined in December 2023 and under the new Wellbeing Support Service, have supported 287 people in the community to leave hospital and remain safe and secure in their own homes.



Enhancing commissioned services

As part of our commitment to enhancing our commissioned services Revival applied for additional funding from Stoke-on-Trent Council under the Winter Essentials fund which enabled 66 local people to be supported with food parcels over the winter months.

Customer Jack said:
"I'm very grateful for the food parcel and face to face visit. The Revival team spotted a language barrier and used technology to make sure I fully understood what was happening and what support options were available."

"I was happy that Revival were able to continue to visit me and deliver food parcels while I waited for my new home. I appreciated the visits and the support helped me to feel like I wasn't on my own."

BRINGING YOUR HOME TO LIFE



Partnership working

As part of our partnership working within Group we were successful in a joint bid with Glow, our Domestic Abuse service, to deliver the Sanctuary Service to victims of domestic abuse, enabling them to feel secure and safe to remain in their own homes.

Revival also launched a new Home Support Service which has been made possible by Nationwide who funded this project. As part of the service the team will be working with perpetrators identified as having mental health support needs, which has been attributed to causing anti-social behaviour issues or preventing residents from maintaining their homes. We will also be working closely with landlords, housing providers, local authorities, and

locality connectors to prevent evictions caused by reoccurring incidents of ASB. Since January, the team has engaged with local housing providers and are currently supporting eight customers to avoid eviction. Signposting to other service to help with finances, housing application and job applications is also ongoing.

As part of our partnership with Keele University we have also provided two training placements to medical students which both the students and staff have found very rewarding.

Student Evie said:
“Thank you for arranging such an amazing placement for me, I really enjoyed my time with you and appreciate all of the visits I was able to go on.”



Derbyshire

We have successfully delivered the Derbyshire Independent Living Service and Falls Recovery Service for Derbyshire County Council for the last five years.

As part of the service Revival has supported the East Midlands Ambulance Service in Derbyshire by attending 415 falls recovery appointments where people have fallen but are uninjured. This service is 24/7, 365 days a year and the team has delivered an exceptional service.

In addition to this the Falls Recovery Service also supported 506 people to with lifeline alarm installations.

Customer Sarah said:
“I had peace of mind knowing there was help and support available at the press of a button.”

287

People Supported to leave hospital

66

People received food and essentials

415

Helped back on their feet after a fall

506

Emergency alarms fitted

Our strategy - 2021-2024



Becky
Programme
Facilitator

OUR UNIQUE THREE STEP APPROACH...

Address



Glow provides personal and direct support to help people experiencing abuse find a way out. Specialist colleagues come together to create a plan to secure and maintain the immediate safety, freedom and wellbeing of the person impacted by abuse. Whether it's safe accommodation, guidance for children and young people, IDVA (independent domestic violence adviser) support, or our newly launched Domestic Abuse Sanctuary and Safe Accommodation service (DASSA), which enables customers to remain safely in their own homes, Glow is there from day one of the journey.

Overcome



The impact of domestic abuse remains long after someone leaves an abusive relationship. After immediate support, Glow also delivers recovery opportunities via the National Lottery funded Recovery Hub. The hub delivers group programmes to help women build their self-esteem and confidence, as well as their knowledge around relationship red flags, what to look out for with future partners and how to rebuild relationships with their children. Domestic abuse can often be an isolating experience, which chips away at a person's identity, so the hub also provides social and wellbeing opportunities to build support networks and help members find new passions. Recovery Hub members can also become volunteers, using their lived experience to take control of what they have been through and use it to educate and support other women.

End



Ending abuse for good is all about education and prevention. Glow achieves this through Relationships without Fear, their flagship relationship education programmes in schools and colleges across Staffordshire and Cheshire. This educates young people about healthy and unhealthy relationships, with the aim of stopping abuse in its tracks before it can even begin. Over in Derbyshire, this expands to behaviour change work with those responsible for abuse through the 180° Project. The project works with perpetrators, supporting them to recognise and change their behaviour, all while keeping their partners, ex-partners and any children safe and supported during the process.

ADDRESSING OVERCOMING AND ENDING DOMESTIC ABUSE



Safe accommodation

Glow provides 59 safe homes across North Staffordshire, spread across three refuges and flats across the community. This difference in property type enables Glow to provide support to a wide range of people and families, depending on their individual needs and circumstances. In October, Honeycomb Group secured Stoke-on-Trent City and Staffordshire County Council funding to enhance Glow's safe accommodation services. This meant the addition of specialist Domestic Abuse Practitioners, based within refuge, to deliver specific support for customers with more complex needs, and those ready to move on to independent living.



DASSA

Glow continued to address domestic abuse this year through the Domestic Abuse Sanctuary and Safe Accommodation service (DASSA), which was the result of £1.5m funding from Stoke-on-Trent City Council. The project, which sees Glow work with fellow Group brand, Revival, enables victims of abuse who want to stay at home, do so safely. Referrals are received from the city council's Housing Solutions Team, and customers who are assessed to be suitable for the project, can have safety measures installed in their homes, such as personal alarms and security cameras, alongside specialist support from partner agency New Era.



Recovery Hub

Glow's Recovery Hub went from strength to strength this year, continually demonstrating just how important recovery support is for domestic abuse survivors. In April, the hub was successful in securing additional Know Your Neighbourhood funding from the National Lottery, which enabled the team to develop and expand on their important work throughout the year. In 23/24, 287 customers were supported by the Recovery Hub, with 101 completing group programmes and 41 using the hub's private Facebook community group. The Recovery Hub recruited and trained 14 new volunteers, including those with lived experience. The hub also launched a number of social and wellbeing activities, such as crafting, yoga and coffee mornings, alongside practical support through a regular free legal clinic.



£1.5m
Awarded to
provide safer
homes for
victims of abuse



287
People
supported by
our Recovery
Hub



59
Safe
accommodation
homes provided
in North
Staffordshire



IDVAs

Glow's IDVA service continued to provide specialist support to medium and high-risk victims of domestic abuse in Derbyshire County (where it continues to be SafeLives' Leading Light accredited) and Derby City. The service received 1,366 referrals in 23/24, an increase of 35% on the previous year. Glow IDVAs attended 66 multi-agency risk assessment conferences (MARAC), representing approximately 1,350 victims, ensuring that their voices are heard. This year Glow's IDVA service saw the addition and development of specialist roles to account for the complexities of domestic abuse. This includes a Stalking and Harassment Lead, a BAME IDVA, Family and Criminal Court IDVA and a Health IDVA, all of which have already had a fantastic impact with local partners and local people impacted by abuse.



CYP

Glow's children and young people (CYP) service provides one-to-one support to CYPs impacted by domestic abuse, both in their own relationship or through witnessing it. In 23/24, over 2,250 hours were dedicated to one-to-one support, with 280 CYPs referred into the service. Glow also works with local schools and colleges across Staffordshire and Cheshire to deliver Relationships without Fear. This six-week relationship education programme teaches CYPs about healthy and unhealthy relationships, aiming to stop abuse before it can begin. This year 1,715 children and young people received the programme. In 23/24, Glow also relaunched the X Roads programme, thanks to support from Staffordshire County Council and their Turnaround Framework, which provides targeted intervention to CYPs on the cusp of offending, through the Staffordshire Youth Offending Service. Providers offer support around confidence, drugs and alcohol and bereavement, with Glow's support focusing on relationships.



Behaviour change

Glow's ultimate mission is to end domestic abuse. In 23/24, Glow's 180° Project supported 36 domestic abuse perpetrators to change their behaviour. Programmes are delivered by Intensive Case Managers to high-risk, high-harm perpetrators, with a history of domestic abuse. Alongside working directly with perpetrators, Glow also provides an integrated support service (ISS) which supports, assesses and manages any risk to current and ex-partners, and families, of the perpetrator. During the year, 40 adult victims of abuse and 63 children and young people were indirectly supported as a result of the work.



2,565

Referrals to Glow's adult victim survivor services



1,715

Children and young people received relationship education



287

Customers supported by Glow's Recovery Hub



36

Perpetrators supported to change their behaviour

‘PREVENTION IS BETTER THAN CURE’

Glow customer Beth, whose name has been changed to protect her identity, met her ex-partner when she was at school, going on to experience a decade of abuse. She said that teaching the next generation about healthy and unhealthy relationships is vital, and a programme like Relationships without Fear would have had an incredible impact on her.

“When you are younger, you think no one is ever going to believe you, and at the time I was 16 and my abuser told me that it was his word against mine and no one would ever believe me. He was a lot older so I believed him.

“I went into a relationship blank, I found someone who said they loved me and that was that, I went with it. If I had seen the warning signs beforehand, I would never have stayed in a relationship with that person.

“Prevention is better than cure. Schools teach you maths, science and English but they never teach you about healthy relationships. If they did it would help to stop a lot of abuse and potentially save people’s lives.”



Our strategy - 2021-2024



Address

Addressing homelessness is the first step in making it history. Concrete does this by leading on the city-wide Destination:Home partnership.

Commissioned by Stoke-on-Trent City Council and supported by local partners, the project provides a 24/7 support service to people facing housing crisis. This includes specialist support for men, women, young people, the LGBTQ+ community and those with disabilities. In 23/24, Destination:Home provided 513 safe homes for those in need, as well as providing support to 151 people to help them stay in their homes and avoid homelessness.



Connect

Concrete connects people without a home, to one that is safe, secure and most importantly fit for their needs. For customers with complex needs, this also comes with specialist tailored support, meaning that they have everything they need to reach their next chapter in one place. One of the ways Concrete connected customers to a home fit for their needs in 23/24 was through the launch of Vivian Culvert House (VCH). VCH is Concrete's new specialist accommodation scheme for men, including those with disabilities. Data showed that over 100 Destination:Home customers had a disability, with more than 30 of

those relating to mobility. Concrete's reaction to this was to launch VCH, which features adapted en-suite bedrooms, large communal spaces, lowered kitchen counters and an in-house nurse's station, to make the whole scheme disabled friendly.

This year also saw the launch of Phoenix House, the next chapter in Concrete's LGBTQ+ support services. The scheme is a three-bedroom HMO in Stoke, which provides a safe, secure and inclusive place for members of the LGBTQ+ community to call home.

“Now I think about my future, rather than just the present”

Ellie* moved into Concrete's 24/7 supported female scheme last year after experiencing domestic violence from her ex-partner. She spent time living on the streets before being referred to Concrete.

MAKING HOMELESSNESS HISTORY



Secure

Everyone deserves a safe and secure home. Concrete works with local tenants, homeowners, landlords and other housing providers to find solutions to keep people in their own homes and avoid homelessness. In 23/24, 17 new properties were secured through Concrete's Local Lettings Service, which will provide safe homes for those in need, all while developing and maintaining positive relationships with local landlords.

In 23/24, Concrete also launched SPHERE (Supporting Psychoactive substance users into Housing by Enabling Recovery

and Empowerment). Funded by the Office for Health Improvement and Disparities (OHID) via Stoke-on-Trent City Council, the service works to improve access to accommodation, alongside substance use treatment, for users of psychoactive drugs such as monkey dust. Concrete recognised a need for this support, with many individuals finding themselves excluded from secure housing options due to challenging behaviour that is caused by substance use. Over 20 customers have been supported so far.



Equip

A safe home is much more than just bricks and mortar. Concrete doesn't stop when someone is housed. Specialist teams continue to work with customers to help them build the skills they need to keep their home and successfully manage a tenancy. Concrete's Tenancy Sustainment Team continued to do this throughout 23/24, helping them to live independently, with access to support if they need it. Concrete's peer mentor scheme has also continued to thrive this year. Mentors who have overcome homelessness, such as Jamie, whose story is shared on the next page, share their lived experience with current customers to help them also reach a new chapter. In the last two years, 171 Concrete customers have received mentor support.

SUPPORT FOR WOMEN

"So far this is the longest I've ever stayed somewhere, so I feel really proud. It's a huge personal achievement for me and it feels good. I've received lots of support since being

here. I feel like I can talk to any of the staff and I feel safe."

"My resilience is much stronger since being with Concrete. There have been times I've

felt like leaving, but every time I left and headed to the bus stop, I always turned back."

*Name changed to protect customer identity.

A close-up portrait of a man with a shaved head, wearing a green hoodie, smiling slightly. He is positioned in front of a red brick wall. The lighting is soft, highlighting his facial features.

“Through mentoring I’ve gained self worth”

A yellow banner graphic with a pointed right side, containing the name and title of the man.

Jamie
Peer Mentor

JAMIE'S STORY

Jamie first met Concrete in 2019, when in his own words he 'hit rock bottom' after a relationship breakdown saw him turn to drugs and alcohol. He was given a safe place to stay and lots of tailored support, enabling him to rebuild his life and start a new chapter.

Now, Jamie volunteers with Concrete as a peer mentor. He uses his lived experience to give back to current customers, including Concrete's new Vivian Culvert House male scheme.

"I'd been through a lot, including a relationship breakdown. This sent me into a spiral of drinking. The people I hung around with knew I was in a bad place and completely took advantage of that. They pushed drugs and alcohol in front of me constantly. I had my own place but I ended up losing it due to everything that was going on. I moved in with a family member for a while, but we had a falling out and that broke down too."

Jamie became homeless and worked with different local providers, before finding Concrete. He was given a safe home and matched with a Service Coordinator. As Jamie continued on

his own journey, he wanted something to fill his time in a positive way. He heard about Concrete's peer mentor programme, where he could use his experience to help others.

"My Service Coordinator told me about the mentoring programme and I got in touch with the team. It was amazing – it kept me busy and gave me a real sense of purpose. This was crucial because in order to help others, you've got to feel good about yourself. You can't pour from an empty cup – if you don't feel good in yourself, how are you supposed to make others feel better?"

"Through mentoring I've gained self-worth and also a bit of personality. I'm still Jamie, just a new and updated version. I've grown and I absolutely love it.

"My life is completely different now. I've got a two-bedroom house which I'm currently decorating. I have my own money. I can pay my bills and I don't have to constantly worry about people coming to my door. It's a relief. I have a daily routine and a real sense of freedom. There are still challenges and there probably always will be because that's life. You just need to accept them and carry on."



513

People provided with a safe and secure home



151

People received support at home to avoid homelessness



17

New properties were secured for those in need



20

Psychoactive substance users supported into housing

Value for money

How we deliver value for money

During the year ending 31 March 2024 Honeycomb Group's approach to delivering Value for Money significantly changed with the decision to adopt a new operating model through the Fit for the Future review, which has enabled us to reduce our operating costs in a short period.

This change has seen our operating margins on social housing lettings to increase from 12.2% in 2022/23 to 17.2% in 2023/24 (excluding restructuring costs) and for us to target further increased margins of 18.8% in 2024/25.

Similarly our EBITDA-MRI interest cover % has increased from 102.8% in 2022/23 to 104% in 2023/24 (excluding restructuring costs) and we have set a target 120% for 2024/25.

Although we have continued with our work to explore and deliver ongoing value for money improvements,

the strategic change to a new operating model has been our priority as it delivers significant and immediate value for money gains, compared with the longer term goals to continuously improve and identify savings as we go.

To reflect this emphasis on immediate improvement, the Value for Money targets we set in our new Medium Term Financial Plan have been reviewed and we are now focused on increasing our operating margins and interest cover ratios to above sector average levels so that we are resilient and ready to manage future challenges that may occur in a more unstable economic environment than we have seen in the past.

During the last financial year, 2022/23, we reduced our new property development activities to focus on the properties we already own. We have continued this approach throughout 2023/24 and confirmed our priority to invest in the homes we already provide. Our

future plans include returning to investment in new development growth activity from 2026 to 2029.

Our strategy in the meantime is to make the most of the assets we already have, maximising net income from our core activities and ensuring that our other activities are adding value. This will include reducing costs and increasing income where we can, while ensuring our current customers are provided with good quality services.

ANNUAL SELF ASSESSMENT

Each year the Group appraises its compliance with the Regulator's Economic and Consumer standards.

This includes the Value for Money Standard, which the board has reviewed and confirmed compliance with in 2024.



Value for money IN ACTION

This year we've focused on finding efficiencies and identifying what is and isn't working, whilst keeping customers and their needs at the heart of everything we do. We also refreshed our financial regulation and procurement training with all staff to embed further value for money opportunities.

Efficiencies have ranged from council tax discounts to in-house recruitment campaigns.

Here's further examples of how we saved money, staff hours and more during 23/24.



Fit for the future

In November 2023, we successfully completed a leadership team restructure, with a £425,000 efficiencies target. This not only generated greater value for money but created an effective leadership team with clear responsibilities and service areas. This change laid a solid foundation for the wider staff restructure project which completed in 24/25.

Security

During 23/24, Honeycomb Group ended their contract with security firm, Force One, who were responsible for closing our head office and managing security at Bradeley Village. A more affordable option was secured at Bradeley Village with a saving of £5,500 per annum at head office.

Council tax rebate

After discovering a night shelter discount was available, Concrete contacted the local authority and made an application for all applicable properties to be reclassified. This resulted in a saving of £29,000.

Digital communication switch

By moving the printed customer magazine to a monthly digital newsletter, the Communications team generated a saving of £11,700. The move from a quarterly update to a monthly update has also improved communication and engagement with customers. Further work to create patch specific newsletters is now underway.

EDI census

The Data and Performance team discovered a work-around within existing systems, which enabled the team to develop a new platform for capturing staff EDI data. This created a substantial saving for the Group, who were expecting to purchase an individual platform to host the data.

In-house recruitment

The People and Communications teams worked together to deliver in-house campaigns to reduce recruitment agency costs during 23/24. The Communications team used paid advertising features across multiple social media platforms to expand reach, whilst the People team used headhunting facilities on LinkedIn to find potential candidates. Together the teams delivered several successful recruitment campaigns using in-house skills and knowledge.

Furthermore, during 23/24 the People team restructured their team. Following the departure of a team manager, this salary was reinvested, resulting in a People team administrator post created instead. This enabled the wider team to redirect administrative tasks and empower team members to take on new projects that accentuated their technical expertise.

EXECUTIVE RECRUITMENT

The People and Communications team delivered two recruitment campaigns in-house, generating a saving of

£7,500

BOARD RECRUITMENT

A successful board recruitment, resulting in two new board members joining the Group in 2023, also took place in-house. This generated a saving of

£15,000

Value for money

Our performance is benchmarked against the published RSH statistics for traditional, non-LSVT, organisations of a similar size to Honeycomb (2,000 to 4,000 units) and traditional, non-LSVT, organisations that have at least 50% of their stock in the West Midlands. In the tables below, the median average performance of these 'benchmark' groups is shown for the 2022/23 year. Our own performance is shown both with and without the one-off restructuring costs we incurred in the 2023/24 year to deliver the Fit for the Future review, where it makes a difference to the measure.

Performance key: 😊 = above target

😊 = close to target (within 10% tolerance)

😞 = below target

⬆️ = higher than previous year

↕️ = close to previous year (+/- 5%)

⬇️ = lower than previous year

Note: downward arrows may indicate positive performance.

Reinvestment

This metric looks at the value of investment in our properties (existing stock as well as new supply) as a percentage of the total value of properties that we own.

	Median - RSH data		Historic performance			2023-24 performance				2024-25
	Similar Size RPs	Local RPs	20-21	21-22	22-23	Target	Actual	Against target	Trend	Target
Group (Consolidated)	4.30%	7.10%	5.04%	2.32%	2.73%	1.07%	1.49%	😊	⬇️	1.18%
Entity (Association)	4.20%	7.30%	5.06%	2.33%	2.72%	1.07%	1.50%	😊	⬇️	1.17%

For this metric, when we compare our 2023/24 out-turn to our benchmarking groups most recent 2022/23 data we have performed below the median when compared to both the similar sized and locally based Registered Providers. This is due to the reduction in investment levels on developing and acquiring new properties following our strategic decision to focus on reducing overall operating costs and increasing our investment in our current properties.

Our strategy to pause new development, reduce our operating costs and focus on current property investment continues to impact on this metric as in 2024/25 we are projecting to decrease our reinvestment level further to 1.18%. Our projections then show our Reinvestment % will increase in the following three years to 5.8% in 2025/26, then to 6.8% in 2026/27 peaking at 7.5% in 2027/28. This reflects our strategic target to return to invest in new development activity from 2025.

New supply delivered % (social housing units)

This new supply metric sets out the number of new social housing that have been developed in the year as a proportion of total number of social housing units owned at the end of the year





	Median - RSH data		Historic performance			2023-24 performance				2024-25
	Similar Size RPs	Local RPs	20-21	21-22	22-23	Target	Actual	Against target	Trend	Target
Group (Consolidated)	0.70%	1.30%	0.91%	0.13%	0.66%	1.16%	1.16%	😊	⬆️	0.00%
Entity (Association)	0.90%	1.40%	0.92%	0.13%	0.67%	1.16%	1.17%	😊	⬆️	0.00%

This measure allows us to assess the size of our property construction programme in relation to the number of properties that we already own. This makes it possible to compare large landlords delivering volume to smaller landlords concentrating on a particular type of provision or geographical area (such as ourselves). Our metrics for performance and targets are broadly comparable to the median of our peer groups, being above average for our size nationally, and slightly below average for the local housing providers. The metric achieved our targets and as planned we completed the 37 units that were already on site at the beginning of the year and as planned no other projects have been started. This was a strategic decision which has been taken to allow the group to concentrate on reducing its overall operating costs, whilst investing in services and existing housing stock. We do not plan to add any new social housing properties in 2024/25 or 2025/26 but expect to deliver growth by this metric of around 2% per year between 2026 and 2029.

METRICS

Gearing %

This metric assesses how much our adjusted assets are made up of debt and the degree of our dependence on debt finance. It is also often used as a key indicator of appetite for growth.









	Median - RSH data		Historic performance			2023-24 performance				2024-25
	Similar Size RPs	Local RPs	20-21	21-22	22-23	Target	Actual	Against target	Trend	Target
Group (Consolidated)	33.8%	48.9%	41.8%	42.7%	45.3%	46.7%	45.1%			46.40%
Entity (Association)	35.1%	49.5%	43.3%	44.0%	46.8%	48.6%	46.8%			48.24%

The metric indicates that we are higher than the median of our benchmarking group for similar sized RPs and marginally below the local RP group, but relatively stable year on year. This reflects our track record of commitment to the social housing sector through growth, whilst also utilising our assets to support investment in our stock to ensure the safety of our customers.

The 2023/24 gearing % is slightly below the targets we set, which is a positive position reflecting prudent and controlled borrowing levels in relation to asset growth. As part our medium-term financial plan, we have reviewed our treasury strategy with a view to reducing overall borrowing costs.

EBITDA-MRI Interest Cover

EBITDA-MRI Interest Cover measure is a key indicator for our liquidity and investment capacity. It measures our level of surplus generated against our interest payments.

	Median - RSH data		Historic performance			2023-24 performance				2024-25
	Similar Size RPs	Local RPs	20-21	21-22	22-23	Target	Actual	Against target	Trend	Target
Group (Consolidated)	132.0%	120.0%	166.5%	134.3%	113.7%	119.7%	122.0%			147.7%
Group (Consolidated) <i>Excl restructuring</i>	132.0%	120.0%	166.5%	134.3%	113.7%	119.7%	133.1%			147.7%
Entity (Association)	126.8%	120.1%	154.8%	139.4%	102.8%	100.7%	93.2%			120.1%
Entity (Association) <i>Excl restructuring</i>	126.8%	120.1%	154.8%	139.4%	102.8%	100.7%	104.0%			120.1%

The metric is an approximation of cash generated; presenting it as a percentage of interest shows the level of headroom on meeting interest payments for outstanding debt.







When compared to our benchmarking groups for 2022/23, we are at the lower quartile. This is primarily a result of reduced operating margins at both the Group & Entity level driven by the increased costs of maintenance, utility costs and general inflationary pressures.

We improved our operating margins in 2023/24 and achieved our target for the group, but not for the entity, where the one off costs of delivering our operating model and high property investment costs impacted the interest cover. The changes we have made will positively impact performance in future years. We are continuing to invest additional resources into our stock over the coming years targeted at ensuring our homes are safe and energy efficient.

Value for money

Headline social housing cost per unit (£'s)

The unit cost metric assesses the headline social housing cost per unit as defined by the regulator, being "total costs association with the delivery of social housing activities divided by the total number of social housing units owned".

	Median - RSH data		Historic performance			2023-24 performance				2024-25
	Similar Size RPs	Local RPs	20-21	21-22	22-23	Target	Actual	Against target	Trend	Target
Group (Consolidated)	6,280	4,470	4,854	5,771	6,279	6,896	7,266			7,487
Entity (Association)	5,841	4,213	3,237	3,718	3,994	4,264	4,338			4,419
Entity (Association) <i>Excluding restructuring</i>	5,841	4,213	3,237	3,718	3,994	4,264	4,202			4,419









At the Group (Consolidated) Level we are higher than the median when compared to both of our benchmarking Groups. This is largely due to the inclusion of the operating expenses of our service led Charity's (Concrete & Glow) in the Group calculation. This increases the Social Housing Cost per unit metric disproportionately as the Charity has relatively few properties but incurs high support costs due to the complex needs of the customer. This effect accounts for all of the £2,928/unit difference in cost between entity and Group in 2023/24 following a similar pattern from previous years.

At the Entity (Association) Level, cost per unit has increased by 8.6% year on year due to general cost increases and the one off costs of changing the staffing structure to reduce our running costs and deliver a new operating model. Further changes to the Housing Association operating model and the implementation of a medium-term financial plan will deliver improvements in this metric in the future.

Compared to other local providers we are performing at the median level for costs per unit but we are performing well when compared against peers of similar size organisations across the country where our costs are significantly less.

Return on capital employed (ROCE) %

This metric compares our operating surplus to our total assets less current liabilities. It assesses how efficient we are in the efficient investment of our capital resources.

	Median - RSH data		Historic performance			2023-24 performance				2024-25
	Similar Size RPs	Local RPs	20-21	21-22	22-23	Target	Actual	Against target	Trend	Target
Group (Consolidated)	2.50%	3.20%	5.32%	1.85%	1.85%	2.68%	2.54%			2.81%
Group (Consolidated) <i>Excl restructuring</i>	2.50%	3.20%	5.32%	1.85%	1.85%	2.68%	2.80%			2.81%
Entity (Association)	2.60%	3.20%	5.28%	2.09%	1.79%	2.26%	1.99%			2.36%
Entity (Association) <i>Excl restructuring</i>	2.60%	3.20%	5.28%	2.09%	1.79%	2.26%	2.25%			2.36%

The return on capital employed measures the degree of efficient investment of capital resources and compares the total operating surplus to total asset values. The increase in our operating margin has caused a corresponding increase in our return on capital employed.









Our ROCE in 2023/24 has improved compared to the previous two years, lifting us out of the lower quartile across our benchmarking groups and into the third quartile for local providers, and into the second quartile for similar sized RPs using the Group (consolidated) measurement.

In 2023/24 this metric was negatively impacted by the one off costs of restructuring, which caused us not to achieve our targets. Our targets for 2024/25 for this metric are set to deliver further improvements reflecting our reduced cost base and more efficient operating model.

METRICS

Operating margin % - social housing lettings

Operating margin % measures the amount of surplus generated from turnover on our social housing activities. It is a key measure of our operational efficiency as it is influenced by both income and expenditure.

	Median - RSH data		Historic performance			2023-24 performance				2024-25
	Similar Size RPs	Local RPs	20-21	21-22	22-23	Target	Actual	Against target	Trend	Target
Group (Consolidated)	17.7%	21.2%	22.9%	17.0%	12.2%	17.3%	14.7%			15.4%
Group (Consolidated) <i>Excl restructuring</i>	17.7%	21.2%	22.9%	17.0%	12.2%	17.3%	17.2%			15.4%
Entity (Association)	18.7%	22.8%	22.9%	17.0%	12.2%	17.3%	14.7%			18.8%
Entity (Association) <i>Excl restructuring</i>	18.7%	22.8%	22.9%	17.0%	12.2%	17.3%	17.2%			18.8%









After three years of falling margins to a low point in 2022/23, when performance was in the lower quartile for both benchmark groups, 2023/24 marked a turning point in our financial performance and, even including one off costs to improve our future performance, we have seen an improvement in our operating margins.

Factors contributing to the low margins in 2022/23 included the difficult economic operating environment (inflation, increased interest rates, higher energy bills); having later rent increase dates compared to our peers (December versus the sector norm of April), increased repair costs following the pandemic and as a result of core inflation, delays to the development programme resulting in lower new rental income and increased staffing costs.

We have improved our underlying management costs and have targeted further improvements, while the sector in general is experiencing falling margins. We will also continue to invest in improving services to existing properties for our customers, which we expect will mean a slow and steady continuing improvement to sustainable above average levels of surplus.

Operating margin % - overall

Operating margin % - overall measures the amount of surplus generated from turnover. It is a key measure of our operational efficiency as it is influenced by both income and expenditure.

	Median - RSH data		Historic performance			2023-24 performance				2024-25
	Similar Size RPs	Local RPs	20-21	21-22	22-23	Target	Actual	Against target	Trend	Target
Group (Consolidated)	14.1%	19.3%	16.2%	11.4%	9.7%	12.6%	12.1%			15.5%
Group (Consolidated) <i>Excl restructuring</i>	14.1%	19.3%	16.2%	11.4%	9.7%	12.6%	13.5%			15.5%
Entity (Association)	14.4%	20.6%	20.6%	20.8%	12.5%	16.4%	13.1%			19.6%
Entity (Association) <i>Excl restructuring</i>	14.4%	20.6%	20.6%	20.8%	12.5%	16.4%	15.2%			19.6%

At the Group (Consolidated) level, under performance against our benchmarking group is due, in part, to the inclusion of Concrete and Glow revenues in the turnover element of the equation. This dilutes the unit metric disproportionately as the Charity, due to the nature of its activities, has relatively small operating surpluses. Compounding this is the reduction in our core social housing operating margins, as identified in the previous metric.

Overall operating margins are low even without the impact of the higher Group turnover, however, for the same underlying reasons described in the Social Housing Letting Metric. We have delivered an improvement in margins in 2023/24 and following the implementation of our restructuring and new operating model, we are targeting above average operating margins for our size in 2024/25, while continuing to prioritise improvements to current properties and services for our tenants and customers.

Value for money

Balance scorecard metrics









Board members scrutinise performance against Group targets and objectives through the quarterly balanced

scorecard. Alongside key financial and VFM performance metrics, the Board maintain oversight of additional Process, Customer, and People key performance indicators. The focus of the balanced







scorecard is on continual improvement and is reported for each legal entity within the Group.



The measures include:









Process measures: As at 31st March 2024

Staffs Housing & Revival (Honeycomb Group Limited)	2021-22	2022-23	2023-24 (actual)	2023-24 (target)	Against target	Trend
Rent arrears (%)	2.36	3.09	2.63	<2.75		
Void losses (%) social rented properties	2.02	1.37	1.2	<1.25		
Concrete and Glow (Honeycomb Charitable Services Ltd)	2021-22	2022-23	2023-24 (actual)	2023-24 (target)	Against target	Trend
Rent arrears (%)	5.50	4.40	3.1	<4.50		
Void losses (%)	6.50	9.80	5.3	<7.10		

BALANCE SCORECARD METRICS

Customer Measures: As at 31st March 2024						
Staffs Housing and Revival (Honeycomb Group Limited)	2021-22	2022-23	2023-24 (actual)	2023-24 (target)	Against target	Trend
Satisfaction with repairs (out of 10)	6.2	6.43	6.9	8.5		
Satisfaction with lettings (out of 10)	8.8	9.6	8.5	9.5		
Satisfaction with Revival (%)	99	99	96	98		

Customer Measures: As at 31st March 2024						
Concrete and Glow (Honeycomb Group Charitable Services)	2021-22	2022-23	2023-24 (actual)	2023-24 (target)	Against target	Trend
Customer satisfaction (%) Glow	98	99	97	99		
Customer satisfaction (%) Concrete				99		
<p>Customers are asked to rate on a scale of 1-5 whether they are happy with the service received. The score is a percentage of the maximum score available for that response.</p>						

People measures: As at 31st March 2024						
Staffs Housing & Revival (Honeycomb Group Limited)	2021-22	2022-23	2022-23 (actual)	2023-24 (target)	Against target	Trend
Absenteeism (%)	4.6	4.3	5.4	4.0		
Staff turnover (%)	22.9	21.8	19.6	15.0		
Concrete and Glow (Honeycomb Charitable Services Ltd)						
Absenteeism (%)	8.7	7.7	6.2	4.0		
Staff turnover (%)	36.0	43.4	37.0	25.0		

Targets for 2024/25 have not been included in these tables as in 2024 we replaced our Balanced Scorecard with a new Performance Framework and dashboard.

A NOTE FROM THE CHAIR



A NOTE FROM THE CHAIR

Almost a decade after joining Honeycomb Group, our Chair Andy Spencer has announced his intention to step down in September 2024.

After many successful years leading the Group through major transformation and change, Andy will be greatly missed by all.

The board of management is a key part of Honeycomb Group's success, with members across the board developing and shaping our strategies, monitoring performance and ensuring our services remain influenced by our customers.

Andy has implemented innovative change across all services and driven multiple customer-led initiatives and commitments. He has also supported both the Board and Executive Team through challenging periods, and inspired many across Honeycomb Group and the wider sector.

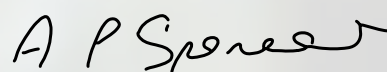
The Group wish Andy all the very best and thank him for his commitment to our mission.

A recruitment campaign will be launched in Spring 2024 to recruit both Chair and further board members. Further announcements will be made via the Honeycomb Group website.

“The positive impact the Group’s support has across the local area is spectacular. It really has been an honour to be a part of the Group and work alongside so many passionate people.

Although I will be sad to leave, this truly is a fantastic opportunity for a new Chair to join at such an exciting period.

The Group is bursting with ambition and passion for people. It has been an honour to be a part of so many innovative projects and life-changing services.”



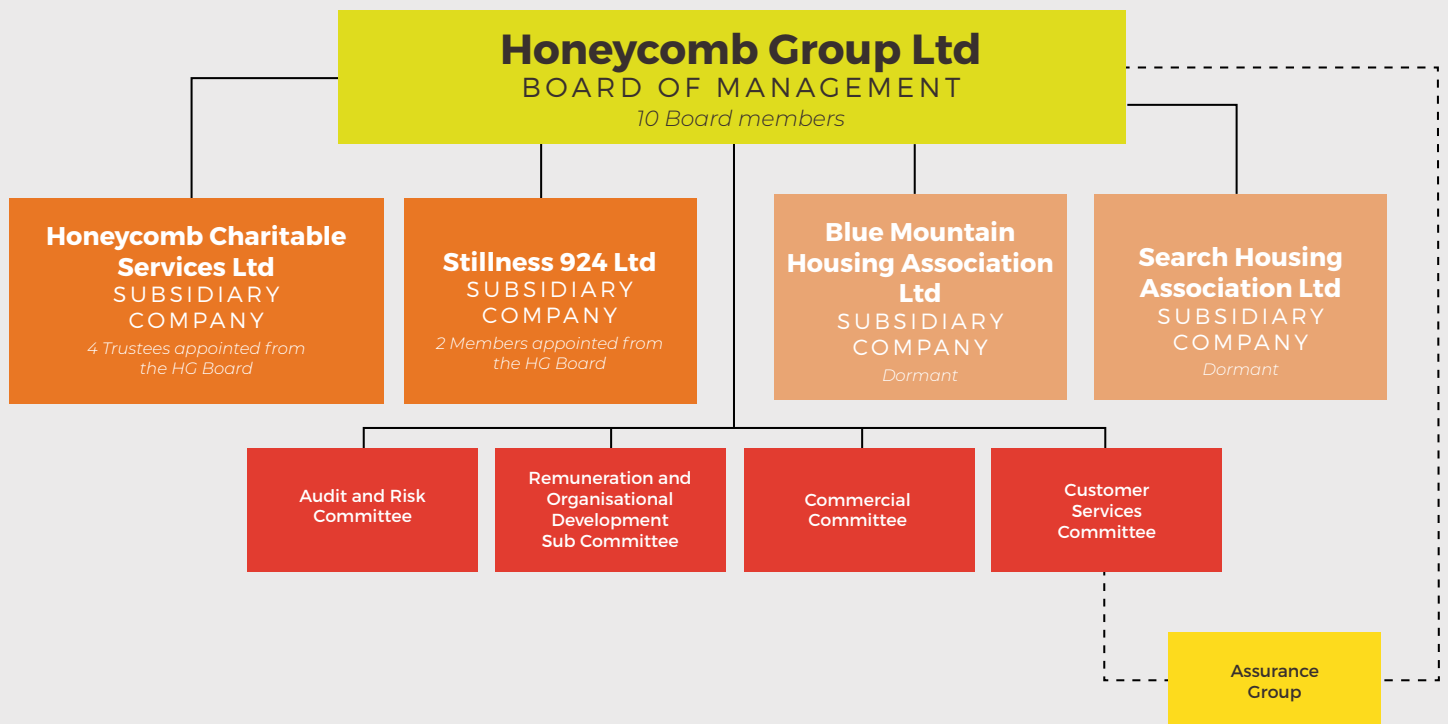
Andrew Spencer
Group Chair







HONEYCOMB
GROUP

GROUP STRUCTURE

Honeycomb Group Ltd, the parent company, is a Co-operative and Community Benefit Society (No. 17093R). There are two subsidiaries currently in operation, Honeycomb Group Charitable Services Ltd a registered charity (No. 701376) and registered as a company under the Companies Act (No. 02357520) and Stillness 924 Ltd registered under the Companies Act (No. 06506446). Further information regarding their activities can be found in the respective Annual Report and Financial Statements published on our website. The group also has two dormant subsidiaries Blue Mountain Housing Association (Co-operative and Community Benefit society (No. 28052R) and Search Housing Association (Companies House (No. 2311204).



-  Subsidiary companies
-  Dormant Subsidiary companies
-  Standing committees
-  Customer groups





BOARD AND COMMITTEE STRUCTURE

The Group Board’s core purpose and responsibilities are to set the strategic direction, scrutinise performance and ensures that good governance practices are in place by establishing and overseeing a framework of delegation and systems of control. The Board comprises 9 Non-Executive Directors and the Group Chief Executive, Julie Guildford Smith. The Board met 9 times during the year.

The Board is committed to making equality, diversity and inclusion a priority. This is so that it comprises of members which are representative of the communities it serves and which have diverse backgrounds in terms of gender, ethnicity, lived experience and attributes with a range of skills, competencies, experience and knowledge.

Committees	Purpose	Membership	Frequency
Audit and Risk Committee	Oversees the management of risk, the function of the internal and external auditors and ensures that there is an effective internal control framework in place.	5 members	Quarterly
Customer Services Committee	A customer focused committee overseeing how the organisation engages and delivers services to all customers. It ensures that the customer’s voice is heard at board level and that the insight and engagement influences and shapes the delivery of the organisations’ services.	4 members	Quarterly
Commercial Committee	The Board established the Commercial Committee to provide scrutiny and oversight of commercial opportunities. This in turn contributes directly to the achievement of its growth strategy as well as generating funds to support its charitable vision and mission.	4 members	Minimum of once a year
Remuneration and Organisational Development Committee	The committee considers matters relating to pay, benefits, terms and conditions of the Chief Executive and Directors. It also reviews organisational development and HR strategies.	4 members	Twice a year



OUR BOARD

The members set out below have held office during the whole of the period from 1 April 2023 to the date of this report unless otherwise stated.



Andrew Spencer, Chair of The Board

Member of Commercial Committee and Remuneration and Organisational Development Committee. Andy is a chartered surveyor and experienced senior executive with a background in construction and development.



Karl Dean, Non-Executive Director

Chair of Customer Services Committee and Trustee of Honeycomb Charitable Services. Karl has worked in the housing, care and support sector for his entire career and has held a number of senior leadership positions.



Rebecca Neill, Non-Executive Director

Chair of Audit and Risk Committee, a member of Remuneration and Organisational Development Committee and Board Member of Stillness. Rebecca is an experienced director and qualified accountant with a degree in social policy and a passion for housing.



Will Wright, Non-Executive Director

Member of Audit and Risk Committee and Commercial Committee. Will is a Chartered Accountant and the Group Financial Director at Towerview Care Group.



(Retired September 2023)

Fred Wright, Non-Executive Director

Member of Commercial Committee and Board Member of Stillness. Fred is the Director of the volume house builder and developer, Harper Crewe (Holdings) Ltd and has previously worked at C-level for a range of multinationals.



Alice Hemsley-Myers, Non-Executive Director

Member of Audit and Risk Committee, Chair of Commercial Committee, Trustee of Honeycomb Charitable Services and a Board Member of Stillness. Alice has more than 20 years' experience in finance, spanning risk management and property finance.

OUR BOARD



Andrew Davies, Non-Executive Director

Member of Customer Services Committee, Chair of Remuneration and Organisational Development Committee and Trustee of Honeycomb Charitable Services. Andrew has worked as a GP in Warrington since 2002 taking up various roles in health care focussed on service and quality improvement for patients.



Georgina Patel, Non-Executive Director

Member of the Audit and Risk Committee, Customer Services Committee and Trustee of Honeycomb Charitable Services. Georgina has extensive senior leadership and management experience working in local government covering a range of disciplines including energy, environmental health, housing and regeneration.



(Appointed September 2023)

Mark Selby, Non-Executive Director

Member of Audit and Risk Committee and Commercial Committee. Mark is currently CEO at Hanley Economic Building Society. He has previously been COO at Abbey National/Santander and Virgin Money also.



(Appointed September 2023)

Jessica Page, Non-Executive Director

Member of Audit and Risk Committee and Customer Services Committee. Jess has a varied housing background with roles focusing on tenancy support and welfare. She is currently Director of Housing for Women's Pioneer Housing.



Julie Guildford Smith, Group CEO

Julie joined Honeycomb Group in 2022 as Group Chief Executive. She brought with her a wealth of experience, as well as a great passion for championing happy homes.

BOARD ACTIVITIES



**Alice
Hemsley-Myers**
Non-Executive
Director



Board activities

Over the year the Board has:

- Developed and agreed its Corporate Plan for the next five years
- Revised the Group's Business Plan
- Overseen an organisational restructure
- Adopted the NHF Code of Governance
- Tracked the revision and subsequent publication of the consumer standards
- Continued to work closely with the regulator by providing updates on its agreed improvement plan to continue its work towards achieving G1 status



Declaration of interest

The Board's declarations of interests are held on our register and is available publicly. There have been no declarations of interest during the year which have had a material impact. If you wish to receive a copy of the register, please contact our Company Secretary.



Compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and adopted Code of Governance

Honeycomb Group Ltd formally adopted the NHF Code of Governance 2020 in June 2023. Reviewing and assessing compliance with the Code has taken place throughout the financial year ended March 2024 with a self-assessment against compliance taking place between May - July 2024. We comply with all material aspects of the Code and with the Regulator's Governance and Financial Viability Standard.

Our non-charitable subsidiary, Stillness (924) is not required to comply with the Code and our charitable subsidiary, Honeycomb Charitable Services Ltd is a registered charity and assesses its compliance against the Charity Code of Governance.

BOARD ACTIVITIES

A WARM WELCOME TO JAMES 🖐️

Honeycomb Group becomes first social housing provider to join UK Boardroom Apprentice programme

In August Honeycomb Group was selected to join UK Boardroom Apprentice programme delivered jointly by the Department for Levelling Up Housing and Communities and Boardroom Apprentice.

As part of the Levelling Up agenda, the programme created a learning and development placement opportunity for boards, with the hope of furthering diversity.

In return, the programme offered to provide real life experience, mentoring support, and structured learning for successful applicants. As well as a seat within a Boardroom, where apprentices can contribute and have their voice heard at meetings.

The programme opened applications in September, and successfully appointed James Cox, who joined the Group in January.

Chief Executive Julie Guildford Smith said:

“We are proud to be the first RP selected to join the scheme and hope to inspire others to make further diversity commitments.”

“Our purpose here at Honeycomb Group is to champion local people and places. By joining the scheme, we’re not only supporting the Levelling Up agenda but supporting our communities and neighbourhoods. We are delighted to be a part of such an innovative project which is rebuilding pride and passion for our fantastic city.”

**Andy Spencer
and James Cox**
Group Chair
and Boardroom
Apprentice



CUSTOMER ASSURANCE

Over the year we have been lucky to be supported and scrutinised by some amazing, engaged customers who have helped us develop and improve services, tender contracts, recruit staff and board members, and develop our corporate plan. We are truly grateful for all of those customers who have given their time, energy, and voice to help develop our homes and services.

Customer voice audit

In May customers carried out an internal audit assessing what we do to champion the customer voice across Honeycomb Group. The group were able to speak to customers, staff, and review evidence from meetings, in-person events, and general customer engagement documents. This audit helped to define the customer involvement function and highlighted key areas where we can improve. We've been working closely with these customers to review a new customer engagement strategy and delivery plan. The new strategy will have a key focus around tenant satisfaction measures (TSMs), regulatory consumer standards, and the social housing regulation act.

Repairs and building safety

Our repairs and building safety group looked at our repairs service and all things property services during the meetings throughout the year. They also looking into compliance, reviewed videos, and sent in their feedback. They also raised other points about the safety or charging electric mobility scooters in our properties.

Customer representation

This year we've been looking to get more customer representation at a strategic level. This is a key aim to ensure the customer voice is heard at a governance level, that customers can provide influence, and can provide an insight into what our customers think and feel about our services and how we can improve them.

Service quality reviews

Customers continued to support with service quality reviews across our Group. This gave us the platform to have conversations with customers who may not normally be involved. The feedback given as part of these reviews will also form case studies and additional information for bid writing.

Neighbourhood changes

This year the housing team introduced new twice-yearly visits to schemes, ASB surgeries, and coffee mornings.

These have proven that speaking to customers face to face can often be the best way to engage and recruit new customer members, and will be something we try to replicate next year.

CUSTOMER ASSURANCE

The Big Conversation

OUR CUSTOMER ROADSHOW

In September we ran a customer roadshow, where staff from across the Group visited communities to talk to customers about the changes to our maintenance contract, the addition of tenant satisfaction measures, new regulatory standards, and themes customers would like us to focus on as part of our new corporate plan.

With the cost of living hitting our residents hard, staff also provided a mobile pantry as part of the event, providing essential items like cereal, tinned food, and household items to anyone in need.

“It’s been lovely having you knock on our doors to voice our problems if we have any. It’s a great initiative and means we can speak to people face to face.”



38
Staff
volunteers



106
Locations
visited



296
Surveys
completed



600
Residents
spoken to



180
Actions raised
for customers

VOLUNTEERS



VOLUNTEER PROPS UP BAR THAT IS A PILLAR FOR LOCAL COMMUNITY

68-year-old Trudy Smith has been volunteering at the Bradeley Village bar which has been an important part of the local community for over 30 years.

Trudy, who started volunteering three years ago, donates her time each week to help run the bar that gives residents in the village and in the community a place to socialize and come together.

Her role is to make sure the bar is stocked, staffed, and ready to serve friends and neighbours.

Now retired from working in older person's care, Trudy says the volunteer role is her way of giving something back.

“I’ve met so many lovely people through volunteering. I’ve become a familiar face so lots of people come to speak to me. It’s great!”

VOLUNTEERS

Volunteers make an important contribution to the Group. Without their support and expertise, we simply couldn't do what we do. They give their time freely and share their experience and knowledge to help us deliver our services.

This year a total of 105 volunteers have worked alongside Honeycomb Group colleagues to help and support customers

and enhanced our services.

Our Peer Mentors are people from our local communities with lived experience of homelessness. They provide a unique form of emotional support which is received well by customers as they share some general level of understanding when it comes to the customer's position from their own unique experience.

Our volunteers delivering support to customers in our refuges and as part of our recovery hub. They're a mix of domestic abuse support advocates and those with lived experience.

Our volunteers delivering wellbeing support to people wanting to live independently at home offer an ear to talk to. This helps reduce isolation, build confidence, and reconnects them to their community again.

Finally, we have volunteers who help to ensure our services and homes are fit for purpose. Usually our residents, who know our services best and help to complete mystery shops and provide feedback as part of our various customer committees.

VOLUNTEERING AT A GLANCE



6

Peer Mentors supporting Concrete customers experiencing homelessness



13

Volunteers supporting customers in our refuges and Recovery Hub



89

Volunteers working in our communities to provide practical and wellbeing support

EQUALITY, DIVERSITY AND INCLUSION

Following our EDI strategy launch in 2022, we have continued activity including an EDI staff forum throughout 2023-2024.

Here's what we've been up to:



Interactive equality, diversity, and inclusion training

We launched interactive EDI training on our new learning and development platform. It aimed to educate all staff to make sure they could confidently champion a fully inclusive workplace and culture.



Housing Diversity Network membership

We continue to be members of the Housing Diversity Network, sharing their training with forum members and attending online webinars.



Equality, diversity, and inclusion forum

Our EDI forum continued to support workplace initiatives including a managing menopause session to upskill managers and an international women's day coffee morning to help staff celebrate the inspirational women in their life.



EQUALITY, DIVERSITY AND INCLUSION

“Being part of the Group EDI Forum is so important to me. It allows me to share my personal experience, as well as any learnings for the benefit of my colleagues, customers, and communities.”



World kindness day

The colleague forum has championed further EDI suggestions including the celebration of World Kindness Day (which was extended to our domestic abuse refuge), specific working groups to help come together as a Group, and the sharing of a diversity calendar.



Celebrating awareness events

We've celebrated several awareness events including Pride and Mental Health Awareness Week. Each event has been an opportunity to educate staff, as well as challenge what they can do to improve inclusion.



Collecting diversity data

Having great diversity data is a big part of having a successful inclusive culture. We have continued to undertake successful campaigns with both customers and colleagues to improve the diversity information we hold.



**Staff at our
Pride event
in June**

INTERNAL AUDIT

Internal audit










The internal audit programme provides independent and objective assurance adding value to improve the way we operate. It provides the Board, via the Audit and Risk Committee, the Chief Executive and other officers with assurance on the adequacy of internal control arrangements, including risk management and governance.

The internal audit plan is aligned with our business and risk profile in context with:

- overall business strategy and objectives
- key areas where management have identified closer monitoring of performance and how it is measured
- financial and non-financial measurements and indicators of performance
- information required to 'run the business'
- the key challenges and risks for the organisation

Nine internal audits were undertaken during the financial year and the key findings against six core themes:

INTERNAL AUDITS

	Damp, mould, and condensation
	Customer voice
	Asbestos
	Electrical safety
	Legionella
	Planned maintenance
	Budgetary control
	Business continuity planning
	Governance

CORE THEMES

	Strategic alignment and reporting
	Controls and assurance
	Documentation
	Systems and data quality
	Resources
	Innovation and efficiency

INTERNAL AUDIT

Internal controls assurance

The Board is responsible for the Groups internal controls and for reviewing their effectiveness but recognises that such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Board applies best practice to reviewing the effectiveness of our systems of internal control and extended the previous requirement in respect of internal financial control covering financial and operational controls and risk management.

The Board believes that its procedures provide effective internal controls.

Directors' indemnity

The directors have confirmed that the Group has Directors and Officers Liability Insurance in place.

Internal controls procedures

Our systems of internal control are designed to ensure reliability of financial information and the maintenance of proper accounting records, thus safeguarding against loss and providing the proper evaluation of risk. Key elements include:

- Adoption of the NHF Code of Governance (2020)
- Board retaining responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury management and new investment projects.
- A formal scheme of delegation to the management of the Group.
- Financial plans incorporating budgets, forecasts and a thirty year business plan.
- A process for monitoring and reporting of achievement of financial objectives mindful of key business risks, including regular reviews by the Board.
- Rigorous risk appraisal of significant new initiatives and projects with regular review.
- A comprehensive range of formal policies and

procedures, regularly reviewed.

- Recruitment, retention and development processes.

The Audit and Risk Committee reviews reports received from internal and external auditors and management and regularly reports to Board regarding the extent to which internal controls continue to take account of the nature of financial risks facing the Group. A formal process exists for the reporting and correction of significant control weaknesses.

The Board has received the Chief Executive's annual report and has conducted an annual review of the effectiveness of internal controls. Account has been taken of any changes needed to maintain the effectiveness of the risk management control process. No weaknesses were found in the internal controls sufficient to cause material misstatement or loss and the system of internal controls operated throughout the year and to the date of signing of the financial statements.

The Group has high standards of openness and honesty and has in place measures to minimise the risk of fraud and procedures to respond if it happens.

STRATEGIC RISKS



Treasury management

During the year we successfully navigated our need to arrange new funding during a period of relatively high interest rates, a government rent cap, high inflation levels and renewed business plan pressures.

Our Board approved an updated treasury policy and strategy in March 2024. This aims to manage interest rate, liquidity and covenant risks as well as other treasury risks. Our external treasury advisors provided advice and assurance.

The loan covenant calculations as at 31 March 2024 show that the loan covenant position is compliant with our funders' requirements across the group.

Future financial prospects

The Board have recognised that despite the ongoing challenges in our operating environment we are pleased to report a strong set of financial results. We knew this year was going to be a challenge with cost inflation exceeding the rent cap and we knew we had to remain focused on driving efficiencies across our business.

The Group maintains a resilience plan with a suite of actions that can be called upon if the Board consider that the 2024/25 budget surplus will not be achieved. The Board maintains oversight of the key risks through regular reporting and scrutiny.

Stress-testing of the early-years Group 30-year business plan shows it is sufficiently robust to withstand the impact of any near-term risks. We are determined to provide homes that our customers are proud to live in while continuing to be committed to our financial discipline.

STRATEGIC RISKS

The overall responsibility for strategic risk management sits with the Group Board of Management. The Board, Audit and Risk committee and the Executive Team systematically review the strategic risks to ensure that they are analysed, understood and managed. Risk management is one of the core elements of our internal control and assurance. We introduced a new format and process for our risk management from 1 April 2024 and which has been aligned to our strategic objectives within our Corporate Plan.

The latest review of our strategic risks was in August 2024. Listed below are the current business critical risks to Honeycomb Group's success.

ASSET MANAGEMENT

Failure to assess investment needs or to maintain assets to ensure agreed standards are met.

SAFETY

Lack of safety measures, adequate policies, procedure and awareness increases the risk of serious harm, safety in homes, in the workplace and when working in our communities.

MEETING CUSTOMER NEEDS

Failure to understand, plan to improve and then meet customers' needs.

DATA SECURITY & INTEGRITY

Failure in collection, security and integrity of data that leads to significant service failures.

POLICY CHANGE

Failure to respond to changes in political and policy change that affects delivery of corporate objectives.

REPUTATION

Loss of reputation causing significant partners to disengage, disrupting services.

FINANCIAL VIABILITY

Covenant breach causes regulatory downgrade or funding withdrawal that jeopardises going concern status, forces a merger or causes unacceptable service or safety levels to customers.

BUSINESS CONTINUITY

Insufficient or ineffective business continuity arrangements leading to significant or prolonged service disruption.

PEOPLE & CULTURE

Failure to recruit and retain the skills required to deliver the corporate objectives, and to ensure the values are demonstrated across the business.

GOVERNANCE

Non-compliance with regulatory requirements, chosen code of governance, rules, strategies and policies.

BOARD RESPONSIBILITIES

BOARD RESPONSIBILITIES

Statement of the Board's Responsibilities in Respect of the Accounts

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Income and Expenditure for the period of account.

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

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society 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. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

The Board is responsible for ensuring that arrangements are made for keeping proper books of account with respect to the Group's transactions and its assets and liabilities and for maintaining a satisfactory system of control over the Group's books of account and transactions. The Board is also responsible for ensuring that arrangements are made to safeguard the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

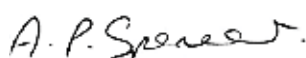
Disclosure of Information to the Auditor

In the case of each of the persons who are directors of the Group at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information (as defined) and to establish that the Group's auditor is aware of that information.

Approved by the board on **13 September 2024** and signed on its behalf by:

Andrew Spencer, Chair of the Board



AUDITOR'S REPORT

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HONEYCOMB GROUP LIMITED

Opinion

We have audited the financial statements of Honeycomb Group Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2024 which comprise the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

AUDITOR'S REPORT

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HONEYCOMB GROUP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out page 66, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S REPORT

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HONEYCOMB GROUP LIMITED (CONTINUED)

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.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.


AUDITOR'S REPORT

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HONEYCOMB GROUP LIMITED (CONTINUED)

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

Use of our report

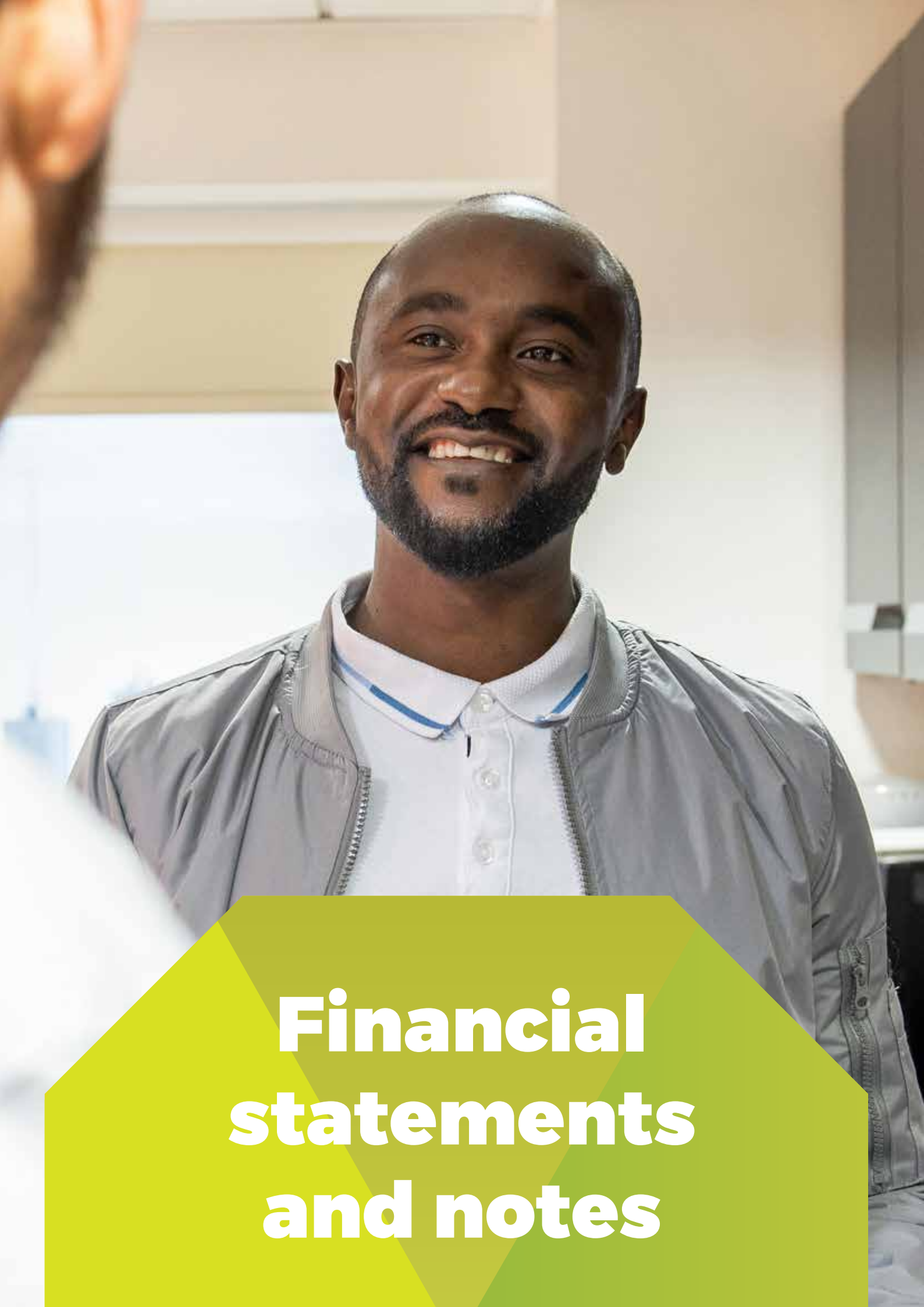
This report is made solely to the Association's members, as a body, in accordance with section 87(2) of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an 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 Group and the Group's members as a body for our audit work, for this report, or for the opinions we have formed.



Beever and Struthers, Statutory Auditor

The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Date: 19 September 2024



**Financial
statements
and notes**

Financial statements

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year Ended 31 Mar 2024		Year Ended 31 Mar 2023	
		Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
Turnover	2	28,967	19,958	26,829	19,284
Cost of sales	2	(219)	(219)	(660)	(660)
Operating expenditure	2	(24,823)	(16,696)	(23,556)	(16,212)
Surplus on disposal of property, plant and equipment (fixed assets)	2/6	578	578	461	461
Operating Surplus before exceptional items		4,503	3,621	3,074	2,873
One-off restructuring costs	28	(419)	(419)	-	-
Operating surplus		4,084	3,202	3,074	2,873
Interest receivable		100	61	29	18
Interest and financing costs	7	(3,739)	(3,739)	(3,222)	(3,222)
Gift Aid		-	207	-	168
Increase / (Decrease) in valuation of investment properties	13	135	125	190	145
Surplus before tax	8	580	(144)	71	(18)
Taxation		(12)	-	18	-
Surplus for the year after tax		568	(144)	89	(18)
Total comprehensive income for the year		568	(144)	89	(18)

The financial statements on pages 71-102 were approved and authorised for issue by the Board on 22nd August 2024 and were signed on its behalf by:

Board Member:
Andrew Spencer

A. P. Spencer

Board Member:
Rebecca Neil

Rebecca Neil

Secretary:
Greg van Enk-Bones

Greg van Enk-Bones

The consolidated and parent results relate wholly to continuing activities and the notes on pages 76-102 form an integral part of these accounts.

Financial statements

STATEMENT OF FINANCIAL POSITION

	Notes	Year Ended 31 Mar 2024		Year Ended 31 Mar 2023	
		Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
Fixed assets					
Tangible fixed assets: Properties	12 (a&b)	158,033	157,647	158,697	158,304
Other	12 (c&d)	4,996	3,965	4,654	3,631
Investment properties	13	3,820	2,680	3,685	2,555
Investment in subsidiaries	14	-	1,578	-	1,578
		<u>166,849</u>	<u>165,870</u>	<u>167,036</u>	<u>166,068</u>
Current assets					
Stock	15	409	409	476	476
Trade and other debtors	16	2,782	1,793	2,581	2,087
Investments	17	30	30	30	30
Cash and cash equivalents	18	5,585	3,077	5,672	3,449
		<u>8,806</u>	<u>5,309</u>	<u>8,759</u>	<u>6,042</u>
Less: Creditors: amounts falling due within one year	19	<u>(16,505)</u>	<u>(14,913)</u>	<u>(9,912)</u>	<u>(8,399)</u>
Net current assets		<u>(7,699)</u>	<u>(9,604)</u>	<u>(1,153)</u>	<u>(2,357)</u>
Total assets less current liabilities		<u>159,150</u>	<u>156,266</u>	<u>165,883</u>	<u>163,711</u>
Less: Creditors: amounts falling due after more than one year	20a	<u>(123,544)</u>	<u>(123,544)</u>	<u>(130,845)</u>	<u>(130,845)</u>
Total net assets		<u>35,606</u>	<u>32,722</u>	<u>35,038</u>	<u>32,866</u>
Reserves					
Non-equity share capital	23	-	-	-	-
Revenue Reserve		35,379	32,547	34,809	32,691
Revaluation Reserve		39	-	41	-
Restricted Reserve		188	175	188	175
Total Reserves		<u>35,606</u>	<u>32,722</u>	<u>35,038</u>	<u>32,866</u>

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A. P. Spencer

Rebecca Neil

Greg van Enk-Bones

The consolidated and parent results relate wholly to continuing activities and the notes on pages 76-102 form an integral part of these accounts.

Financial statements

STATEMENT OF CHANGES IN RESERVES

Consolidated	Revenue reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance as at 1 April 2022	34,718	188	43	34,949
Surplus from Statement of Comprehensive Income	89	-	-	89
Transfer from Revaluation Reserve	2	-	(2)	-
Balance at 31 March 2023	34,809	188	41	35,038
Surplus from Statement of Comprehensive Income	568	-	-	568
Transfer to Restricted Reserves	-	-	-	-
Transfer from Revaluation Reserve	2	-	(2)	-
Balance at 31 March 2024	35,379	188	39	35,606

Association	Revenue reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance as at 1 April 2022	32,709	175	-	32,884
Surplus from Statement of Comprehensive Income	(18)	-	-	(18)
Transfer from Revaluation Reserve	-	-	-	-
Balance at 31 March 2023	32,691	175	-	32,866
Surplus from Statement of Comprehensive Income	(144)	-	-	(144)
Transfer to Restricted Reserves	-	-	-	-
Transfer from Revaluation Reserve	-	-	-	-
Other Reserve Movements	-	-	-	-
Balance at 31 March 2024	32,547	175	-	32,722

Financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 Mar 2024 £'000	Year ended 31 Mar 2023 £'000
Net cash generated from operating activities (see Note i)	5,826	4,815
Cash flow from investing activities		
Purchase of tangible fixed assets	(3,217)	(11,193)
Purchase of investment properties	-	(445)
Purchase of equity investment	-	-
Proceeds from sale of tangible fixed assets	1,040	1,390
Proceeds from sale of OFA	-	222
Grants received	585	686
Interest received	100	29
Cash flow from financing activities		
Interest paid	(3,739)	(3,222)
New secured loans	3,800	8,200
Repayment of borrowings	(4,470)	(565)
Taxation		
UK Corporation tax paid	(12)	18
Net change in cash and cash equivalents	(87)	(65)
Cash and cash equivalents at beginning of the year	5,672	5,737
Cash and cash equivalents at end of the year	5,585	5,672
Note i		
Cash flow from operating activities		
Surplus for the year	568	89
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	3,172	3,463
Amortisation of Grant	(968)	(1,029)
Decrease / (Increase) in stock	67	219
(Increase) / Decrease in trade and other debtors	(201)	(60)
Increase / (Decrease) in trade and other creditors	230	(520)
Revaluation of Investment Properties	(135)	(190)
Carrying amount of tangible fixed asset disposals	368	1,049
Corporation Tax	12	(18)
Other creditor movements	114	8
Adjustments for investing or financing activities:		
Proceeds from the sale of tangible fixed assets	(1,040)	(1,390)
Proceeds from sale of OFA	-	1
Interest payable	3,739	3,222
Interest received	(100)	(29)
Net cash generated from operating activities	5,826	4,815

The notes on pages 76-102 form an integral part of these accounts.

Financial statements

NOTES TO THE FINANCIAL STATEMENTS

Legal Status

Honeycomb Group Limited is a society registered in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 308 London Road, Stoke on Trent, Staffordshire ST4 5AB.

Honeycomb Group Limited is a Public Benefit Entity whose primary objective is to provide goods or services for community or social benefit rather than for a financial return to equity holders.

The Group comprises the following entities:

Name	Incorporation	Registered/Non-registered
Honeycomb Group Limited	Co-operative and Community Benefit Societies Act 2014	Co-operative and Community Benefit Society and Regulator of Social Housing /Registered Provider
Blue Mountain Housing Association Limited (Dormant)	Co-operative and Community Benefit Societies Act 2014	Non-registered
Stillness 924 Limited	Companies Act 2006	Non-registered
Honeycomb Charitable Services Limited	Companies Act 2006	Non-registered
Search Housing Association Limited (Dormant)	Companies Act 2006	Non-registered

1. Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The accounts are prepared on the historical cost basis of accounting as modified by the revaluation of investments and financial instruments and are presented in sterling £ and rounded to the nearest thousand.

The Group's financial statements have been prepared in compliance with FRS 102.

Basis of consolidation

The consolidated financial statements incorporate the results of Honeycomb Group Limited and all of its subsidiary undertakings as at 31 March 2024. Intra group transactions and balances are eliminated on consolidation.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Financial statements

FOR THE YEAR ENDED 31 MARCH 2024

1. **Principal Accounting Policies (continued)**

- a. **Development expenditure.** The Group capitalises direct development expenditure.
- b. **Categorisation of housing properties.** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented properties are investment properties.
- c. **Depreciation.** The Association depreciates its assets on a straight-line basis over management's estimation of their Useful Economic Life (UEL). These UEL's are disclosed below in Note 1.
- d. **Impairment.** The Group has identified that a cash generating unit for impairment assessment purposes is at a scheme level.
- e. **Going concern**
The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

Other key sources of estimation and assumptions:

- a. **Bad Debt Provision**
Bad Debts are provided for based on a 100% provision for all former tenants and specific current tenant debts where arrears balances are unlikely to be settled.
- b. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate.

Revaluation of investment properties. The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine fair value at 31 March 2023. The valuer used a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 13.

- c. **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use.

Following a trigger for impairment, the Group perform impairment tests based on a value in use calculation using a discounted cash flow model. The cash flows do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies (continued)

Turnover and Revenue Recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

Support income and costs including Supporting People income and costs

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the Turnover as per note 2. The related support costs are matched against this income in the same note. Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

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 in the Statement of Financial Position within long term creditors.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Value Added Tax

The Group charges VAT on some of its income and can recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.

Financial statements

FOR THE YEAR ENDED 31 MARCH 2024

1. Principal Accounting Policies (continued)

Tangible fixed assets and depreciation

Housing properties

Tangible fixed assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

Useful Expected Lives for identified components are as follows:

	Years
Boilers	15
Fire Doors	15
Kitchens	20
Lifts	25
Bathrooms	30
Electric Storage Heaters	30
Windows	30
Roofs – Newbuild	70
Roofs – Rehab	50
Roofs – Flat	30
Structure – new build	100
Structure – rehab	50-60
Structure – shared ownership	65
Structure – combined health	25

The Group depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
Plant & machinery	2
Office Freehold Property	50
Fixtures and Fittings	5-10
ICT Equipment	3
Motor Vehicles	4-5
PV Panels	20-25

Financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies (continued)

Low-cost home ownership properties – Shared Ownership

The costs of low-cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development and asset management capital investment activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Property managed by agents

Where the Group carries most of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries most of the financial risk, income includes only that which relates solely to the Group.

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

Leasing

Payment for operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease. The only material leases in place for the Group are as a lessee.

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Properties held for sale

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

Short-term debtors and creditors

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

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

Financial statements

FOR THE YEAR ENDED 31 MARCH 2024

1. Principal Accounting Policies (continued)

Social Housing (SHG) and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income is included as part of Turnover.

When SHG in respect of housing properties during construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group 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. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grant

On disposal of assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Recycling of Capital Grant

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

Holiday pay accrual

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

Retirement benefits

The Group operates a defined contribution pension scheme with contributions charged to the Statement of Comprehensive Income based on salary each month.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken.

Restricted Reserve

Restricted funds comprise funding which has been received for the provision of specified services and contractual obligations. Any unspent funds are carried forward until they are spent or are returned to the funder.

Financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies (continued)

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through the Statement of Comprehensive Income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Financial instruments held by the Group are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method,
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method; and
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.

Categorisation of debt

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102. The Group has a £15 million fixed rate loan with RBS which has a two-way break clause (i.e. in addition to compensation being payable by a borrower to a lender if a loan is prepaid where the prevailing fixed rate is lower than the existing loan's fixed rate, compensation could be payable by the lender to the borrower in the event that a loan is prepaid and the prevailing fixed rate is higher than the existing loan's fixed rate). The Financial Reporting Council (FRC) issued a statement on 2 June 2016 in respect of such loans with no prescriptive direction as to whether they should be classified as "basic" or "non basic". On the grounds that the Group believes the recognition of each debt liability at cost provides a more transparent and understandable position of the Group's financial position and that each loan still satisfies the requirements of paragraphs 11.8 and 11.9 of FRS 102, the Group has retained its "basic" treatment of its debt following the FRC announcement.

Financial statements

FOR THE YEAR ENDED 31 MARCH 2024

2(a). Turnover, cost of sales, operating expenditure and operating surplus

Group	2024			
	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
Social housing lettings (note 3a)	17,103	-	(14,165)	2,938
Other social housing activities				
First tranche low-cost home ownership sales	260	(219)	-	41
Support services	9,701	-	(9,046)	655
Other: Development services	-	-	(181)	(181)
Other: Regeneration	1	-	(107)	(106)
Activities other than social housing				
Other – Market Rent	420	-	(221)	199
Other – Revival Home Improvement Agency	880	-	(770)	110
Other – Green energy	363	-	(134)	229
Other	239	-	(199)	40
	<u>28,967</u>	<u>(219)</u>	<u>(24,823)</u>	<u>3,925</u>
Surplus on disposal of property, plant, and equipment (fixed assets)	1,040	(462)	-	578
Total	30,007	(681)	(24,823)	4,503
	2023			
Group	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
Social housing lettings (note 3a)	15,714	-	(13,792)	1,922
Other social housing activities				
First tranche low-cost home ownership sales	859	(660)	-	199
Support services	8,205	-	(8,111)	94
Other: Development services	3	-	(56)	(53)
Other: Regeneration	10	-	(95)	(85)
Activities other than social housing				
Other – Market Rent	385	-	(221)	164
Other – Revival Home Improvement Agency	1,011	-	(820)	191
Other – Green energy	223	-	(160)	63
Other	419	-	(301)	118
	<u>26,829</u>	<u>(660)</u>	<u>(23,556)</u>	<u>2,613</u>
Surplus on disposal of property, plant and equipment (fixed assets)	1,390	(929)	-	461
Total	28,219	(1,589)	(23,556)	3,074

Financial statements

NOTES TO THE FINANCIAL STATEMENTS

2(b). Turnover, cost of sales, operating expenditure, and operating surplus

Association	2024			
	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
Social housing lettings (note 3b)	17,103	-	(14,165)	2,938
Other social housing activities				
First tranche low cost home ownership sales	260	(219)	-	41
Other: Development services	-	-	(181)	(181)
Other: Property services	-	-	-	-
Other: Regeneration	1	-	(107)	(106)
Activities other than social housing				
Other – Market Rent	362	-	(207)	155
Other – Revival Home Improvement Agency	880	-	(770)	110
Other - Feed-in tariffs	75	-	(30)	45
Other	1,277	-	(1,236)	41
	<u>19,958</u>	<u>(219)</u>	<u>(16,696)</u>	<u>3,043</u>
Surplus on disposal of property, plant and equipment (fixed assets)	1,040	(462)	-	578
Total	20,998	(681)	(16,696)	3,621
	2023			
Association	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
Social housing lettings (note 3b)	15,714	-	(13,373)	2,341
Other social housing activities				
First tranche low cost home ownership sales	859	(660)	-	199
Other: Development services	3	-	(56)	(53)
Other: Regeneration	10	-	(95)	(85)
Activities other than social housing				
Other – Market Rent	339	-	(213)	126
Other – Revival Home Improvement Agency	1,011	-	(820)	191
Other - Feed-in tariffs	24	-	(29)	(5)
Other	1,324	-	(1,207)	117
	<u>19,284</u>	<u>(660)</u>	<u>(15,793)</u>	<u>2,831</u>
Surplus on disposal of property, plant and equipment	1,390	(929)	-	461
Total	20,674	(1,589)	(15,793)	3,292

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3(a). Turnover and operating expenditure

Group and Association	General Housing £'000	Supported Housing and Housing for Older People £'000	Low Cost Home Ownership £'000	Total 2024 £'000	Total 2023 £'000
Income					
Rent receivable net of identifiable service charge	10,444	3,008	432	13,884	12,831
Service charge income	678	1,398	260	2,336	1,855
Amortised government grants	829	26	28	883	1,028
Other grants - Supporting People	-	-	-	-	-
Turnover from Social Housing Lettings	11,951	4,432	720	17,103	15,714
Operating expenditure					
Management	(2,860)	(1,099)	(28)	(3,987)	(3,238)
Service charge costs	(1,078)	(1,054)	(231)	(2,363)	(2,669)
Routine maintenance	(2,140)	(496)	(24)	(2,660)	(3,311)
Planned maintenance	(1,441)	(509)	(8)	(1,958)	(670)
Major Repairs	(298)	(99)	(25)	(422)	(1,161)
Bad debts	(119)	-	-	(119)	68
Depreciation of Housing Properties	(1,964)	(612)	(71)	(2,647)	(2,803)
Other Costs	(9)	-	-	(9)	(8)
Operating expenditure on Social Housing Lettings	(9,909)	(3,869)	(387)	(14,165)	(13,792)
Operating Surplus on Social Housing Lettings	2,042	563	333	2,938	1,922
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	58	100	3	161	206

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3(b). Turnover from activities other than social housing

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Lettings				
Market Renting	420	385	362	339
	420	385	362	339

4. Accommodation owned, managed and in development

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

Group	2024		2023	
	No. of properties Owned	Managed	No. of properties Owned	Managed
Social Housing				
General needs housing	2,286	27	2,274	17
Supported housing and housing for older people	645	168	642	155
Low-cost home ownership	202	-	205	-
Leasehold	43	-	43	-
	3,176	195	3,164	172
Non-Social Housing				
Key worker accommodation	25	-	25	-
Market Rent	35	-	30	-
	60	-	55	-
Total owned and managed	3,236	195	3,219	172
Social Housing under development at end of year:				
General needs housing affordable rent	-	-	37	-
Low-cost home ownership	-	-	-	-
	-	-	37	-
Association	2024		2023	
	No. of properties Owned	Managed	No. of properties Owned	Managed
Social Housing				
General needs housing	2,286	27	2,274	17
Supported housing and housing for older people	630	-	627	-
Low-cost home ownership	202	-	205	-
Leasehold	43	-	43	-
	3,161	27	3,149	17
Non-Social Housing				
Key worker accommodation	25	-	25	-
Market Rent	28	7	23	7
	53	7	48	7
Total owned and managed	3,214	34	3,197	24
Social Housing under development at end of year:				
General needs housing affordable rent	-	-	37	-
Low-cost home ownership	-	-	-	-
	-	-	37	-

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5. Accommodation managed by others

The Association and Group own property managed by other bodies.

	Group		Association	
	2024 No. of properties	2023 No. of properties	2024 No. of properties	2023 No. of properties
Supported housing and housing for older people	102	73	153	145
	<u>102</u>	<u>73</u>	<u>153</u>	<u>145</u>

6. Surplus / (Deficit) on disposal of property, plant and equipment (fixed assets)

	Shared Ownership Staircasing Sales £'000	Others £'000	Total 2024 £'000	Total 2023 £'000
Proceeds of sales	226	814	1,040	1,390
Less: Costs of sales	(78)	(318)	(396)	(917)
Less: Write back of Amortised Grant	(9)	(57)	(66)	(12)
Surplus / (Deficit)	<u>139</u>	<u>439</u>	<u>578</u>	<u>461</u>

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7. Interest and financing costs

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
On loans wholly or partly repayable in more than five years	3,618	3,263	3,618	3,263
Costs associated with financing	155	194	155	194
Less: interest capitalised on housing properties under construction	(34)	(235)	(34)	(235)
	<u>3,739</u>	<u>3,222</u>	<u>3,739</u>	<u>3,222</u>

The weighted average interest on borrowings of 4.49% (2023: 4.17%) was used for calculating capitalised finance costs.

8. Surplus before tax

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
The surplus is stated after charging/(crediting):				
Auditors' remuneration				
Audit of the group financial statements	40	33	40	33
Audit of subsidiaries	5	5	5	5
Fees payable to the company's auditor for other services to the group:				
Taxation compliance services	1	1	-	-
Development Audit	-	-	-	-
Operating lease rentals:				
- Land and buildings	180	215	28	33
- Office equipment	48	50	48	50
Depreciation of housing properties	2,657	2,823	2,647	2,803
Depreciation of other fixed assets	515	640	362	479
Amortisation of Grant applied to housing properties	(883)	(1,029)	(883)	(1,029)
Surplus on sale of property, plant and equipment	(461)	(461)	(578)	(461)
Surplus on sale of other fixed assets	-	(5)	-	(5)

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9. Directors' remuneration

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a defined contribution scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by Honeycomb Group of £15k (2023 - £9k) was paid in addition to the personal contributions of the Chief Executive. Honeycomb Group adopts a salary exchange approach to its employee pension contributions; contributions shown above are based on contractual employer's contributions only.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

	2024 £'000	2023 £'000
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors (excluding highest-paid director)	40	37
The aggregate emoluments paid to the highest paid Director including pension contributions	148	121
The aggregate emoluments paid to or receivable by Directors (key management personnel)	405	476
The emoluments paid to the highest paid Director excluding pension contributions	133	110

The Board of Management received emoluments for their duties amounting to £X (2023: £47,611). These were paid as shown below.

	Emoluments	Expenses	Total 2024
	£	£	£
Fred Wright	2,208	-	2,208
Andy Spencer	11,038	682	11,720
Will Wright	4,415	-	4,415
Rebecca Neill	6,623	-	6,623
Karl Dean	6,623	230	6,853
Andrew Davies	4,415	-	4,415
Alice Myers	6,623	-	6,623
Georgina Patel	4,415	-	4,415
Jessica Page	2,326	-	2,326
Mark Selby	2,326	-	2,326
	51,012	912	51,924

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10. Employee information

	Group		Association	
	2024 No.	2023 No.	2024 No.	2023 No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Office staff	238	235	109	114
Wardens, caretakers and cleaners	28	26	27	25
	266	261	136	139
	£'000	£'000	£'000	£'000
Staff costs				
Wages and salaries	7,358	6,787	4,013	3,868
Social Security costs	664	621	379	371
Other pension costs	611	632	496	537
Redundancy	197	-	170	-
	8,830	8,040	5,058	4,776

Aggregate number of full-time equivalent staff whose remuneration exceeded £60,000 in the period:	2024	2023	2024	2023
	No.	No.	No.	No.
£60,000 - £70,000	3	3	3	3
£80,000 - £90,000	2	1	2	1
£90,000 - £100,000	-	1	-	1
£100,000-£110,000	2	1	2	1
£110,000-£120,000	1	1	1	1
£120,000-£130,000	-	1	-	1
£140,000-£150,000	1	-	1	-

11. Pension obligations

The Group operates a defined contribution scheme for employees, the assets of which are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Association to the fund and amounted to £495,852 (2023: £537,298) for the year; and contributions payable to the fund by the Group amounted to £610,615 (2023: £631,944).

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12(a). Tangible fixed assets

Group	Housing Properties				Total Housing Properties £'000
	Social Housing Properties for Letting Completed £'000	Social Housing Properties for letting under Construction £'000	Low cost home ownership Properties completed £'000	Low cost home ownership properties under construction £'000	
Cost					
At start of the year	181,393	5,349	8,941	3	195,686
Additions to properties acquired	-	1,070	-	(2)	1,068
Acquisitions within the year	-	-	-	-	-
Works to existing properties	1,293	-	-	-	1,293
Reclassification	-	-	-	-	-
Schemes completed	5,544	(5,544)	-	-	-
Disposals	(598)	-	(96)	-	(694)
At end of the year	187,632	875	8,845	1	197,353
Depreciation and impairment					
At start of the year	36,023	-	966	-	36,989
Charge for the year	2,569	-	88	-	2,657
Disposals	(306)	-	(20)	-	(326)
At end of the year	38,286	-	1,034	-	39,320
Net Book Value					
At 31 March 2023	145,370	5,349	7,975	3	158,697
At 31 March 2024	149,346	875	7,811	1	158,033

Completed Housing Properties comprise:	2024 £'000	2023 £'000
Freeholds	156,562	152,894
Long leaseholds	391	451
Short leaseholds	-	-
NBV	156,953	153,345

Cost of properties includes: £35k (2023: £253k) for direct administrative costs capitalised during the year	2024 £'000	2023 £'000
Works to existing properties in the year:		
Components capitalised	1,089	1,144
Amounts charged to expenditure	422	1,181

Note - The cost figure for properties is net of grant liability at transfer amounting to £6,345k (2023 - £6,345k).

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NOTES TO THE FINANCIAL STATEMENTS

12(b). Tangible fixed assets

Association	----- Housing Properties -----				
	Social Housing Properties for Letting Completed £'000	Social Housing Properties for letting under Construction £'000	Low cost home ownership Properties completed £'000	Low cost home ownership properties under construction £'000	Total Housing Properties £'000
Cost					
At start of the year	180,932	5,349	8,941	3	195,225
Additions to properties acquired	-	1,070	-	(2)	1,068
Acquisitions within the year	-	-	-	-	-
Works to existing properties	1,293	-	-	-	1,293
Reclassification	-	-	-	-	-
Schemes completed	5,543	(5,543)	-	-	-
Disposals	(598)	-	(97)	-	(695)
At end of the year	187,170	876	8,844	1	196,891
Depreciation and impairment					
At start of the year	35,955	-	966	-	36,921
Charge for the year	2,561	-	88	-	2,649
Disposals	(306)	-	(20)	-	(326)
At end of the year	38,210	-	1,034	-	39,244
Net Book Value					
At 31 March 2023	144,977	5,349	7,975	3	158,304
At 31 March 2024	148,960	876	7,810	1	157,647

Completed Housing Properties comprise:	2024 £'000	2023 £'000
Freeholds	156,381	152,501
Long leaseholds	391	451
Short leaseholds	-	-
NBV	156,772	152,952

Cost of properties includes: £35k (2023: £253k) for direct administrative costs capitalised during the year	2024 £'000	2023 £'000
Works to existing properties in the year:		
Components capitalised	1,089	1,128
Amounts charged to expenditure	422	1,181

Note - The cost figure for properties is net of grant liability at transfer amounting to £6,345k (2023 - £6,345k).

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12(c). Tangible fixed assets

Group	----- Other fixed assets -----		
	Freehold offices £'000	Furniture and office equipment £'000	Total fixed assets £'000
Cost			
At start of the year	3,836	7,003	10,839
Additions	-	857	857
Disposals	-	(83)	(83)
At end of the year	<u>3,836</u>	<u>7,777</u>	<u>11,613</u>
Depreciation and impairment			
At start of the year	1,280	4,905	6,185
Charge for the year	64	451	515
Disposals	-	(83)	(83)
At end of the year	<u>1,344</u>	<u>5,273</u>	<u>6,617</u>
Net Book Value			
At 31 March 2023	<u>2,556</u>	<u>2,098</u>	<u>4,654</u>
At 31 March 2024	<u>2,492</u>	<u>2,504</u>	<u>4,996</u>

12(d). Tangible fixed assets

Association	----- Other fixed assets -----		
	Freehold offices £'000	Furniture and office equipment £'000	Total other fixed assets £'000
Cost			
At start of the year	3,836	4,731	8,567
Additions to properties acquired	-	696	696
Disposals	-	(50)	(50)
At end of the year	<u>3,836</u>	<u>5,377</u>	<u>9,213</u>
Depreciation and impairment			
At start of the year	1,279	3,657	4,936
Charge for the year	63	299	362
Disposals	-	(50)	(50)
At end of the year	<u>1,342</u>	<u>3,906</u>	<u>5,248</u>
Net Book Value			
At 31 March 2023	<u>2,557</u>	<u>1,074</u>	<u>3,631</u>
At 31 March 2024	<u>2,494</u>	<u>1,471</u>	<u>3,965</u>

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13. Investment properties held for letting and commercial letting

	Group		Association	
	2024	2023	2024	2023
Investment Properties held for letting	£'000	£'000	£'000	£'000
Valuation at start of year	3,235	2,790	2,105	1,960
Additions	-	255	-	-
Gain on transfers from Social Housing Lettings	-	-	-	-
Gain on valuation of investment properties	135	190	125	145
At end of year	3,370	3,235	2,230	2,105
Commercial Investment Property	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At start of year	450	450	450	450
Gain / (Loss) on valuation of investment properties	-	-	-	-
At end of year	450	450	450	450
Total Investment Properties	3,820	3,685	2,680	2,555

The company has adopted the provisions under sections 16.1 and 16.2 of FRS102 in relation to the revaluation of their investment properties with fair value movements taken to the Statement of Comprehensive Income. The valuation was carried out by Louis Taylor Limited, a firm of RICS registered valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards 2017 using qualified chartered surveyors who had sufficient current local knowledge of the particular market and skills and understanding to undertake the valuation competently.

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14. Fixed asset investments

Group Companies

The Group comprises the following entities, all registered in England:

Name	Incorporation and ownership	Regulated/ non-regulated	Nature of Business
Stillness 924 Limited	Companies Act 2006 – 100%	Non-regulated	Building works, Market Rent and PV panels
Blue Mountain Limited	Co-operative and Community Benefit Societies Act 2014 – 100%	Non-regulated	Dormant
Honeycomb Charitable Services Limited	Companies Act 2006	Non-regulated	Social inclusion
Search Housing Association	Companies Act 2006	Non-regulated	Dormant

Association

	Stillness 924 Limited £'000	Blue Mountain Limited £'000	Honeycomb Charitable Services Limited £'000	Search Housing Association £'000
Cost				
At start of year	1,578	-	-	-
Repayment	-	-	-	-
At end of year	<u>1,578</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. Stock

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Properties held for sale				
Shared ownership properties:				
Under construction	-	-	-	-
Completed	409	476	409	476
	<u>409</u>	<u>476</u>	<u>409</u>	<u>476</u>

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16. Trade and other debtors

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Rent arrears	1,590	1,226	732	652
Less: provision for bad debts	(702)	(358)	(234)	(129)
Subtotal	888	868	498	523
Social Housing Grant receivable	-	-	-	-
Other debtors	809	687	562	425
Amounts owed from group undertakings	-	-	78	433
Prepayment and accrued income	1,085	1,026	582	633
Debtors due within one year	2,782	2,581	1,720	2,014
Debtors due after one year – due from Group undertakings	-	-	73	73
	2,782	2,581	1,793	2,087

17. Investments

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Listed on a recognised investment exchange	30	30	30	30
	30	30	30	30

18. Cash and cash equivalents

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deposit Accounts	5,497	5,562	3,042	3,393
Cash at bank	88	110	35	56
	5,585	5,672	3,077	3,449

In the above are balances are:

Money held in trust for leaseholder sinking funds	239	191	239	191
Security Interest THFC	878	938	878	938

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19. Creditors: amounts falling due within one year

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans and overdrafts (Note 20b)	10,720	4,494	10,720	4,494
Trade creditors	597	481	469	248
Amounts owed to group undertakings	-	-	-	-
Rents and service charges paid in advance	707	746	573	569
Other taxation and social security payable	288	187	190	109
Accruals and deferred income	2,859	2,663	1,948	1,851
Deferred Capital Grant (Note 21)	877	883	877	883
Recycled Capital Grant Fund (Note 22)	18	197	18	197
Other creditors	439	261	118	48
	16,505	9,912	14,913	8,399

20(a). Creditors: amounts falling due after more than one year

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans (Note 20b)	54,742	57,837	54,742	57,837
Debenture Stock less loan issue costs plus premium on bond issue (Note 20b)	11,417	15,210	11,417	15,210
	66,159	73,047	66,159	73,047
Leaseholder sinking funds	239	191	239	191
Recycled Capital Grant Fund (Note 22)	648	611	648	611
	67,046	73,849	67,046	73,849
Deferred Capital Grant (Note 20)	56,498	56,996	56,498	56,996
	123,544	130,845	123,544	130,845

20(b). Debt analysis

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans repayable by instalments:				
In less than one year	10,720	694	10,720	694
In one year or more but less than two years	8,196	6,920	8,196	6,920
In two years or more and less than five years	8,412	2,458	8,412	2,458
In five years or more	38,941	53,115	38,941	53,115
Loans not repayable by instalments:				
In less than one year	-	3,800	-	3,800
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	-	-	-	-
In five years or more	11,000	11,000	11,000	11,000
Less: loan issue costs	(390)	(446)	(390)	(446)
Total loans	76,879	77,541	76,879	77,541

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20(b). Debt analysis (continued...)

Housing loans, other loans and debenture stock are secured by specific charges on the Group's individual housing properties and bear interest rates ranging between 0.76% and 11.72%.

The loans are repayable monthly/quarterly at varying rates of interest and are due to be repaid between 2023 and 2050.

The interest rate profile of the Group at 31 March 2024 was:

	Total £'000	Variable Rate £'000	Fixed rate £'000	Weighted Average rate %	Weighted average term Years
Instalment loans	65,879	15,995	49,884	3.82	14
Non-instalments loans	11,000	-	11,000	5.53	17
	<u>76,879</u>	<u>15,995</u>	<u>60,884</u>	<u>4.49</u>	<u>15</u>

At 31 March 2024 the Group has the following borrowing facilities:

	£'000
Undrawn committed facilities	-
Undrawn facilities	18,000
	<u>18,000</u>

20(c). Debt analysis – Movement in Net Debt - Group

	At 31 March 2023 £'000	Cash Flows £'000	Non-Cash Movement £'000	At 31 March 2024 £'000
Cash and bank balances	5,672	(87)	-	5,585
Bank overdrafts	-	-	-	-
	<u>5,672</u>	<u>(87)</u>	<u>-</u>	<u>5,585</u>
Housing loans – due within one year	(4,494)	4,470	(10,696)	(10,720)
Housing loans – due after one year	(73,047)	(3,800)	10,688	(66,159)
Current asset investments	-	-	-	-
	<u>(77,541)</u>	<u>670</u>	<u>(8)</u>	<u>(76,879)</u>
Total Net Debt	<u>(71,869)</u>	<u>583</u>	<u>(8)</u>	<u>(71,294)</u>

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21. Deferred capital grant

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At start of the year	77,625	76,076	77,625	76,076
Grant received in the year	464	586	464	586
Re-categorisation	-	1,475	-	1,475
Eliminated in respect of disposals	(134)	(512)	(134)	(512)
At the end of the year	<u>77,955</u>	<u>77,625</u>	<u>77,955</u>	<u>77,625</u>
Amortisation of Grant at start of the year	(19,746)	(18,857)	(19,746)	(18,857)
Amortisation in the year	(883)	(1,029)	(883)	(1,029)
Eliminated in respect of disposals	49	140	49	140
Amortisation at the end of the year	<u>20,580</u>	<u>(19,746)</u>	<u>20,580</u>	<u>(19,746)</u>
Net deferred capital grant	<u>57,375</u>	<u>57,879</u>	<u>57,375</u>	<u>57,879</u>
Falling Due Within One Year	877	883	877	883
Falling Due After More than One Year	56,498	56,996	56,498	56,996
Net deferred capital grant	<u>57,375</u>	<u>57,879</u>	<u>57,375</u>	<u>57,879</u>

22. Recycled capital grant fund

Group and Association	2024	2023
	£'000	£'000
At the start of the year	808	335
Inputs: Grants recycled	151	461
Interest accrued	31	12
Recycling: New build	(121)	-
Major repair and works to existing stock	(203)	-
At the end of the year	<u>666</u>	<u>808</u>
Falling due within one year	18	197
Falling due after more than one year	<u>648</u>	<u>611</u>

23. Non-equity share capital

Group and Association	2024	2023
	£	£
Allotted Issued and Fully Paid:		
At the start of the year	9	11
Issued during the year	2	1
Eliminated during the year	(1)	(3)
At the end of the year	<u>10</u>	<u>9</u>

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid.

Financial statements

NOTES TO THE FINANCIAL STATEMENTS

24. Capital commitments

	2024 £'000	2023 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	138	1,097
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	2,310
	<u>138</u>	<u>3,407</u>
The Group expects these commitments to be financed with:		
Social Housing Grant	-	139
Proceeds from the sales of properties	-	-
Committed loan facilities	138	3,268
	<u>138</u>	<u>3,407</u>

The above figures include the full cost of shared ownership properties contracted for.

25. Operating leases

The Group holds properties and office equipment under non-cancellable operating leases. At the end of the year the Group had commitments of future minimum lease payments as follows:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Land and buildings:				
Within one year	197	203	28	33
In one year or more but less than two years	116	292	-	6
In two years or more and less than five years	-	-	-	-
In five years or more	-	-	-	-
Others:				
Within one year	48	50	48	50
In one year or more but less than two years	20	41	20	41
In two years or more and less than five years	10	22	10	22
In five years or more	-	-	-	-
	<u>391</u>	<u>608</u>	<u>106</u>	<u>152</u>

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FOR THE YEAR ENDED 31 MARCH 2024

26. Related parties

Honeycomb Group Limited is the Parent entity in the Group and ultimate controlling party.

Transactions with registered and non-registered elements of the business

The Association provides management services to its subsidiaries.

The Association also receives charges from its subsidiaries. The quantum and basis of those charges is set out below:

Payable to Association from subsidiaries and other Group members:

	Management charges		Other charges		Interest charges	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Non-registered entities:						
Blue Mountain Housing Association Ltd	-	-	-	-	-	-
Stillness (924) Limited	20	20	(57)	(65)	-	-
Search Housing Association Limited	-	-	-	-	-	-
Honeycomb Charitable Services Limited	923	821	322	309	-	-
	943	841	265	244	-	-

Intra Group management fees

Intra-group management fees are receivable by the Association from subsidiaries to cover the running costs the Association incurs on behalf of managing its subsidiaries and providing services.

The costs are recharged in accordance with the relevant Intra Group Agreements.

Stillness (924) Limited declared a gift aid payment of £207k to the Association this year (2023: £168k).

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NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments

The Group's and Company's financial instruments may be analysed as follows:	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Financial assets				
(a) Financial assets measured at amortised cost	7,721	7,733	4,260	4,903
(b) Financial assets that are equity instruments measured at cost less impairment	-	-	1,578	1,578
Financial liabilities				
(a) Financial liabilities measured at amortised cost	140,049	140,757	138,224	139,245

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors and other creditors.

28. One-off restructuring costs

Group and Association Restructuring costs	2024 £'000	2023 £'000
	419	-
419	-	

One-off restructuring costs were incurred during the year ended 31st March 2024 to support a move to a more efficient operating model and reduce future operating costs.



CHAMPIONS FOR HAPPY HOMES



HONEYCOMB
GROUP



Co-Operative and Community Benefit Society number: 17093R
Regulator of Social Housing registered number: LH2162