

Company number: L0284



Financial Statements
For the year ending 31 March 2022

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Cotman Housing Association Limited
Board of Management, Executives and Advisers
For the year ending 31 March 2022

Board of Management

R Gregory (Chair) (Appointed 1 May 2021)
J Brighton (Chair) (Resigned 1 May 2021)
D Marriott-Lavery
L Lackey (Resigned 30 September 2021)
G Waddell (Appointed 1 May 2021)
A Daniel (Appointed 1 May 2021)
R Finn (Appointed 1 May 2021)
G Kitchen (Appointed 1 May 2021)
D Cowans (Appointed 1 May 2021, resigned 1 December 2021)
G Reed (Appointed 1 December 2021)
A Winstanley (Appointed 1 May 2021)
T Weightman (Appointed 1 May 2021)
S Black (Appointed 1 May 2021)
N Hopkins (Appointed 1 May 2021)
J O'Byrne (Resigned 1 May 2021)
S Ringwood (Resigned 1 May 2021)
N Wilson (Resigned 1 May 2021)
R Cartwright (Appointed 1 November 2021)
H Fridell (Appointed 1 November 2021, resigned 30 June 2022)
M Dunn (Appointed 1 January 2022)

Company Secretary

C Martin

Registered Office

305 Gray's Inn Road
London
WC1X 8QR

Banker

Barclays Bank Plc
38 Fishergate
Preston
PR1 2AD

Registered Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Registration of Company

Cotman Housing Association is a non-profit making housing association and a registered society with charitable status under the Co-operative and Community Benefit Societies Act 2014 (Registered number 19473R) and is registered under the Housing Act (Registered number L0284). It is also affiliated to the National Housing Federation.

Cotman Housing Association Limited
Report of the Board
For the year ending 31 March 2022

Report of the Board

The board of Directors is pleased to present its report and the audited financial statements for the year ended 31 March 2022.

Nature of the Association

Cotman Housing Association ('the Association') is a non-profit making housing association and a registered society with charitable status under the Co-operative and Community Benefit Societies Act 2014 (Registered number 19473R). The Association was founded in 1970 and registered by the former Housing Corporation in 1975.

The Association is a subsidiary of the Places for People Group (the "Group") and undertakes its activities in accordance with the terms and conditions of an Independence and Responsibilities Agreement.

The Association also meets housing needs through the supply of shared ownership and leasehold accommodation for sale. It offers an agency managed service to other not for profit organisations. It delivers projects which add social value to people living in the wider community, regardless of housing tenure.

Results

The Association's surplus for the year was £7.1m (2021: £6.8m).

The Association's key performance indicators and principal risks and uncertainties are aligned with those of the ultimate parent undertaking, Places for People Group Limited, and are included in the consolidated Group accounts.

The Association's strategy is aligned to that of the parent company Places for People Group Limited, as such the Financial Viability Statement and Value for Money information appropriate to the Association can be found in the Group financial statements that can be obtained from the Group's registered office at 305 Gray's Inn Road, London, WC1X 8QR.

Review of the year

The turnover for the Association for the year ended 31 March 2022 was £18.2m (2021: £18.1m), the movement relates to an increase in social housing lettings. The operating profit has increased to £7.9m (2021: £7.6m). The underlying operating profit, excluding sale of fixed assets and revaluation of investment properties, has increased by 1.6% from £7.5m (2021) to £7.7m. The underlying operating margin has increased to 42.1% (2021: 41.7%) due to the increase in social housing lettings.

Customer Participation

A comprehensive set of structures exists to ensure that there is effective communication between the Association and its customers.

Our National Customer Group (NCG) has continued to challenge and scrutinise our operational delivery and in doing so, help influence and strengthen critical issues and policies affecting the customer experience. The NCG's primary remit is to hold our board to account — a challenge our board welcomes — and members are involved in recommending service improvements, highlighting best practice and working with our colleagues to check services meet, and exceed, their priorities. Over the past year, a Chair of the NCG has been elected and we have established processes and routines that will ensure proactive NCG and board collaboration, all leading to better customer outcomes.

Internal Control

The Group Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2022 and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

Board and Committee Structure

The board of Directors of Places for People Group ("the Group") is responsible for setting strategies and budgets for the whole Group and co-ordinating the Group's activities. Places for People Group Limited exercises control over Cotman Housing Association Limited through an Independence and Responsibilities Agreement, a Service Level Agreement and powers granted to Places for People Group Limited in its rules.

The Group board has delegated certain matters to committees of the board of Places for People Group.

Corporate Governance

The board has regard to the UKCG code when setting its corporate governance, by which it governs the organisation. Linked to the above, the Association has adhered to these principles except for Code provisions 3, 4, 5 and 18. Provisions 3, 4, and 18 contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, directors remuneration and the use of the AGM to communicate with investors. In doing so the board closely follows the principles followed by Group. The Group has an Audit & Risk Committee, a Remuneration & Nominations Committee, a Development Committee and a Treasury Committee. The remit of those committees extends to the Association and its business. The committees draw members from and report to the Group Board. The Group Board takes direct responsibility for oversight of the Affordable Housing business conducted through the Group's regulated subsidiaries. Group Board members are also appointed members of the board of the Association and have full oversight of the operations of the Association. This further ensures that the Association has regard to meeting the provisions of the Code.

Provision 5 states that the board should understand the views of other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 (duty to promote the success of the company) of the Companies Act 2006 (the 2006 Act) have been considered in board discussions and decision-making. The Association is a registered society rather than a company and so the specific reporting requirements under section 172 of the 2006 Act do not apply to it. However, the Association's parent company, Places for People Group Limited, publishes consolidated group accounts which do contain a section 172 statement within its Strategic report. That statement addresses the issue of identification of key stakeholders and engagement with their views across the whole Group including the Association.

Provision 5 also prescribes the options for workforce engagement. The board has concluded that its methods for engagement described in the Group's Annual report are effective and more suited to the Group's overall needs than any of the Code's prescribed mechanisms.

The Group Annual report contains a Governance report that details the governance arrangements of the Group, and how the Code is applied at Group Board level.

Board members consider the report and accounts, taken as a whole, to be fair, balanced and understandable.

Cotman Housing Association Limited
Report of the Board
For the year ending 31 March 2022

Going concern statement

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. As part of this assessment the Board monitors the external economic and financial environment including any continuing impact of the Covid-19 pandemic, the war in Ukraine, the cost-of-living crisis and increased energy costs. The Board is focussed on mitigating the risks for the Group and has assessed the going concern considering the above factors along with the risks included in the Group risk register.

At 31 March 2022 the Group had cash and undrawn facilities of £1.1bn. The Group continues to actively manage its cash flows in order to mitigate any reductions in income.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants. For the purposes of both Viability and Going Concern, the Directors have overlaid several severe but plausible, multi-variant scenarios. These scenarios include limited housing sales, reduction in rents collected, leisure centre closures, loss of management contracts, increase in interest rates, long term increase in inflation and the cost of meeting government sustainability targets.

As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2023 would be £600m and £360m at 31 March 2024 if the Group did not raise any additional finance to that which is currently available.

Cotman Housing Association Limited is part of the Guarantor Group and accesses funding from this Group pool, therefore the liquidity position of the Group supports the going concern assumption for the association.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

Viability statement

The UK Corporate Governance Code requires the Group directors to make a statement with regard to the viability of the Group. This requires consideration of solvency and liquidity over a longer period than the going concern assessment. The Group's strategic plan covers a 10-year period, over which the directors have made assumptions regarding the Group's revenues, operating costs and cash requirements.

The projections for the first three years of the plan are based on current opportunities and include an expectation of the rental incomes for the Group. There is inherently less certainty in the projections from year four to ten. Consistent with prior years, the directors have therefore determined that three years is an appropriate period for this viability statement.

In assessing the Group's prospects and resilience, the management produced projections which considered the Group's current business position and risk appetite. The projections have undergone rigorous single and multi-variate stress testing through consideration of several events, scenarios and mitigation factors, which identify the mix of extreme circumstances that could create challenging conditions for the Group, including a downturn in the housing market. These events and scenarios have been selected from an analysis of the operating environment; policy and politics; the regulatory framework; the Group risk register; and analysis of economic and financial market trends and risks. The results confirmed that the Group would continue to be able to settle projected liabilities as they fall due over a three-year period. Therefore, the Directors were satisfied that measures were in place to mitigate significant risks the Group's operations.

The Group Board can also confirm that it has complied with the Governance and Financial Viability Standard set out by the RSH. During the year, the RSH gave the Group ratings for Governance and Viability of G1 and V1 respectively.

External assurance of the Group's viability is demonstrated by the Group's credit ratings (A- (stable) with S&P Global and A3 (stable) with Moody's and A (stable) with Fitch).

Having assessed the prospects of the Group, including the Group's current funding, forecast requirements, existing committed borrowing facilities and the principal risks as outlined in the group annual report, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to March 2025.

In making this statement the directors understand that there is inherent uncertainty in all business planning and therefore as a result it is not possible to consider every risk and eventuality that the Group may face. The Board is satisfied that the stress testing that is performed on the Group's business plan includes all the major risks that the Group may face and therefore provides strong assurance of the Group's financial viability.

Cotman Housing Association Limited
Report of the Board
For the year ending 31 March 2022

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

The Association has assessed the position and confirms that it has complied with The Regulator of Social Housing's Governance and Financial Viability Standard.

Statement of Disclosure to the Auditor

At the time of approval of this report:

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

Statement of Board's responsibilities in respect of the Board's report and the financial statements

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
 - make judgements and estimates that are reasonable and prudent;
 - state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
 - assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

By order of the Board



C Martin
Secretary

28 July 2022

Cotman Housing Association Limited
Report of the Independent Auditor
For the year ending 31 March 2022

Independent auditor's report to Cotman Housing Association Limited

Opinion

We have audited the financial statements of Cotman Housing Association Limited ("the Association") for the year ended 31 March 2022 which comprise the Statement of Financial Position, Statement of Comprehensive Income and Statement of Changes in Reserves and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Association as at 31 March 2022 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Going concern

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

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Board's conclusions, we considered the inherent risks to the association's business model and analysed how those risks might affect the association's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

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

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

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

As required by auditing standards, and taking into account possible pressures to meet internal performance targets, we perform procedures to address the risk of management override of controls and the risk that Association management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because due to the nature and scope of the Association's activities, there are no perceived pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Association-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals, journals posted to seldom used accounts, and journals posted to cash and turnover that were considered outside of the normal course of business.

Cotman Housing Association Limited
Report of the Independent Auditor
For the year ending 31 March 2022

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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

As the Association is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

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

Firstly, the Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related Co-operative and Community Benefit Societies Act), taxation legislation and disclosures required by Housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

Other information

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Board's responsibilities

As more fully explained in their statement set out on page 5, the association's Board is responsible for the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Debra Chamberlain
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

1 September 2022

Cotman Housing Association Limited
Statement of Comprehensive Income
For the year ending 31 March 2022

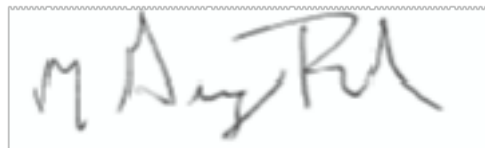
	Notes	2022 £'000	2021 £'000
Turnover	2	18,211	18,084
Cost of sales	2	(250)	(203)
Operating costs	2	(10,295)	(10,338)
Surplus on sale of fixed assets	4	205	34
Gain on revaluation of investment properties	12	21	-
Operating surplus before interest	2	7,892	7,577
Interest receivable and similar income	5	28	10
Interest payable and similar charges	6	(816)	(817)
Surplus on ordinary activities before and after taxation		7,104	6,770
Actuarial gain/(loss) recognised in the pension scheme	20	266	(641)
Total comprehensive income for the year		7,370	6,129

The notes on pages 11 to 26 form an integral part of these financial statements.

The financial statements on pages 8 to 26 were approved by the Board of Directors on 28 July 2022, and signed on its behalf by:



R Gregory
Chair



G Reed
Board Member



C Martin
Secretary

Cotman Housing Association Limited
Statement of Financial Position
At 31 March 2022

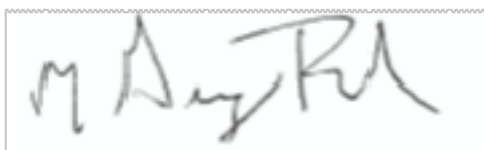
	Notes	2022 £'000	2021 £'000
Fixed assets			
Housing properties	11	98,542	96,771
Fixed asset investments	12	227	206
Other tangible fixed assets	13	597	601
		<u>99,366</u>	<u>97,578</u>
Current assets			
Stock	14	-	72
Debtors	15	1,443	2,101
Cash at bank and in hand		18,236	13,715
		<u>19,679</u>	<u>15,888</u>
Creditors - amounts falling due within one year	16	<u>(4,278)</u>	<u>(4,263)</u>
Net current assets		<u>15,401</u>	<u>11,625</u>
Non-current liabilities			
Creditors - amounts falling due after more than one year	17	(53,824)	(55,220)
Pension liability	20	(581)	(991)
		<u>60,362</u>	<u>52,992</u>
Net assets		<u>60,362</u>	<u>52,992</u>
Capital and Reserves			
Revenue reserves		<u>60,362</u>	<u>52,992</u>
Total capital and reserves		<u>60,362</u>	<u>52,992</u>

The notes on pages 11 to 26 form an integral part of these financial statements.

The financial statements on pages 8 to 26 were approved by the Board of Directors on 28 July 2022, and signed on its behalf by:



R Gregory
Chair



G Reed
Board Member



C Martin
Secretary

Cotman Housing Association Limited
Statement of Changes in Reserves
For the year ending 31 March 2022

	Total Reserves £'000
Balance at 1 April 2021	52,992
Surplus for the year	7,104
Actuarial gain recognised in the pension scheme	266
Balance at 31 March 2022	<u>60,362</u>

The notes on pages 11 to 26 form an integral part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

A summary of the principal accounting policies, which have been applied consistently, is set out below.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator Social Housing (ROSH) as a housing provider.

The Association's ultimate parent undertaking, Places for People Group Limited, includes the Association in its consolidated financial statements. The consolidated financial statements of Places for People Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 305 Gray's Inn Road, London, WC1X 8QR. The Association is considered to be a qualifying entity for the purposes of FRS 102 and has applied the exemptions available under FRS 102.1.11 and FRS 102.1.12.

The financial statements are presented in Sterling (£'000s).

Going Concern

The directors, after reviewing the company's budgets for 2022/23 and the group's medium term financial position as detailed in the 30-year business plan, are of the opinion that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Significant Judgements

The following are the significant judgements, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the Association's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Going Concern

In order to assess whether it is appropriate for the Association to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the principal risks and uncertainties. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. The Directors have overlaid several severe but plausible, multi-variant scenarios, in respect of these assumptions used within the going concern assessment and to aid sensitivity analysis. As a result of these considerations the financial statements have been prepared on a going concern basis.

Investment properties

The Association owns a range of different property types. This requires the Association to assess which properties should be classified as investment properties as these properties are held at a market valuation, not at depreciated cost.

The Association considered the FRS 102 definition of investment property which refers to property held to earn rentals for capital appreciation, rather than for administrative purposes or for sale in the ordinary course of business. The Association has also reviewed Section 16 of FRS 102 that precludes the classification of property held primarily for the provision of social benefits being classified as investment property. The Association has applied this by judging that rental properties without public subsidy attached to them are investment properties.

Accounting estimates

The nature of estimation means that actual outcomes may differ from the estimates made.

Residual value of social housing properties

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Association considers the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £98.2m. The residual value of social housing property structure is £9.5m above the carrying value as at 31 March 2022.

Defined benefit pension schemes

The Association has defined benefit obligations relating to one pension scheme. Note 20 sets out the details for these schemes and the assumptions made to assess the net scheme benefit as at the reporting date. The Association engages qualified actuaries to advise on an appropriate discount rate. A decrease in the discount rate used of 0.1% is estimated to reduce scheme total deficits by £90k.

The Association is party to legal action arising from the scheme rules on the Social Housing pension scheme. More detail can be found in note 20.

Investment properties

In addition to judging whether or not properties are categorised as investment properties, the Association is also required to estimate the fair value of investment properties on an annual basis. A full valuation was carried out in line with the principles of RICS guidance and the Red Book. The results of the valuation exercise have been subjected to management scrutiny and challenge.

1. ACCOUNTING POLICIES (Continued)

Investment properties

Properties held for rental income or capital appreciation that are not held primarily for the provision of social benefit are held as investment properties at fair value, with changes to the fair value recognised in the statement of comprehensive income.

Other fixed assets

Other fixed assets are recognised initially at cost and subsequently held at the lower of depreciated cost or its recoverable amount.

Depreciation

Fixed assets, other than freehold land and investment properties, are depreciated at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis over the expected remaining useful economic life of the component. Freehold land is not depreciated. The estimated lives of assets and components is as shown in the table below.

Assets	Depreciation period (years)
Rented housing & commercial properties:	
Kitchens	20
Bathrooms	20
Boilers	15
External windows & doors	30
Roofs	45
Fire safety systems	20
Fencing	30
Digital TV aerials	10
Lifts	20
Social Alarms	From 20-40
Surveys	15
Initial and replacement scheme assets	From 1-5
Other elements (new build)	From 100-125
Other elements (rehab)	80
Other elements (leasehold)	Lesser of term of lease or 100 years
Shared Ownership housing:	
All elements (new build)	100
All elements (rehab)	80
All elements (leasehold)	Lesser of term of lease or 100 years
Other fixed assets:	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	From 10-20
Offices (long leasehold)	Lesser of term of lease or 100 years
Offices (short leasehold)	Terms of lease
Plant & Equipment	5
Cars and commercial vehicles	5
Computer hardware, software and infrastructure	From 3-15

Turnover

Turnover represents rental and service charge income receivable (net of void losses), income from the sale of properties, income from the sale of the first tranche of shared ownership properties, fees and grants from local authorities and Homes England and other income.

Rental income is recognised from the point the property becomes available for letting, net of any voids. Income from land and property sales is recognised when the risks and rewards of ownership have passed to the purchaser. Other income is recognised upon the delivery of services.

Government grant is recognised in turnover over the expected lives of the assets to which it relates.

All turnover arises from activities within the United Kingdom.

VAT

The majority of the Association's turnover is exempt from VAT. However, certain activities are subject to VAT and give rise to VAT recovery. Where appropriate, costs are stated including irrecoverable VAT.

1. ACCOUNTING POLICIES (Continued)

Pensions

Employees joining the Association have the option of joining the Places for People Group Stakeholder Scheme ('Stakeholder Scheme'), a defined contribution scheme. The costs of contributing to the Stakeholder Scheme are accounted for as an expense in the year in which they occur. Contributions from the Association and participating employees are paid into independently administered funds. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries.

Pension scheme assets are measured by independent experts using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Pension scheme deficits are recognised in full. The movement in scheme deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

The Association participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme. The in-year movement in the scheme deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

Housing Properties

Housing properties are those held primarily for the provision of social benefits. Housing properties are stated at the lower of depreciated cost or its recoverable amount. Cost is taken as the purchase price together with costs of acquisition and improvements, attributable administrative costs and interest costs incurred, including related development and administrative costs and interest payable.

The Association capitalises expenditure on housing properties which results in an increase in either the existing use value of the property or the disposal value of the property.

Impairment

An impairment review is undertaken when there is an indication the asset may be impaired. If any assets in relation to social housing activity are found to be impaired, the amount of impairment is disclosed in Note 3.

When undertaking impairment reviews to assess whether assets or cash generating units are held at the lower of cost or recoverable amount, recoverable amount is defined as its value in use. Recoverable amount is normally assessed using discounted cash flow techniques for all anticipated cash flows to generate a net present value.

Costs are assigned to all schemes on a detailed basis, including mixed tenure schemes.

The Association defines cash generating units as housing schemes except where its schemes are not sufficiently large enough in size and it is more appropriate to consider individual assets. This approach supports effective appraisal of housing schemes as it aligns with the management and operation of the business.

Social Housing Grant and Other Capital Grant

Government grants are included within creditors in the statement of financial position and credited to the statement of comprehensive income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Financial Instruments

The Association has elected to apply the recognition and measurement provisions of International Accounting Standard 39 as allowed by FRS 102 sections 11 and 12. Financial instruments are initially recorded at fair value. Subsequent measurement depends on the designation of the instrument as follows:

- Other assets, including trade investments and joint venture investments and assets that are short-term in nature such as cash and receivables are predominantly categorised as loans and receivables and measured at amortised cost using the effective interest method.
- Financial liabilities are predominantly measured at amortised cost using the effective interest method.

The effective interest rate includes interest and all directly attributable incremental fees and costs.

Cash at bank and in hand in the statement of financial position comprises all cash and cash equivalents that mature or are convertible within one day or less.

The Association is required to set aside sums in respect of future maintenance of certain properties subject to leasehold arrangements. These sums are held in a separate bank account to which interest is added and tax deducted. Amounts accumulated in the fund are included within current asset investments and within creditors in the statement of financial position.

Other debtors, including tenant arrears, and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income.

Stock

Properties purchased for improvement for sale are treated as current assets and all other housing properties are treated as tangible fixed assets. Properties held as current assets are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stock includes assets under construction and those purchased for improvement prior to sale. Stock is stated at the lower of cost and estimated selling price less costs to complete and sell with any provisions being charged to cost of sales. The cost of stock is the purchase price together with costs of acquisition and attributable overhead costs.

Cotman Housing Association Limited
Notes to the Financial Statements
For the year ending 31 March 2022

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2022					2021				
	Turnover	Cost of sales	Operating costs	Other operating items	Operating surplus/ (deficit)	Turnover	Cost of sales	Operating costs	Other operating items	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3)	17,738	-	(10,171)	-	7,567	17,608	-	(10,214)	-	7,394
Other social housing activities										
Shared ownership property sales	331	(250)	(3)	-	78	296	(203)	(12)	-	81
Charges for support services	-	-	(1)	-	(1)	-	-	(1)	-	(1)
	18,069	(250)	(10,175)	-	7,644	17,904	(203)	(10,227)	-	7,474
Non-social housing activities	142	-	(120)	-	22	180	-	(111)	-	69
	18,211	(250)	(10,295)	-	7,666	18,084	(203)	(10,338)	-	7,543
Surplus on sale of fixed assets	-	-	-	205	205	-	-	-	34	34
Gain on revaluation of investment properties	-	-	-	21	21	-	-	-	-	-
	18,211	(250)	(10,295)	226	7,892	18,084	(203)	(10,338)	34	7,577
Analysis of turnover	2022	2021								
	£'000	£'000								
Social housing turnover	18,069	17,904								
Non-social housing activities										
Non social housing lettings	19	28								
Older persons floating support project	121	139								
Other	2	13								
	18,211	18,084								

Cotman Housing Association Limited
Notes to the Financial Statements
For the year ending 31 March 2022

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2022			Total £'000	2021 Total £'000
	General needs housing £'000	Supported housing & housing for older people £'000	Low cost homeownership £'000		
Income from social housing lettings activities					
Rent receivable net of identifiable service charges	13,916	818	671	15,405	15,184
Service charge income	856	549	97	1,502	1,472
Amortised government grants	700	59	8	767	845
Other income	59	4	1	64	107
Turnover from social housing lettings	15,531	1,430	777	17,738	17,608
Expenditure on housing lettings activities					
Management costs	(2,037)	(82)	(82)	(2,201)	(1,906)
Service charge costs	(829)	(541)	(89)	(1,459)	(1,418)
Routine maintenance	(1,821)	(183)	(14)	(2,018)	(2,205)
Planned maintenance	(447)	(63)	(10)	(520)	(626)
Major repairs expenditure	(25)	(1)	(13)	(39)	(104)
Bad debts	16	(1)	2	17	(58)
Depreciation on housing assets	(659)	(55)	(7)	(721)	(680)
Intra group property recharges	(2,951)	(247)	(32)	(3,230)	(3,217)
Other costs	-	-	-	-	-
Total expenditure on lettings	(8,753)	(1,173)	(245)	(10,171)	(10,214)
Operating surplus on social housing lettings	6,778	257	532	7,567	7,394
Void Losses	(160)	(72)	-	(233)	(207)

Cotman Housing Association Limited
Notes to the Financial Statements
For the year ending 31 March 2022

4. SALE OF FIXED ASSETS

	2022	2021
	£'000	£'000
Proceeds	368	205
Book value	(160)	(169)
Selling costs	(3)	(2)
Surplus on sale of fixed assets	205	34

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£'000	£'000
Interest receivable on amounts due from related undertakings	28	10
	28	10

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£'000	£'000
In respect of bank loans and overdrafts	804	810
Interest on pension scheme liabilities	19	10
Less: capitalised interest	(7)	(3)
	816	817
Capitalisation rate used to determine the finance costs capitalised during the year:	4.25%	2.50%

7. SURPLUS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

	2022	2021
	£'000	£'000
The surplus on ordinary activities before and after taxation is stated after charging:		
Tangible fixed assets depreciation and impairment	754	718
Operating lease payments on motor vehicles	-	5
Auditor's remuneration	14	12
Surplus on sale of fixed assets	205	34

Cotman Housing Association Limited
Notes to the Financial Statements
For the year ending 31 March 2022

8. TAXATION

The Association has charitable status and is exempt from corporation taxation under the provisions of Section 505 of the Income and Corporation Taxes Act 1988 therefore there is no corporation tax payable in either 2022 or 2021.

9. BOARD OF MANAGEMENT EMOLUMENTS

The ultimate Group parent, Places for People Group Limited, has determined that subsidiary governance is achieved through functional management arrangements.

The Group has created posts for functional managers, whose responsibilities may cover more than one Group member. Executive Directors emoluments during the year were met by Places for People Group Limited.

Aggregate emoluments, excluding pension contributions, paid to Non-Executive Directors in the year was £9,114 (2021: £18,230). This excludes any emoluments that were met by Places for People Group Limited.

Included within operating costs is a share of the salary costs of the Board Members.

10. EMPLOYEE INFORMATION

The average number of employees expressed as full time equivalents employed during the year was:

	2022	2021
	No.	No.
Managing housing services	18	19
Central administration services	3	5
Care services	2	2
	23	26

Average number of employees is calculated by ascertaining for each calendar month in the financial year, the number of persons, by category, employed by the company. The monthly numbers are then added together and divided by the number of months in the financial year.

	2022	2021
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	688	746
Severance costs	6	16
Social security costs	61	63
Other pension costs	62	73
	817	898

11. HOUSING PROPERTIES

	Housing properties and land £'000	Completed LSE & Shared Ownership housing properties £'000	Housing properties in the course of construction £'000	LSE & Shared Ownership properties in the course of construction £'000	Total housing properties £'000
Cost					
At 1 April 2021	106,390	6,638	655	127	113,810
Development additions	-	-	524	163	687
Major work additions	-	-	1,964	-	1,964
Transfer to completed schemes	2,813	290	(2,813)	(290)	-
Disposals	(54)	(138)	-	-	(192)
At 31 March 2022	109,149	6,790	330	-	116,269
Depreciation and impairment					
At 1 April 2021	(16,839)	(200)	-	-	(17,039)
Charge for year:					
Depreciation	(750)	-	-	-	(750)
Eliminated on disposal					
Depreciation	54	8	-	-	62
At 31 March 2022	(17,535)	(192)	-	-	(17,727)
Net book value at 31 March 2022	91,614	6,598	330	-	98,542
Net book value at 1 April 2021	89,551	6,438	655	127	96,771

LSE denotes Leasehold Schemes for the Elderly.

	2022 £'000	2021 £'000
Household properties comprise:		
Freehold	111,690	109,287
Long leasehold	4,579	4,523
	116,269	113,810

Additions to housing properties in the course of construction during the year include capitalised interest of £7,400 (2021: £2,600).

12. FIXED ASSETS INVESTMENTS

Investment properties

	2022	2021
	£'000	£'000
At 1 April 2021	206	206
Revaluation in year	21	-
At 31 March 2022	227	206

13. OTHER FIXED ASSETS

	Plant & specialist equipment	Computer Equipment	Freehold commercial properties	Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2021	51	55	622	20	748
Additions	-	-	-	-	-
Change of tenure	-	-	-	-	-
At 31 March 2022	51	55	622	20	748
Depreciation					
At 1 April 2021	(43)	(55)	(29)	(20)	(147)
Charge for year	(2)	-	(2)	-	(4)
Change of tenure	-	-	-	-	-
At 31 March 2022	(45)	(55)	(31)	(20)	(151)
Net book value at 31 March 2022	6	-	591	-	597
Net book value at at 1 April 2021	8	-	593	-	601

14. STOCK

	2022	2021
	£'000	£'000
Housing properties for sale		
Buildings - In progress	-	72
	-	72

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Rental debtors	517	507
Less: Provision for bad and doubtful debts	(30)	(93)
	487	414
Other trade debtors	165	35
Amounts due from related undertakings	384	1,364
Sundry debtors, prepayments and accrued income	402	288
Loans to employees	5	-
	1,443	2,101

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Housing loans	964	954
Deferred Government Grant	770	767
Interest on housing loans	139	136
Trade creditors	50	248
Other taxes	2	1
Capital development creditor	267	376
Other creditors and accruals	1,123	767
Payments received on account	502	587
Prepaid rent	461	427
	4,278	4,263

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

	2022	2021
	£'000	£'000
Debt		
Housing and bank loans	16,523	17,487
Other financial liabilities		
Recycled Capital Grant Fund (note 18)	263	203
Deferred Government Grant	37,038	37,530
Creditors falling due after more than one year	53,824	55,220

Analysis of debt and other financial liabilities

These are repayable as follows:	2022	2021
	£'000	£'000
In one year or less	964	954
In one year or more but less than two years	952	957
In two years or more but less than five years	4,437	6,062
In five years or more		
By instalments	11,134	10,468
Not by instalments	-	-
	17,487	18,441

All loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest, from 0.39% - 10.98% in instalments.

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Notes to the Financial Statements
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18. RECYCLED CAPITAL GRANT

	2022	2021
	£'000	£'000
At 1 April	203	120
Inputs to reserve: Grant recycled	60	83
At 31 March	263	203
Amounts 3 years old or older where repayment maybe required	97	-

19. NON-EQUITY SHARE CAPITAL AND LOAN STOCK

	2022	2021
	£	£
Share capital		
At 31 March	177	177
£1 loan stock		
Shares in Cotman Housing Services Limited converted to loan stock	20	20

On the transfer of engagements of Cotman Housing Services Limited to Cotman Housing Association Limited on 10 February 1997 those members of Cotman Housing Services who were already members of Cotman Housing Association were issued with £1 loan stock in lieu of shares in Cotman Housing Association Limited.

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

20. PENSION OBLIGATIONS

The pensions costs for Cotman Housing Association Limited relate to two schemes of which employees are members; the Places for People Group Stakeholder Scheme and the Social Housing Pension Scheme.

The Places for People Group Stakeholder Scheme

Employees joining the Group from 1 September 2004 have the option of joining a defined contribution retirement benefit scheme - the Places for People Stakeholder Pension Plan and Group Life Assurance Scheme.

The total cost charged to the statement of comprehensive income of £57k (2021: £69k) represents contributions payable to these schemes by the Association at rates specified in the rules of the plan.

The Social Housing Pension Scheme (SHPS)

The Association participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to non-associated employers.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

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

The mortality assumption used at 31 March 2022 is that a male currently aged 65 years old has a life expectancy of 21.1 years (2021: 21.6 years), a female currently aged 65 years old has a life expectancy of 23.7 years (2021: 23.5 years), a male currently aged 45 years old has a life expectancy of 42.4 years (2021: 42.9 years) and a female currently aged 45 years old has a life expectancy of 45.2 years (2021: 45.1 years).

The major assumptions used by the actuary were:

	2022	2021
Discount rate	2.80%	2.10%
Price inflation (RPI)	3.60%	3.30%
Price inflation (CPI)	2.91%	2.60%
Salary growth	4.21%	3.86%

The major categories of assets as a percentage of total assets are as follows:

	2022	2021
Diversified growth funds	13.3%	14.5%
Equities	19.5%	19.9%
Liability driven investments	38.2%	36.4%
Absolute return bonds	4.9%	8.5%
Corporate bonds	6.7%	5.9%
Other fixed interest	7.2%	6.0%
Insurance linked securities	2.3%	2.4%
Direct lending	2.6%	2.4%
Property	5.3%	4.0%
	100.0%	100.0%

Cotman Housing Association Limited
Notes to the Financial Statements
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20. PENSION OBLIGATIONS (Continued)

Amounts recognised in the Statement of Financial Position	2022	2021
	£'000	£'000
Fair value of plan assets	4,724	4,685
Present value of defined benefit obligation	(5,305)	(5,676)
Net liability recognised in the statement of financial position	(581)	(991)
Analysis of amounts recognised in the Statement of Comprehensive Income	2022	2021
	£'000	£'000
Expenses	(6)	-
Expected return on plan assets	98	116
Interest on scheme liabilities	(117)	(126)
Amounts charged to other finance costs	(25)	(10)
Amounts recognised in Other Comprehensive Income	2022	2021
	£'000	£'000
Actuarial (loss)/gain in pension scheme	266	(641)
Movement in fair value of plan assets	2022	2021
	£'000	£'000
As at 1 April	4,685	4,451
Interest on plan assets	98	116
Company contributions	169	153
Benefits paid	(187)	(162)
Return on plan assets less interest	(41)	127
As at 31 March	4,724	4,685

Cotman Housing Association Limited
Notes to the Financial Statements
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20. PENSION OBLIGATIONS (Continued)

Movement in present value of defined benefit obligation	2022	2021
	£'000	£'000
As at 1 April	5,676	4,939
Current service costs	6	5
Interest costs	117	126
Benefits paid	(187)	(162)
Gains from changes to demographic assumptions	(88)	22
Losses from changes to financial assumptions	(435)	959
Actuarial gain on obligation	216	(213)
As at 31 March	5,305	5,676

21. CAPITAL COMMITMENTS

The commitments under non-cancellable operating leases for the following year, analysed according to the period in which each lease expires are set out below.

	Motor vehicles	Motor vehicles
	2022	2021
	£'000	£'000
In one year or less	4	-
In more than one year and less than two years	4	-
In more than two years and less than five years	4	-
	12	-
	2022	2021
	£'000	£'000
Capital expenditure that has been authorised and contracted for but has not been provided for in the financial statements	797	1,741
Additional Capital expenditure that has been authorised by the Board of Directors	8,149	4,451

The above commitments will be financed in accordance with the Place for People Group treasury management policy which is detailed in the Places for People Group consolidated accounts.

Cotman Housing Association Limited
Notes to the Financial Statements
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22. HOUSING STOCK

The Association owns or manages 3,334 housing properties, a breakdown of these housing properties is shown below:

	2021	Units developed or newly built units acquired	Units sold/ demolished	Other movements	2022
	No.	No.	No.	No.	No.
Social housing owned					
- General Needs Housing	1,141	-	-	1	1,142
- Affordable Housing	292	8	-	(1)	299
- Supported Housing	81	-	(2)	-	79
- Housing for Older people	102	-	-	-	102
- Low cost home ownership accommodation	107	3	(2)	-	108
Total social housing owned	1,723	11	(4)	-	1,730
Social housing managed					
- General Needs Housing	2,524	-	-	1	2,525
- Affordable Housing	332	8	-	(1)	339
- Supported Housing	98	-	(2)	-	96
- Housing for Older people	141	-	-	-	141
- Low cost home ownership accommodation	31	3	-	-	34
Total social housing managed	3,126	11	(2)	-	3,135
				2022	2021
				No.	No.
Total social housing units managed but not owned				1,544	1,544
				2022	2021
				No.	No.
Non-social housing managed					
- Leased housing - freehold only				74	74
Total non-social housing managed				74	74
Total Social housing managed				3,135	3,126
Total housing managed				3,209	3,200
Total non-social housing owned but managed by another body				125	127
Total housing owned or managed				3,334	3,327
Garages, commercial premises and other non-residential units managed or serviced				-	12
Total residential and non-residential units managed or serviced				3,334	3,339

23. CONTINGENT LIABILITY

The Association, together with some fellow subsidiaries of the Places for People Group, has guaranteed to holders of debt issued by members of the Places for People Group, the principal amount and interest accrued in respect of certain debts in the event of default by the issuing entity.

The total capital outstanding at 31 March 2022 in respect of such guarantees was £1692.3m (2021: £1,498.3m). The total interest accrued at 31 March 2022 relating to this debt was £18.0m (2021: £16.6m).

The Group is party to legal action arising from the scheme rules on the Social Housing Pension Scheme. More detail can be found in note 20.

These represent the maximum exposure for the Association.

The directors consider it extremely unlikely that the Association would be required to make any payments in respect of this guarantee.

24. RELATED PARTIES

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Association are members of the following defined benefit schemes: The Social Housing Pension Scheme, The Places for People Group Retirement Benefit Scheme, The Places for People Group Stakeholder Scheme. Details of transactions with the schemes are disclosed in note 20.

Cotman Housing Association Limited is a subsidiary of the Places for People Group Limited, 305 Gray's Inn Road, London, WC1X 8QR. Since the parent company publishes consolidated group accounts, the Association has taken advantage of the exemption not to report transactions with other group members as permitted in FRS 102.33.1A.