

Company Number: 04782653
Regulator of social housing no. L4398



Chorus Homes

Part of Places for People

Chorus Homes Group Limited

FINANCIAL STATEMENTS

For the year ending 31 March 2021

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Chorus Homes Group Limited
Board of Management, Executives and Advisers
For the year ending 31 March 2021

Board of Directors

M Forrest (Chairman) (Resigned 27 November 2020)
R Gregory (Chairman) (Appointed 1 May 2021)
N Finney (Resigned 1 May 2021)
K Burdett (Resigned 1 May 2021)
L Lackey (Resigned 30 September 2021)
C Tredget (Resigned 1 May 2021)
D Marriott-Lavery
A Daniel (Appointed 1 May 2021)
G Waddell (Appointed 1 May 2021)
G Kitchen (Appointed 1 May 2021)
D Cowans (Appointed 1 May 2021)
R Finn (Appointed 1 May 2021)
T Weightman (Appointed 1 May 2021)
N Hopkins (Appointed 1 May 2021)
A Winstanley (Appointed 1 May 2021)
S Black (Appointed 1 May 2021)
R Cartwright (Appointed 1 November 2021)
H Fridell (Appointed 1 November 2021)

Company Secretary

C Martin

Registered Office

80 Cheapside
London
EC2V 6EE

Banker

Barclays Bank Plc
38 Fishergate
Preston
PR1 2AD

Registered Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Incorporation details

Registered in England and Wales company No. 04782653.
Registered with the Regulator of Social Housing No. L4398.
Member of The Housing Ombudsman Service.

Chorus Homes Group Limited
Strategic Report
For the year ending 31 March 2021

The directors have pleasure in submitting their Strategic Report and audited financial statements for the year ended 31 March 2021.

ACTIVITIES OF THE COMPANY

Chorus Homes Group Limited is a subsidiary of Places for People Group Limited, the ultimate parent company.

The company's principle activities are the provision of affordable homes and customer focused services in the communities we serve.

REVIEW OF THE YEAR

The total turnover was £4.0m (2020: £5.7m), a decrease of 30%. The operating profit for the year was £0.1m (2020: £0.4m), a decrease of 25% year on year. The decrease in activity is largely due to the Chorus Homes Group of companies becoming further integrated into the Places for People Group, and therefore the Chorus parent company is responsible for less day to day management on behalf of Chorus Homes.

The Company'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 Company'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 Company can be found in the Group financial statements that can be obtained from the Group's registered office at 80 Cheapside, London, EC2V 6EE.

DIVIDEND

The directors do not propose to pay a dividend in the year (2020: £nil).

By order of the Board



A Winstanley
Director

24 November 2021

Chorus Homes Group Limited
Report of the Board
For the year ending 31 March 2021

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 2021.

COMPLIANCE WITH REGULATOR OF SOCIAL HOUSING GOVERNANCE AND FINANCIAL VIABILITY STANDARD

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

STATEMENT OF BOARD'S RESPONSIBILITIES IN RESPECT OF THE BOARD REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company'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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are Board members of the Company at the date when this report was approved:

- so far as each of the Board members is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the Board members has taken all the steps that ought to have taken as a Board Member in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

A resolution to re-appoint KPMG LLP will be proposed at the next Annual General Meeting.

Under S414c(ii) of the Companies act 2006, information relating to financial risk management objectives and policies, and future developments, is included in the Strategic Report.

GOING CONCERN STATEMENT

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

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its subsidiary company, Chorus Homes Finance Limited to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's subsidiary company, Chorus Homes Finance Limited not seeking repayment of the amounts currently due to the group, which at 31 March 2021 amounted to £4.4m. Chorus Homes Finance Limited has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The report of the Board was approved on 24 November 2021 and signed on its behalf by



A Winstanley
Director

Chorus Homes Group Limited
Report of the Independent Auditor
For the year ending 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHORUS HOMES GROUP LIMITED

Opinion

We have audited the financial statements of Chorus Homes Group Limited ("the company") for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and
- have been prepared in accordance with the requirements of the Companies Act 2006, 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 company 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 directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company'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 directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors and inspection of policy documentation as to the company'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; and
- Reading Group Board and Audit and Risk Committee minutes

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, we perform procedures to address the risk of management override of controls, in particular the risk that company 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 company'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.

We 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 containing specific words, journals posted to seldom used accounts, and journals posted to cash that were considered outside of the normal course of business.

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 (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

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

Chorus Homes Group Limited
Report of the Independent Auditor
For the year ending 31 March 2021

Fraud and breaches of laws and regulations – ability to detect continued

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

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

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation) and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company 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. We identified the following areas as those most likely to have such an effect: anti-bribery, money-laundering and certain aspects of company legislation recognising the nature of the company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; and
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company'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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

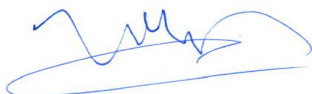
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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.

Chorus Homes Group Limited
Report of the Independent Auditor
For the year ending 31 March 2021

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Harry Mears (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

E14 5GL

26 November 2021

Chorus Homes Group Limited
Statement of Comprehensive Income
For the year ending 31 March 2021

		2021	2020
	Notes	£'000	£'000
Turnover		4,033	5,717
Operating costs		(3,989)	(5,287)
Gain/(loss) on revaluation of investment properties	10	42	(60)
Profit on sale of fixed assets	2	24	73
Operating profit		110	443
Interest receivable and similar income	3	-	1
Interest payable and similar charges	4	(155)	(247)
Profit on ordinary activities before and after taxation	5	(45)	197
Actuarial (loss)/gain in respect of pension scheme	13	(2,260)	3,288
Total comprehensive (loss)/income for the year		(2,305)	3,485

The notes on pages 11 to 24 form an integral part of these financial statements.

There is no other comprehensive income other than that reported above.

The above results are all derived from continuing operations.

Chorus Homes Group Limited
Statement of Financial Position
At 31 March 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments	10	64,333	64,333
Other fixed assets	9	196	336
Investment Properties	10	1,216	1,174
		65,745	65,843
Current assets			
Debtors: amounts falling due within one year	11	314	220
Cash and cash equivalents		57	216
		371	436
Creditors: amounts falling due within one year	12	(3,895)	(3,837)
Net current liabilities		(3,524)	(3,401)
Pension scheme liability	13	(9,022)	(6,938)
Net Assets		53,199	55,504
Capital and reserves			
Revenue reserves		53,199	55,504
		53,199	55,504

The notes on pages 11 to 24 form an integral part of these financial statements.

The financial statements on pages 8 to 24 were approved by the Board of Directors on 24 November 2021 and signed on its behalf by:



Debi Marriott-Lavery
Director



Andrew Winstanley
Director

Chorus Homes Group Limited
Statement of Changes in Reserves
For the year ending 31 March 2021

Statement of Changes in Reserves	Revenue Reserve £'000
Balance at 1 April 2020	55,504
Loss for the year	(45)
Actuarial loss recognised in the pension scheme	(2,260)
Balance at 31 March 2021	<u>53,199</u>

The notes on pages 11 to 24 form an integral part of these financial statements.

Chorus Homes Group Limited
Notes to the Financial Statements
For the year ending 31 March 2021

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of accounting

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, and with the Companies Act 2006. The Chorus Group 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 (preparation of a statement of cash flows and related notes).

The financial statements are presented in Sterling (£000's), except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the Company.

Consolidated financial statements

The Company has utilised the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.

Going Concern

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

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its subsidiary company, Chorus Homes Finance Limited to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's subsidiary company, Chorus Homes Finance Limited not seeking repayment of the amounts currently due to the company, which at 31 March 2021 amounted to £4.4m. Chorus Homes Finance Limited has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover represents intragroup management costs recharged to the Chorus Group subsidiary undertakings. Turnover is recognised at the fair value of the consideration received or receivable. Turnover is shown net of Value Added Tax.

Corporation tax

The Group is liable to United Kingdom Corporation Tax.

The charge for taxation for the year is based on the profit for the year end and includes current tax on the taxable profit for the year and deferred taxation. Deferred taxation is recognised in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the statement of financial position date.

VAT

The majority of the Group'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.

Fixed asset investments

Fixed asset investments are measured at cost. An annual review is carried out by management to assess if there are any triggers that would lead to an impairment review. In the event of any impairment, the investment is measured at the lower of its recoverable amount or its value in use. Investments in joint ventures are recognised initially at cost and subsequently measured using the equity method.

Pensions

Defined contribution plans

For defined contribution schemes, the amount charged to income and expenditure is the contributions payable in the year. Differences between the contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans

The Group participates in one multi-employer defined benefit pension scheme, the Cambridgeshire Country Council Pension Fund, which is a local government pension fund.

The cost of providing benefits is determined using the projected unit credit method.

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of the plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Chorus Homes Group Limited
Notes to the Financial Statements
For the year ending 31 March 2021

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Defined benefit plans continued

The following gains/(losses) are recognised in income and expenditure:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost;
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred;
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

The following gains/(losses) are recognised in other comprehensive income:

- Actuarial gains and losses;
- The difference between the interest income on the plan assets and the actual return on the plan assets.

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 fair value recognised in the statement of comprehensive income.

Land

Land is stated at lower of cost or its recoverable amount. Land purchased for the development of properties which are planned to be subsequently owned and managed by the Group is recorded in housing properties. Land purchased for the development of properties to be sold is held within stock in current assets.

Other fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

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)
<u>Rented housing & commercial properties:</u>	
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 to 5
Other elements (new build)	100-125
Other elements (rehab)	80
Other elements (leasehold)	Lesser of term of lease or 100 years
<u>Shared Ownership housing:</u>	
All elements (new build)	100
All elements (rehab)	80
All elements (leasehold)	Lesser of term of lease or 100 years

Chorus Homes Group Limited
Notes to the Financial Statements
For the year ending 31 March 2021

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Depreciation continued

<u>Assets</u>	<u>Depreciation period(years)</u>
<u>Other fixed assets:</u>	
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

The actual lives of the assets and residual values, including the structure of the buildings, are assessed annually. Assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Financial Instruments

Financial Assets - Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities - Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges. Commitments to receive a loan are measured at cost less impairment.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use.

Restricted Reserves

The Group has a reserve which is only expendable in accordance with the wishes of the funder. The transfers to/from restricted reserves are shown in other comprehensive income.

Legal Status

Chorus Homes Group Limited ("the company") is a private company limited by guarantee and is an English Registered Social Housing Provider.

The address of the company's registered office is 80 Cheapside, London, England, EC2V 6EE and the address of the principal place of business is Brook House, Ouse Walk, Huntingdon, Cambs, PE29 3QW.

The company's Principal activities are the provision of affordable homes and customer focused services in the communities we serve.

Legislative Provisions

Chorus Homes Group Limited is registered under the companies Act 2006 and is a registered provider.

Chorus Homes Group Limited
Notes to the Financial Statements
For the year ending 31 March 2021

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 entity'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 Chorus Group 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. Sensitivity testing, involving challenging scenarios including reasonable worst case scenarios in respect of the ongoing Covid-19 pandemic, has been undertaken in respect of the assumptions used within the going concern assessment. As a result of these considerations the financial statements have been prepared on a going concern basis.

Investment properties

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

The Chorus Group 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 Chorus Group 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 Chorus Group 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.

Defined benefit pension schemes

The Chorus Group has a defined benefit obligation relating to one pension scheme. Note 21 sets out the detail for this scheme and the assumptions made to assess the net scheme benefit as at the reporting date. The Chorus Group 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 £0.7m.

Investment properties

In addition to judging whether or not properties are categorised as investment properties, the Chorus Group is also required to estimate the fair value of investment properties on an annual basis. To facilitate this estimation, the Chorus Group engaged Savills, a leading professional adviser, to use RICS guidance and the requirements of the Red Book to complete a full valuation of the Chorus Group's investment properties. The results of the valuation exercise have been subjected to management scrutiny and challenge.

Chorus Homes Group Limited
Notes to the Financial Statements
For the year ending 31 March 2021

2 PROFIT ON SALE OF FIXED ASSETS

	2021	
	Sale proceeds £'000	Surplus £'000
Sale of other fixed assets	24	24
Total	24	24

	2020	
	Sale proceeds £'000	(Loss) £'000
Sale of other fixed assets	(73)	(73)
Total	(73)	(73)

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £'000	2020 £'000
Interest on fixed asset investments	-	1
	-	1

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £'000	2020 £'000
On defined benefit pension schemes:		
Interest income on plan assets	(554)	(598)
Interest cost on defined benefit obligation	709	845
	155	247

Chorus Homes Group Limited
Notes to the Financial Statements
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5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Surplus on ordinary activities before taxation is stated after charging:	2021	2020
	£'000	£'000
<i>Depreciation and impairment:</i>		
Other owned tangible fixed assets	208	717
Auditor's remuneration:		
In their capacity as auditor	11	11

Auditor's remuneration in respect of non-audit services was £nil (2020: £nil).

6. DIRECTORS' EMOLUMENTS

The Group is administered by a Board of Directors. The directors received remuneration as set out below.

	2021	2020
	£'000	£'000
Non-executive directors	2	21
Executive directors	110	117
Pension contributions:		
Executive directors	29	30
Total remuneration	141	168

The number of executive directors who received emoluments in the following ranges was:	2021	2020
	No.	No.
£130,000 - £139,999	1	-
£140,000 - £149,999	-	1

	2021	2020
	£'000	£'000
Highest paid director:	140	147

The Managing Director is a member of the company's pension scheme and received no additional benefits than those available to other members.

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7. EMPLOYEE INFORMATION

The average number of employees expressed as full time equivalents (including the executive directors) employed during the year was:

	2021	2020
	No.	No.
Administration	55	60
Development	-	1
Maintenance, Housing, Support & Care	55	51
	110	112

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 Group. The monthly numbers are then added together and divided by the number of months in the financial year.

	2021	2020
	£'000	£'000
Staff costs (for the above persons):		
Wages and salaries	3,189	3,536
Severance pay	20	96
Social security costs	308	344
Pension payments	288	303
	3,805	4,279

Staff costs (for the non-executive members of the board):

Wages and salaries	2	21
Social security costs	-	1
	2	22

Remuneration banding for key management personnel is disclosed below, which is considered by the Places for People Group to be members of the Group management team responsible for the management of the Group's Registered Providers. Analysis of the Board of Directors is disclosed in note 6.

	2021	2020
	No.	No.
£60,000 - £69,999	-	1
£70,000 - £79,999	-	1
£80,000 - £89,999	-	2
£130,000 - £139,999	1	-

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8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2021	2020
	£'000	£'000
(a) Analysis of charge in period		
Tax on profit on ordinary activities		
United Kingdom corporation tax	-	-
Adjustments to tax charge in respect of prior periods	-	-
Share of joint venture current tax	-	-
	<u>-</u>	<u>-</u>
Deferred tax (note 8d)		
Origination and reversal of timing differences	-	-
Adjustments to deferred tax in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for period

The tax assessed is different than the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are explained below:

Taxable Group (loss)/profit	(45)	198
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%).	(9)	38
Effects of:		
Fixed asset differences	2	6
Expenses not deductible for tax purposes	-	12
Income not taxable for tax purposes	(8)	-
Amounts charged/(credited) directly to STRGL or otherwise transferred	(429)	625
Chargeable gains/(losses)	(19)	-
Adjustments to tax charge in respect of prior periods (deferred tax)	-	(82)
Adjust closing deferred tax to average rate	-	-
Adjust opening deferred tax to average rate	-	-
Deferred tax not recognised	412	(599)
Tax on profit on ordinary activities (note 8a)	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

The main rate of corporation tax is currently 19%, however this is due to increase to 25% from 1 April 2023. As this change in corporation tax rate had not been substantively enacted at the balance sheet date, deferred tax has been calculated using the current corporation tax rate of 19%. This change will reduce the company's future current and deferred tax charge accordingly.

(d) Provision for deferred tax

Short-term timing differences	-	-
Losses and other deductions	-	-
	<u>-</u>	<u>-</u>

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9. OTHER FIXED ASSETS

	Motor vehicles	Computer equipment	Fixtures and Fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2020	1,186	3,190	721	5,097
Additions	-	68	-	68
Disposals	(222)	-	-	(222)
At 31 March 2021	964	3,258	721	4,943
Depreciation				
At 1 April 2020	(1,175)	(2,955)	(631)	(4,761)
Charge for year	(11)	(115)	(82)	(208)
Eliminated on disposal	222	-	-	222
At 31 March 2021	(964)	(3,070)	(713)	(4,747)
Net Book Value at 31 March 2021	0	188	8	196
Net Book Value at 1 April 2020	11	235	90	336

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10. FIXED ASSETS INVESTMENTS

	2021	2020
	£'000	£'000
External investments and investment in related undertakings (a)	64,333	64,333
Investment property (b)	1,216	1,174
Total fixed asset investments	<u>65,549</u>	<u>65,507</u>

(a) Unlisted Investments

	2021	2020
	£'000	£'000
Cost at 1 April	64,333	64,333
Cost at 31 March	<u>64,333</u>	<u>64,333</u>
Net book value at 1 April	<u>64,333</u>	64,333
Net book value at 31 March	<u>64,333</u>	<u>64,333</u>

(b) Investment Properties

	£'000
Balance at 1 April 2020	1,174
Additions	-
Revaluation in year	42
Balance at 31 March 2021	<u>1,216</u>

For the year ended 31 March 2021, the company has obtained an independent valuation of the investment property portfolio. This was performed in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors (a 'red book' valuation). The valuation was undertaken by Savills, who are independent and RICS qualified.

A discounted cash flow method was used to estimate the fair value of the portfolio. This used up-to-date information on net operating cash flows and applied an appropriate yield to this data based on an understanding of the market and the individual circumstances of each part of the portfolio. Comparisons have also been made with similar properties in recent transactions to give additional comfort around the valuations. Where applicable, an assessment is made on a similar basis for any related commercial income in respect of these properties. Management interrogation and challenge has been applied to both the valuation method and the assumptions used, including in respect of cash flows, CPI and HPI as appropriate.

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11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Prepayments and other debtors	314	220
	314	220

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Debt		
Amounts due to Group companies	3,358	2,888
	3,358	2,888
Other financial liabilities		
Other taxation and social security	22	57
Other creditors and accruals	515	892
	3,895	3,837

13. PENSION OBLIGATIONS

Details of the Chorus Homes Group pension scheme are set out below:

Group defined benefit scheme liabilities

	2021	2020
	£ '000	£ '000
Cambridgeshire County Council Pension Fund "CCCPF"	9,022	6,938

Cambridgeshire County Council Pension Fund

The CCCPF is a multi-employer scheme administered by Cambridgeshire County Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary using the projected unit method. The latest Triennial actuarial valuation was at 31 March 2016. The CCCPF is open to the employees of Chorus Homes Group Limited (formerly Luminus Group Limited).

The mortality assumption used at 31 March 2021 is that a male currently aged 65 years old has a life expectancy of 22.2 years (2020: 22.0 years), a female currently aged 65 years old has a life expectancy of 24.4 years (2020: 24.0 years), a male currently aged 45 years old has a life expectancy of 43.2 years (2020: 42.7 years) and a female currently aged 45 years old has a life expectancy of 46.2 years (2020: 45.5 years).

CPI Assumption

This year, fund actuary has proposed a change to their standard approach to setting the CPI assumption, to take account of RPI reform. Accordingly, the method for calculating the RPI assumption (on which the CPI assumption is based) has been updated, resulting in a reduction in Defined Benefit Liability of c.£1,300k. In addition, the difference between CPI and RPI (the RPI-CPI wedge) has been updated, resulting in an increase in Defined Benefit Liability of c.£2,900k. These changes are linked and are based on pre-2030 and post-2030 rates.

Chorus Homes Group Limited
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13. PENSION OBLIGATIONS (Continued)

The major assumptions used by the actuaries of each scheme were:

	2021	2020
Discount rate	2.00%	2.30%
Rate of increase in salaries	3.35%	2.40%
Rate of increase in pension payments (CPI)	2.85%	1.90%

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

	2021	2020
Equities	69.0%	68.0%
Gilts	15.0%	12.0%
Cash and cash equivalents	1.0%	3.0%
Property	15.0%	17.0%

Amounts recognised in the Statement of Financial Position

	2021	2020
	£000's	£000's
Fair value of assets	29,856	24,167
Present value of the scheme's liabilities	(38,878)	(31,105)
Deficit in the scheme	<u>(9,022)</u>	<u>(6,938)</u>

Chorus Homes Group Limited
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13. PENSION OBLIGATIONS (Continued)

Amounts recognised in the Statement of Comprehensive Income

Year ending 31 March

	2021	2020
	£000's	£000's
Current service cost	(286)	(428)
Past service costs	-	(32)
Amount charged in arriving at operating profit	(286)	(460)
Expected return on plan assets	554	598
Interest on scheme liabilities	(709)	(845)
Amount (charged) to other finance costs	(155)	(247)
Total charged to the statement of comprehensive income	(441)	(707)

	2020	2020
	£'000's	£'000's
Actuarial (loss)/gain in pension scheme	(2,260)	3,288

The change in the fair value of the plan assets is analysed as follows:

	2020	2020
	£'000's	£'000's
As at 1 April 2020	24,167	24,829
Interest on plan assets	554	598
Company contributions	617	972
Contribution by scheme participants	58	73
Benefits paid	(826)	(936)
Return on assets less interest	5,286	(1,369)
As at 31 March 2021	29,856	24,167
Actual return on scheme assets	5,800	(800)

	2021	2020
	£'000's	£'000's
The change in the present value of the defined benefit obligations is analysed as follows:		
As at 1 April 2020	31,105	35,320
Current service costs	286	428
Past service costs	-	32
Contribution by scheme participants	58	73
Interest costs	709	845
Benefits paid	(826)	(936)
Actuarial losses/(gains) from changes to demographic assumptions	370	(779)
Actuarial losses/(gains) from changes to financial assumptions	7,519	(2,683)
Actuarial (gain) on obligation	(343)	(1,195)
As at 31 March 2021	38,878	31,105

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14. CONTINGENT LIABILITIES

Under the terms of the large scale voluntary transfer of homes from Huntingdonshire District Council to Chorus Homes Group Limited dated 20th March 2000, the Local Authority is entitled to receive a share of the proceeds from any home that is sold under preserved Right To Buy. The percentage of any proceeds repayable to the council varies over the 30 year period covered by the transfer agreement.

15. RELATED PARTY TRANSACTIONS AND ULTIMATE PARENT UNDERTAKING

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Group and its subsidiaries are members of the following defined benefit scheme: The Cambridgeshire County Council Local Government Pension Scheme. Details of transactions with the scheme are disclosed in note 13.

Chorus Homes Group Limited is a subsidiary of the Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. As the parent company publishes consolidated group accounts, the company has taken advantage of the exemption not to report transactions with other group members as permitted in FRS 102 section 33.1A.

16. Group Undertakings

SUBSIDIARIES

Name	Immediate parent company	Activity	Investment shares	Proportion of shares held
Chorus Homes Finance Limited (CHF)	*	Provision of long term borrowing	£1 - ordinary	100%
Chorus Homes Developments Limited (CHD)	CHF	Property development Recycling & ground maintenance	£1 - Cumulative preference	100%
Hope Social Enterprises Limited	CHD		£1 - ordinary	100%

ASSOCIATES

Name	Immediate parent company	Activity	Investment shares	Proportion of shares held
Chorus Homes Limited	*	Charitable Registered provider	£1 - ordinary	33.3%

* denotes that the immediate parent company is Chorus Homes Group Limited.

17. EVENTS AFTER THE REPORTING DATE

There are no significant events to report on that have occurred after the reporting date.