Coastline Housing Limited
Consolidated Financial Statements for the year ended 31 March 2022

Registered Number: 03284666

Registered Office:
Coastline House
4 Barncoose Gateway Park
Pool, Redruth
Cornwall
TR15 3RQ

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Directors, Executive Team and Advisors

The Board		From	To	Committee Membership	Meeting Attendance (Inc. Committees) No	Max Avail	%
P Stephens	Deputy Chair Interim Chair	1 Jan 2013 24 Sept 2020	31 Dec 2021 30 June 2021	Group, CSL, PIC	11	11	100
M Duddridge	Chair Designate Chair	01 Apr 2021 01 July 2021	01 July 2021	Group, CDB, CHM, PIC	10	10	100
S Harrison	Deputy Chair	27 Sept 2018		Group, ARAC, CEF	14	15	93
A Young	Chief Executive	09 Oct 2014		Group, CDB, CCL, CHM, CSL, PIC	17	17	100
M J Waldron	Non-Executive	01 Oct 2013	31 Mar 2022	Group, PIC	10	11	91
P A W Bearne	Non-Executive	18 May 2015	31 Mar 2022	Group, CSL, CEF	13	14	93
S Roberts	Non-Executive	01 Oct 2013	31 Mar 2022	Group, CSL, ARAC, CEF	16	18	89
C Pears	Non-Executive	01 Mar 2021		Group, PIC	11	11	100
K Harris	Non-Executive	01 Sept 2020		Group, ARAC	10	11	91
A Moore	Non-Executive	01 Sept 2020		Group, PIC	11	11	100
K Kemp	Independent CEF Member Non-Executive	01 Feb 2021 01 Jan 2022	31 Dec 2021	Group, CEF	3 1	3 1	100 100
B Treleaven	Non-Executive	01 Jan 2022		Group, ARAC	1	1	100
D Barlow	Non-Executive	01 Jan 2022		Group, ARAC	1	1	100
P Doddrell	Non-Executive	01 Apr 2022		Group, ARAC	-	-	-
M Tucker	Independent CEF Member	01 Jan 2022		ARAC	1	1	100
E Chapman	Independent CEF Member	01 Feb 2021		CEF	4	4	100
J De-Ville	Independent CEF Member	01 Feb 2021		CEF	3	4	75
L Denmead	Independent CEF Member	01 Feb 2021	31 Aug 2021	CEF	1	1	100
S Curtis	Independent CEF Member	01 Sept 2021		CEF	3	3	100
M Gaunt	Independent CEF Member	01 Mar 2022		CEF	-	-	-
L Beard	Deputy Chief Executive	01 Feb 2021		CEF	4	4	100
C Weston	Director of Development & Commercial Services	01 Aug 2016 01 Feb 2021		CSL, CEF	7	7	100

From the 21 July 2022 all non-executive directors of Coastline Housing Limited have been appointed to Coastline Services Limited Board reflecting the most recent governance action plan and in preparation for moving to a common Board. This change reflects the importance of the delivery of repairs and maintenance services within the Group.

Membership Key

- Group
- CDB Coastline Design & Build Limited
- CCL Coastline Care Limited
- CHM Coastline Homes Limited
- CSL Coastline Services Limited
- ARAC Audit Risk and Assurance Committee
- PIC Property Investment Committee
- CEF Customer Experience Forum

The Executive Team		From	To
A Young	Chief Executive	9 Oct 2014	
L Beard	Director of Housing, Assets & Communities	26 Nov 2007	
N Mallows	Director of Finance & ICT	25 Jan 2016	
C Weston	Director of Development & Commercial Services	1 Mar 2016	
D Wingham	Director of HR & Governance	1 Oct 2007	28 Feb 2022

Corporate Information

Company Secretary		From
R Wilde	Head of Governance, Risk & Assurance	01 Mar 2022

Advisors

Principal Solicitors	Towers & Hamlins, The Senate, Southernhay Gardens, Exeter EX1 1UG
	Stephens and Scown, Osprey House, Malpas Road, Truro, Cornwall TR1 1UT
Funders	Santander UK PLC, 2 Triton Square, Regent's Place, London NW1 3AN
	M&G Investments, Laurence Pountney Hill, London, EC4R 0HH
	Scottish Widows, Level 5C, 69 Morrison Street, Edinburgh, EH3 8YF
	Affordable Housing Finance, 3rd Floor, 17 St. Swithin's Lane, London EC4N 8AL
	NatWest plc, 9th Floor, 250 Bishopsgate, London EC2M 4RB
	Homes England, 50 Victoria Street, Westminster, London SW1H 0TL
Bankers	NatWest plc, 4 Commerical Square, Camborne TR14 8EB
External Auditor	PKF Francis Clare, Lowin House, Tregolls Road, Truro TR1 2NA
Internal Auditor	Bishop Fleming, Chy Nyverow, Newham Road, Truro TR1 2DP

Group Structure

Coastline Housing Limited ('CHL' or 'the Company') was incorporated in November 1996 and is an independent registered charity and social business, run on a non-distribution basis. This means that all profits generated are retained for furtherance of Coastline's charitable objectives. CHL is a public benefit entity.

It has four wholly-owned subsidiaries and together these companies form Coastline Housing Group ('the Group'):

- Coastline Services Limited ('CSL'), a building maintenance and grounds contractor;
- Coastline Design and Build Limited ('CDB'), a design and build contractor;
- Coastline Homes Limited ('CHM'), a design, construction and sale of residential housing contractor; and
- Coastline Care Limited ('CCL'), which has remained Dormant throughout 2021/22

CHL is registered with the Charity Commission as a charitable company and with the Regulator of Social Housing ('the RSH') as a provider of social housing; both of these provide the primary regulatory framework for Coastline with the Regulator of Social Housing as principal regulator.

CHL is also registered with the Care Quality Commission (CQC) for the services provided at Miners Court.

CHL is a company Limited by Guarantee registered at Companies House. CSL, CDB, CCL and CHM are all companies limited by shares and are also registered at Companies House.

The Group is governed by a paid Board of Non-Executive Directors and the Chief Executive. The Directors of the Company who have served during the year and up to the date of the signing of these financial statements are listed on page 16.

Chair’s and Chief Executive’s Report

Coastline’s long term mission is to end the housing crisis in Cornwall. The Covid pandemic, the delivery of Brexit and the subsequent supply chain, energy and inflation issues became a perfect storm for the Cornish housing market resulting in an acute need for more social and affordable housing for many and a great deal of housing insecurity for many more.

Coastline responded proactively to these challenges and whilst the delivery of new houses fell short of our original plans for the year the Charity delivered significantly in many other aspects of its operation. First and foremost the health and wellbeing of all its staff throughout the pandemic was very carefully managed allowing services to be continued and in many instances improved. Primarily this saw the interaction with our customers increase and the new Customer Experience Forum evolve into a very strong voice with members attracting national attention.

Financially steps were taken to allow Coastline to accelerate the delivery of new housing in 2022/3 despite disruption, inflation and the failure of a major contractor. Covid did produce a backlog of repair and renewal works which are now being addressed. Monies were committed and are now being deployed to deliver our climate and environmental obligations by 2030.

That this is happening results from sound management of the financial resources available to Coastline, but also due to the commitment of its staff and reputation within the Cornish market. Coastline benefits from a very engaged workforce, as with many other businesses we faced challenges with recruitment and retention, but have taken positive action on remuneration and have seen positive results. Changes have been made and are being made in our operation to ensure that this remains in an environment of acute staff and skills shortages.

A reflection of the diligence of the broader team is that Coastline once again returned a G1 and V1 rating from the Regulator of Social Housing.

2021/22 saw the Charity saw a number of four long standing Non-Executive Directors, who had helped deliver industry leading growth for many years, achieve their maximum term. The Board extends its thanks to Peter Stephens, John Waldron, Phillip Bearne and Sue Roberts for all they have done for the Charity.

The new Board is acutely aware that, whilst Coastline will deliver more in the years ahead to alleviate the housing crisis now affecting all levels of need within Cornwall, it cannot do all that is needed on its own. Coastline has been a leader in the Homes for Cornwall campaign which has galvanised hundreds of landowners, developers, charities and politicians to find new solutions for the crisis and change the attitude of all residents to the need for more housing. Without this, innumerable families will suffer, investments will go elsewhere, and communities lost or fragmented.

An additional challenge for Coastline, its customers and communities comes from the current ‘cost of living’ crisis, which we are committed to do all that we can to mitigate. We have set aside a substantial fund to help households in need, we are prioritising investment in homes that are more expensive to live in, and we are working closely with partners in Cornwall to ensure a joined up approach that maximises our collective resources.

The long term ambition of Coastline has never been more important to the people of Cornwall.

We are pleased to present the 2021/22 Annual Report and Accounts. The results continue to represent strong progress towards the targets set out in the 2021-2025 Coastline Plan (‘Great Futures’) and provide a sustainable and resilient base as we focus on the years ahead.

We would like to thank our colleagues and Board for their continued ability to adapt to the challenges of the past year and their commitment to our customers and Coastline.

Allister Young

Mark Duddridge

Chair

Allister Young

Chief Executive

Strategic Report and Performance Highlights

Performance Highlights

Our homes

- **5,185** number of properties with a valuation of **£198.5** million
- **200** completed in the year, of which all were affordable homes
- Number of new shared ownership owners **57**
- Shared owners who converted to full ownership **10**
- **112** homes started on site

Maintenance of our homes

- **£12.3** million repairing and improving homes (expenditure on works to existing properties)
- **26,080** repairs of which **2,742 (10.5%)** were emergencies
- **60** kitchens fitted
- **100** new bathrooms

Our financial strength

- **£38.5** million turnover
- **£7.9** million operating surplus
- **23%** operating margin
- **£36.9** million available liquidity

Levels of compliance

- Gas **100%** domestic, **100%** communal
- Electrical (5-year) **99.3%** domestic, **100%** communal & (10 year) **100%** domestic and communal
- Fire **100%** communal

Our customer satisfaction

- UKCSI index score of **78.8**
- **116** second average call wait time
- **71,467** number of customer contacts made
- **38,715** telephone calls answered

Our new customers

- **16** days standard relet time
- **572** families moved into our homes in the year

Our customer-led services

- **91** people helped back into work or training
- **919** people helped by our homeless service
- **£74,000** of grants and funding secured for our customers

G1 V1

Regulator Rating – August 2021

- Governance: G1
- Viability: V1

Who Are We?

Coastline Group is one of the leading providers of affordable housing in Cornwall, managing 5,185 homes for more than 11,615 people, employing over 320 staff. We are a financially stable not-for-profit housing association that reinvests all its surpluses into improving existing homes, communities and services, and developing new homes.

Our Purpose and Principal Activity

To provide affordable housing for people on low incomes.

Our Vision

To end the housing crisis in Cornwall. That is why Coastline exists. This vision is set across three strands:

Great Homes

Great Services

Great People

Great Homes – to provide a range of housing options to meet people's different needs, to invest in new affordable homes, to invest in places and communities, and to play a leading role in delivering Cornwall's climate change action plan

Great Services – to listen to our customers and 'do the right thing', to earn and maintain trust, to provide helpful, joined up services that are easy for all of our customers, and to continue to learn and improve

Great People – to support the people that live in our homes and communities, to work collaboratively to maximise our resources, and to build on our positive culture and values, so that Coastline can be a great place to work and volunteer.

Our Values

Customer Focused

Put our Customers first

Trustworthy

Be open, honest and accountable

Learning

Strive to be the best

Caring

Value each other

Our Homes

During the year, the number of homes we own and managed reached **5,185.** The majority of our homes are let at rents lower than full market to people who cannot afford to rent on the open market. We also provide shared ownership properties, market rent and accommodation for those requiring additional support.

In the year, we developed **200** new homes, including **123** affordable rented homes for general needs, **57** for shared ownership and **20** new homes we manage for others.

We have **5,096** managed properties and **89** that we manage but do not own.

Property numbers

	2018	2019	2020	2021	2022
Property Stock	No.	No.	No.	No.	No.
Social housing rented	4,181	4,246	4,364	4,426	4,511
Shared ownership	263	300	370	409	456
Market rented	9	9	6	5	3
Managed but not owned	14	14	54	69	89
Leasehold properties	97	103	114	117	126
Total Housing Stock	4,564	4,672	4,908	5,026	5,185
Garages	716	685	685	660	704
Total Property Stock	5,280	5,357	5,593	5,686	5,889

Strategy, Objectives And Performance

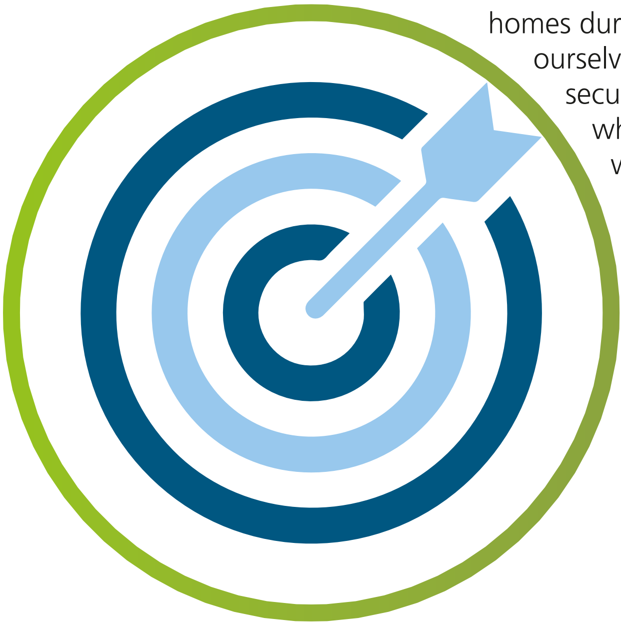
2021/22 was our first year of our Coastline Plan 'Great Futures' 2021-2025 and also included the launch of our new Development Strategy, Environment Strategy and our People & Culture Strategy. These set our strategic priorities and commitment to demanding targets for our business. A high level summary of the Coastline Plan can be found below.

Our Financial Statements set out our performance in relation to this, which saw Coastline starting to return to pre Covid-19 levels of service and investment returning.

Our budgets and forecasts were regularly reviewed, and we continued to review and undertake additional stress testing of our long-term business plan, including reforecasting our 2021/22 budget. We stress test our business on negative scenarios to identify any impacts on covenants, security and liquidity throughout the long-term business plan.

We continue to maintain our position as a financially robust organisation with substantial liquidity, covenant headroom and unencumbered assets coupled with strong margins.

Coastline has continued to develop the Strategic Alliance with Legal and General Affordable Homes during 2021/22. Completions of additional new affordable homes during the period were 20, which is short of the targets we set ourselves. As part of addressing this LAGAH and Coastline have secured a strategic land opportunity with a significant local developer which will provide 54 affordable homes over the next 2-years as well as supporting wider delivery of 128 homes on the scheme. This approach will enable the developer to bring forward other sites speeding up wider delivery to address housing need in Cornwall.



Coastline Plan 2021-2025

During 2021/22, Coastline set 67 targets for the year to help track progress against the 17 aims of the Corporate Plan. Our progress at year end was 71.6% of these targets were achieved, with only 6% of targets significantly off track.

	Great Homes	Great Services	Great People	Great Foundations	Total March 22
On track	17	13	12	6	48
Slightly off-track	4	6	4	1	15
Significantly off-track	3	0	1	0	4
Not completed/ failed	0	0	0	0	0
Total	**24**	**19**	**17**	**7**	**67**

Our key highlights for the year are:

Great Homes

What went well

- A "Whole Home" approach was adopted, linking up our external programmes of roofing and painting/repairs, as well as community visits which are identifying where external common spaces need investment.
- Improved visibility of planned programmes for colleagues and customers by making all planned replacement dates available in core management systems.
- The Community Standard, a specific community improvement budget, ongoing customer engagement and wider engagement with Councillors and the Council are all examples of what we are doing to improve satisfaction with the neighbourhoods. We are also working on improving the information available on the portal and the website for our customers on the area where they live.
- We built our first scheme using Building With Nature, which has gained accreditation and is a step towards safeguarding the wider natural world.
- Successfully negotiated a two year extension of our Homeless Families contract.

What didn't go as well

- Launching a "My Community" page on our customer portal. This will be launched in 2022/23
- Whilst we have established a new process to manage adaptations which is working well, work on identifying applicants earlier in the lettings process has stalled. We will continue to progress this in collaboration with Cornwall Council
- The number of homes completed were 175 lower as result of delays in pre-construction areas and delays on site. The delays on site stem from material and labour shortages (Brexit/Covid related) and also the administration of Mi-Space as one of our main contractors.

Great Services

What went well

- A new complaints policy was approved and implemented in July 2021, which has brought in a new two tier complaints process, along with annual self-assessment against the Housing Ombudsman framework.
- Customer satisfaction with how complaints are handled at 71%, target of 70%.
- Provided information to new customers relating to their "Area Team": who's who and how to access information about Grounds Maintenance plans in their areas.
- 88% of customers have assessed that their repair has been completed right first time against a target of 75%.
- We have an ongoing programme to review and standardise our approach to gathering, measuring and learning from customer satisfaction with a number of services. Following on from our 2021 'Business Benchmarking' survey results, a new survey to measure satisfaction with our 'informal' complaint process is now live, and work is underway to measure satisfaction with communal cleaning, and grounds maintenance linked to a customer-assessment of the community standard. As part of our repairs review, existing satisfaction measures will be refreshed to measure the customer experience.

What didn't go as well

- Creating a Youth Panel to scrutinise services, to ensure that services meet the needs of all household members. The Covid crisis has made engagement difficult in general and this is a target that is currently struggling. We will continue to try and develop this as this is an important area of scrutiny.
- ICT Strategy delayed approval until September 2022.
- A mystery shop on the Customer Charter and the scrutiny on the website has been delayed until our new website has been launched in 2022/23.

Great People

What went well

- Revamped and rebranded our Inspiring Futures work to encompass the scope of opportunities we offer.
- Delivered a range of employability skills and experience opportunities in consultation with customers and the Department for Work Pensions.
- Established and integrated extended leadership and management training to all managers.
- 'Agile working' implemented and embedded.
- New People and Culture Strategy approved in November 2021 and launched with colleagues in February 2022.

What didn't go as well

- We did not achieve 'Gold' Investors in People status. We retained Silver status, and improved in all areas from the previous assessment. Work through the new People and Culture Strategy underway to support creation of a great place to work.
- A review of our approach to colleague Performance Reviews was not completed as planned. Review is 50% underway and expected to be completed in 2022/23.
- We were not able to finalise agreement of the Cornwall Affordable Housing Memorandum of Understanding. We continue to work with Cornwall Council to progress during 2022/23.

Great Foundations

What went well

- G1/V1 rating retained from Regulator of Social Housing following an In Depth Assessment (IDA) in August 2021.
- Managed loan covenant headroom in line with our risk appetite, with gearing headroom in excess of £25 million.
- Continued to ensure treasury management activities are effective through limiting exposure of variable debt and managing to fund all contracted activities from existing charge available facilities and cash.

What didn't go as well

- Rent losses through vacancies were 2% which is above the target of 1%, although reflects an improvement on the 2021/22 result. Performance on lettings reflects the challenges of re-letting some of our older persons' accommodation.

Value For Money (VfM)

To deliver 'value for money' (VfM), Coastline must continually look at how resources are used to achieve continuous improvement and excellence in running the business and improving productivity. When viewed in this way, it is clear that value for money is not a stand-alone activity, but something that is intrinsic to all core activities and decision-making processes.

There is therefore no single policy or strategy that sets out how value for money will be achieved. The various threads are pulled together in the Coastline Plan and there is a particularly strong link with performance management and improvement processes, with robust and effective management integral in the process of delivering and improving business productivity.

Our approach to 'value for money' is firmly embedded in our culture. From an ambitious Coastline Plan that is led by the Board and Executive Team and has clear, measurable and stretching objectives, to a suggestion scheme where all staff are empowered to propose ideas that will improve how the organisation is run, and rewarded for those that are implemented. We have a Senior Leadership Team that meets monthly to review financial and non-financial performance indicators, to share knowledge and to make decisions based on this information. Our Customers are also involved – with the Customer Voice and Customer Experience Forum specifying and reviewing a suite of performance information that they consider important. Performance reporting to Customer Voice is primarily via the Coastline Conversation which receives a regular update from the Customer Experience Forum meetings.

Our key VfM metrics are provided below:

RSH Reference Indicator	Confirmed Results				Current Year	Budget	Sector Median	*SW Median	Coastline Trend	2021/22 to SW Median
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2020/21	2020/21		
Metric 1 – Reinvestment %	16.80%	17.10%	13.00%	13.30%	8.13%	15.77%	5.80%	5.60%		
Metric 2 – New Supply Delivered % (a – Social housing units)	7.30%	3.30%	6.30%	2.80%	3.96%	2.92%	1.30%	1.90%		
Metric 2 – New Supply Delivered % (b – Non-social housing units)	0.00%	0.00%	0.00%	0.12%	0.00%	0.00%	0.00%	0.00%		
Metric 3 – Gearing	59.40%	57.90%	56.70%	57.40%	59.90%	54.85%	43.90%	38.20%		
Metric 4 – EBITDAMRI Interest Cover (note different to Coastline loan covenants basis, exc. Capitalised interest)	163.30%	177.20%	162.70%	123.00%	137.31%	176.03%	183.00%	213.90%		
Metric 5 – Headline Social Housing Cost Per Unit	£2,924	£3,260	£3,316	£3,930	£3,849	£4,335	£3,730	£3,710		
Metric 6 – Operating Margin (a – Social Housing Lettings)	36.00%	35.00%	31.80%	29.30%	22.90%	23.08%	26.30%	28.30%		
Metric 6 – Operating Margin (b – Overall)	30.50%	31.00%	26.20%	26.70%	20.44%	20.60%	23.90%	24.70%		
Metric 7 – Return on Capital Employed (ROCE)	5.60%	5.90%	5.80%	4.10%	4.42%	3.42%	3.30%	3.50%		

The Board has considered Coastline's approach to VfM at separate strategy days, reviewing comparative performance across the Sector Scorecard and the Regulator's VfM Metrics.

Coastline also produces the Sector Scorecard agreed set of metrics, upon which housing providers can compare their performances as part of demonstrating that they are providing value for money for their Customers. It measures 15 indicators across five general areas focusing on: business health, development, outcomes delivered, effective asset management and operating efficiencies.

Theme	Indicator	Confirmed Results				Current Year	Budget	Sector Median	Trend	2021/22 to Sector Median
		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2020/21		
Business Health	Operating Margin (overall)	30.5%	31.1%	26.2%	26.7%	20.4%	20.6%	23.54%		
	Operating Margin (sharing housing lettings)	36.0%	35.9%	31.8%	29.3%	22.9%	23.1%	25.49%		
	EBITDA MRI (as a percentage of interest)	163.3%	177.2%	161.3%	105.0%	137.3%	176.0%	215.95%		
Development - capacity and supply	Units developed (absolute)	331	150	303	160	200	150	38		
	Units developed (as percentage of units owned)	7.3%	3.3%	6.3%	3.3%	4.0%	2.9%	0.90%		
	Gearing	59.4%	58.3%	56.1%	58.1%	59.9%	54.9%	33.82%		
Outcomes delivered	Customers satisfied with the service provided by their social housing provider	90.0%	92.0%	89.5%	*78.3%	*78.2%	*80%	86.00%		
	£'s invested for £ generated from operations in new housing supply	£4.55	£2.79	£3.67	£7.01	£4.12	£8.21	-		
	Reinvestment	16.8%	18.4%	13.0%	13.3%	8.1%	15.8%	5.10%		
Effective asset management	Return on capital employed (ROCE)	5.60%	5.90%	5.80%	4.10%	4.42%	3.42%	3.10%		
	Occupancy	96.3%	98.8%	99.5%	99.5%	99.0%	98.5%	99.20%		
	Ratio of responsive to planned maintenance spend	0.71	0.27	0.29	0.14	0.15	0.16	0.71		
Operating Efficiencies	Headline social housing cost per unit	£2,994	£3,220	£3,316	£3,404	£3,849	£4,335	£3,891		
	Rent collected	99.84%	99.56%	99.45%	98.90%	100.43%	99.6%	100.00%		
	Overheads as a percentage of adjusted turnover	12.5%	13.9%	13.1%	11.6%	13.7%	11.1%	13.35%		

* From 2020/21 Coastline has been a member of the Institute of Customer Services (ICS) and has undertaken annual business benchmarking to assess customer satisfaction.

Both of the above metric tables are aligned with our strategic plan and our key highlights are:

Great Homes

We have completed 200 homes, a 4.0% growth, during the year:

- **104** Affordable rent
- **19** Rent to Buy
- **57** Shared Ownership
- And developed **20** homes for Legal and General Housing Association as part of our strategic alliance.

Our strategic plan has an ambitious target delivery of 987 new homes during the period 2021-2025. Whilst we are in a strong financial position to pursue new development opportunities we are not complacent about potential risks to the business. We continue to undertake robust risk assessment, use prudent assumptions and run analysis on all development opportunities.

We continue to deliver new homes with an ambitious programme to increase new affordable homes in Cornwall. Coastline delivered more affordable homes in Cornwall in 2021/22 than any other provider and, for the last five years, have featured in the Inside Housing top ten fastest growing housing associations (based on units delivered by size). However, the market for any new home delivery has remained challenging in the aftermath of Covid and Brexit and Coastline is not exempt from these pressures. We have seen issues with Contractor insolvency, both material and labour shortages and pressures on overall cost. The impact of Covid on utility providers has also exacerbated time frames on site servicing.

Great Services

Whilst accounting differences can distort the ratio of responsive to planned maintenance spend; we maintained our approach of being more proactive with our service delivery and seeking investment and renewal as opposed to on-going repairs. During 2021/22, only 10% of our repairs were classed as an emergency.

Customer satisfaction results, since 2020/21, have been collated from our annual business benchmarking through the Institute of Customer Services (ICS). The response scale for this is on a score of 1-10, with our previous internal Customer First survey response scale of 1-4. When adjusting for scoring methodology, a positive survey bias of around 8 percentage points is considered, our results are broadly comparable with both each other and the previous three years. Whilst satisfaction has marginally dipped from 2020/21 to 2021/22, this is expected as Housemark (the leading data and insight company for the UK housing sector) is reporting that satisfaction is falling year on year with overall satisfaction 6 points lower than comparable figures for 2019/20.

Great People

Whilst our headline social housing cost per unit has increased over the years, it still remains under the sector median. Our costs are increasing to reflect the investment, not only in our customer's homes, but also investment in our colleagues. We are ensuring that our team has the capacity to grow and develop, which helps us become a great place to work and be respected for what we do and how we do it. We have invested heavily in our ICT infrastructure, our place of work, our training packages and our overall reward packages for colleagues. The aim of these is to retain and develop talented individuals to help us meet the aims set out in the Coastline Plan. January 2022 saw the reporting back of external advisory work benchmarking our pay against others in the sector, South West and Cornwall specifically to ensure that pay is in line with median rewards levels.

Great Foundations

During 2021/22, we increased our investment in our customers' homes by over £2 million as we progressed the backlog of works put on hold during Covid-19, and increased our support service costs by over £1 million as we brought out services back on-line. These investments have meant that our operating margin reduced to 22.9%. We continue to take a strategic view to maintain levels of investment in customer service and property quality, as well as staff health and wellbeing, rather than reducing spend to protect the operating margin. Our asset management approach has meant that we have seen a reduction in short-term operating margin resulting from our viability property disposals, which do however improve long-term margins and returns.

Whilst our operating margin has reduced over time, in line with the rest of the sector following the period of 1% rent reductions from 2016 to 2020, our comparison position moved from median to upper quartile.

We still maintain a focus on measuring this metric and understanding the reasons behind any changes, as this helps with assessing Coastline's performance both in isolation and in the wider industry setting.

Over the past two years, we have taken advantage of our EBITDA MRI headroom by negotiating with lenders to reduce long-term interest cost liabilities by paying any mark to market fees. In March 2022, we incurred breakage costs relating to two embedded long-term fixed rates loans with Santander. One element was cancelled in its entirety with another seeing a reduction in maturity from 2041 to 2032. These changes enabled other facility changes and supported the creation of an ISDA platform which saw its first trade completed before the end of the financial year as part of managing Coastline's interest rate exposure.

Our gearing continues to increase as we invest heavily to build new homes. Whilst the final number of completions was below expectation during 2021/22, it is a level of completions which sees Coastline within the top 10 fastest growing housing providers for the fifth year in a row. We are the only organisation to deliver that level of growth consistently over that period and we aim to continue this growth. We continue to maximise our delivery of new housing investment as this investment delivers additional housing without adding significantly to our management cost base. This maintains the benefit of focusing our attention on housing delivery as well as generating value for money savings over time, which allows us to maintain our investment in wider community-based initiatives which are part of delivering high quality services.

Group Highlights, Five Year Summary

	2018	2019	2020	2021	2022
Statement of Consolidated Income	£m	£m	£m	£m	£m
Turnover: continuing activities	29.7	25.1	30.5	33.4	38.5
Turnover: Shared Ownership Sales	6.0	4.2	6.5	3.9	7.1
Income from lettings	21.6	22.9	24.5	26.0	27.2
Property depreciation	2.8	3.2	3.5	4.0	4.2
Operating surplus before housing sales	10.0	8.6	8.8	8.4	7.0
Operating surplus from social housing lettings	7.8	8.2	7.8	7.6	6.2
Operating surplus	11.1	9.1	9.7	8.9	7.9
Surplus for the financial year	8.7	11.4	10.9	7.5	7.4
Statement of Financial Position					
Housing properties	185.9	218.1	245.7	277.9	296.3
Net current assets	5.5	9.6	8.8	13.2	15.2
Indebtedness	63.5	134.4	143.4	173.4	183.7
Total reserves	35.5	43.6	55.8	59.1	68.5
Statistics					
Operating margin	37.4%	36.3%	31.8%	26.6%	20.5%
Operating margin excluding sales	42.6%	41.1%	36.7%	28.5%	22.6%
Surplus as % of turnover	29.3%	45.4%	35.7%	22.5%	19.2%
Operating margin social housing lettings	36.1%	35.8%	31.8%	29.2%	22.8%
Rent losses	£196,000	£232,000	£403,000	£585,000	£459,000
Gearing (tightest covenant)	£26,674 per unit	£30,186 per unit	50.6%	52.0%	53.6%
EBITDA – MRI interest cover (tightest covenant)	212.5%	200.0%	218.0%	144.3%	131.3%
	Units	**Units**	**Units**	**Units**	**Units**
Total social and supported rental	4,195	4,260	4,418	4,495	4,600
Total low costs home ownership	263	300	370	409	456
Total leasehold and market rent	106	112	123	122	129
Total housing	**4,564**	**4,672**	**4,911**	**5,026**	**5,185**

The results remain strong for 2021/22 and we have delivered a surplus for the year of £7.4 million (2021: £7.5 million). This surplus is stated after £6.1 million profit from property sales, £9.4m costs to maintain our existing properties, £2.6 million cancellation costs on embedded loans and £0.6 million net realisable value and impairment write down relating to Quintrell Downs, our market rent scheme.

This was following on from Midas going into administration and needing to find a contractor with sufficient capacity to deliver this scheme. The challenges of re-tendering during a period of high build cost inflation are evident and have created the £0.6 million adjustments. We had a choice to exit the scheme after spending £15 million but with no homes or continue at a further cost of £11 million and deliver all 149 homes. Delivering these 149 homes provide important housing provision in a community that needs these homes.

We achieved first tranche sales of 76 against a target of 79, delivering an operating margin of £0.8 million versus a target of £0.9 million. Our outright sale of 5 homes, through Coastline Homes, met our target of 5, achieving an operating margin of £0.3 million.

The surplus for the year meant we increased our net assets by £9.4 million with housing properties increasing by £18.4 million. We spent £15.3 million on housing under construction and completed 180 new homes with a value of £19.0 million.

The operating margin shows how efficient we are in running the business; and the operating surplus provides the cash we need to fund the construction of new homes and invest in improvements to our existing homes. This strong performance is the result of an ongoing focus on delivering efficient, customer focussed services. Our strong financial performance, combined with our high levels of customer satisfaction, provide strong evidence that we are, in the main, delivering the right services in an efficient and cost effective way.

During 2021/22, we made a decision to utilise the EBITDA MRI headroom available and negotiations took place with Santander to reduce the longer term liabilities of interest costs on a number of loans by paying a mark to market fee in March 2022 (reducing interest costs in future years within the 30 year business plan). This fee was £2.6 million and is shown within interest payable.

Capital Structure And Treasury

During the year and at year end, our capital structure was based on bank borrowings, spread across three main lenders, together with capital market bond issues. At 31 March 2022, the breakdown of borrowings was as set out below:

	Arranged £m	Drawn £m	Undrawn £m
Bank loans	204.9	142.9	62.0
Bond issues	8.2	8.2	-
Private placement	32.6	32.6	-
Total funding	**245.7**	**183.7**	**62.0**

Borrowing facilities are at both fixed and floating rates of interest in order to manage exposure to interest rate fluctuations. At 31 March 2022, fixed rates of interest ranged from 1.0% to 7.7%.

We also created a £20 million hedging platform with Santander, of which £10 million was hedged as at 31 March 2022.

£10 million of borrowing was refinanced during the year as part of enabling the stand-alone ISDA arrangements. We have maintained its proportions of fixed rate and floating rate loans within the limits set out below, approved by the Board:

Type of exposure	Actual	Minimum	Maximum
Fixed rate	112.7	91.8	183.7
Floating rate	71.0	0.0	91.8

Coastline ensures it has sufficient liquidity to cover 12 months forecast net cash requirements. At year-end, we had sufficient liquidity to cover over the next four years.

At the year-end, our drawn borrowings of £183.7 million were repayable as follows:

	2018	2019	2020	2021	2022
Within one year	2.7	-	1.0	-	-
Between one and two years	-	1.0	-	-	-
Between two and five years	13.0	27.7	36.0	67.7	46.8
After five years	102.5	105.7	106.4	105.7	136.9
Total borrowings	**118.2**	**134.4**	**143.4**	**173.4**	**183.7**

Cash inflows and outflows are shown in the Group cash flow statement on page 35. The net decrease in cash was £5.9 million and predominantly due to the investment in our new and existing homes.

Governance

BOARD

AUDIT, RISK AND ASSURANCE COMMITTEE	PROPERTY AND INVESTMENT COMMITTEE	CUSTOMER EXPERIENCE FORUM
Responsible for overseeing risk and assurance, finanical management, internal and external audit, and review of the Asset & Liability Register	Responsible for overseeing funding requirements and arrangements, 30 year business plan along with the stress tests and defensive action plan, performance of the development and maintenance programmes, oversee the asset management and repairs strategy, and review contract procurement	Responsible for overseeing the customer experience for Coastline
Members: Steve Harrison (Chair) Karen Harris (NED) David Barlow (NED) Paul Doddrell (NED) Michelle Tucker (Independent Member)	Members: Andrew Moore (Chair) Charles Pears (NED) Mark Duddridge (NED) Ben Treleaven (NED) Allister Young (CEO)	Members: Steve Harrision (Chair) Kelly Kemp (NED) David Barlow (NED) Chris Weston (Executive Team) Louise Beard (Executive Team) Edward Champman (Customer) Joe De-Ville (Customer) Steve Curtis (Customer) Molly Guant (Customer)

EXECUTIVE TEAM

The Board is composed of 10 non-executive members and one executive member, with meetings taking place at least six times a year. Board members are drawn from a range of backgrounds. Our appointments policy for non-executive Board and committee members is skills based and aims to ensure appropriate representation of the business needs.

The Board controls the Group's strategic direction and reviews its operating and financial position. It is supplied with timely and relevant information to enable it to discharge its duties. Board papers are distributed in advance of meetings and papers are sufficiently detailed to enable the Directors to understand Coastline's management and performance.

The Board delegate some of its responsibilities to committees. Each committee has clear terms of reference and delegated authority. The committees report back to the Board after each meeting, where their recommendations are considered and approved where appropriate. Each committee is chaired by a member of the Board and they meet quarterly.

Board members undergo an induction programme with regular training either formal or through attending conferences. Each member is expected to attend at least 80% of meetings each year and all are subject to regular performance reviews. The Board members who have served throughout 2021/22 are listed on page 1.

Code of Governance

The Board has adopted the National Housing Federation Code of Governance (2020), and maintains the provision for up to two co-opted members in addition to the Board of up to ten within the Company's Articles.

Coastline fully complies with the NHF Code of Governance (2020).

Customer Involvement

The Customer Experience Forum is a committee of Customers, NED's and Executives that oversees the customer experience for Coastline and makes recommendations to the Board. This approach is considered a key element of 'co-regulation' and provides further assurance over performance and the internal control environment.

We have 50 regularly involved customers and a further 50 volunteers working with us. In addition we surveyed 4,977 customers for their views on our services and any issues they have experienced.

Employees

Coastline relies on the quality and commitment of its employees in order to meet its corporate objectives. We ensure that sufficient staff with appropriate skills are employed and that effective employment policies are in place and good practice is followed. The Board expresses its thanks for the hard work and commitment shown by all employees and volunteers throughout Coastline.

Equal Opportunities

We are committed to an equal opportunities policy within which it actively encourages applications for employment from all groups in society. We are also committed to an equality and diversity agenda designed to ensure equal access to its services and are a Living Wage Accredited Employer. We have recently been successful in gaining Level 3 Disability Confident Leader accreditation status, moving up from Level 2.

We recognise the importance of a culturally inclusive environment and demonstrate our commitment to this across all business areas and decisions. We have a dedicated EDI steering group to help drive not only legal compliance requirements but also lead on, develop and demonstrate the practical adaptations across our workforce. We have a robust corporate E&D policy, regularly review and make adjustments for colleagues' and candidates' bespoke needs. We work closely with a local Occupational Health Provider, offer a paid Employee Assistant Programme, free counselling provisions and trauma support. We also have a flexible work placement and volunteer scheme where we work closely with FedCap, the Job Centre Plus and other organisations helping giving people an opportunity to learn, train and gain new skills that will support them back into the workplace.

We continue to publish our Gender Pay results, which are as follows:

	April 2022		April 2021	
	Male	Female	Male	Female
Group Head Count	154	176	155	167
Mean Hourly Rate	£15.21	£14.35	£14.59	£14.08
Median Hourly Rate	£12.51	£12.79	£11.75	£11.99
Mean Bonus	£1,230.87	£1,281.14	£295.95	£263.43
Median Bonus	£990.27	£1,333.97	£291.65	£250.00
% Not receiving bonus	23.38%	12.50%	24.52%	23.95%

The most significant change is the performance bonus, which was limited in 2020/21 to reflect the pressures on the business throughout the different periods of Covid-19. The bonus for 2021/22 reflects the continued drive by employees who show they have the ability to meet our objectives and the delivery of commitments to our customers and stakeholders.

April 2022 Pay Quartiles by gender (adjusted rate which includes bonus)

	April 2022		April 2021		
Band	**Males**	**Females**	**Males**	**Females**	**Description**
1	55%	45%	45%	55%	Includes all employees whose hourly rate places them at or below the lower quartile
2	41%	59%	65%	35%	Includes all employees whose hourly rate places them above the lower quartile but at or below the median
3	42%	58%	53%	47%	Includes all employees whose hourly rate places them above the median but at or below the upper quartile
Highest	48%	52%	45%	55%	Includes all employees whose hourly rate places them above the upper quartile

During 2021/22, we improved the pay for employees within our extra care and supported housing staff. Staff in these areas are mainly female and has caused the shift for these employees being treated as band 1 to band 2. The decision reflected wider changes in the local employment market and our adoption of the Living Wage Foundation Living Wage minimums.

Another key measure for Coastline reflecting the outputs from the Hutton review is the ratio of highest paid to the median salary level (excluding the highest paid). The ratio based on April data in line with the gender reporting above (i.e. excluding pension contributions) showed that the ratio for Coastline was 5.45:1 (2021, 5.46:1).

Further details of Executive and staff salaries can be found in the Notes to the Financial Statements (note 9, page 50-51).

Internal Control And Risk Management

Approach

The Group Board has overall responsibility for the system of internal control and risk management across the Group and for reviewing its effectiveness. The Board also takes steps to ensure the Group adheres to the regulators Governance and Financial Viability standard and its associated code. The Audit, Risk & Assurance Committee is responsible to the Board for monitoring these arrangements and reporting on their effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Group's assets and interests.

Assurance

Assurance over the internal control environment is provided in a number of ways, the most significant of which are set out below;

- An established management structure operating across the Group, with clearly defined levels of responsibility and delegated authorities as outlined in the Standing Orders which include Terms of Reference for the Board and Committees
- Supported by established policies designed to provide effective internal control and achieve effective corporate governance, including Group-wide policies on;
    - Financial Regulation,
    - Business Ethics Anti-Fraud Bribery & Money Laundering,
    - Safety, Health and Environment,
    - Code of Conduct,
    - Gifts and Hospitality,
    - Procurement,
    - Equality, Diversity and Inclusion,
    - Whistle Blowing – Confidential Disclosure
    - Data Protection,
    - Together with policies covering all aspects of Employment Law and operational policies.
- Adopting and complying with the National Housing Federation 2020 Code of Governance
- A Group wide risk management system – an established process for identifying, evaluating, and managing risks faced by the Group
- Customer Scrutiny – Direct lived experience from Coastline communities is brought to the Executive Team and the Board through the Customer Voice, Customer Experience Forum and a complaints process, which meets expectations of the Housing Ombudsman Service. All of which are used as a key feedback loop on assurance.
- Audit, Risk & Assurance Committee assurance – The Board has delegated authority to this Committee to review the effectiveness of internal control, including risk management and has received regular reports from this committee throughout the year under review. This Committee meets regularly with members of the Executive Team and the internal auditors to review specific reporting and internal control matters and to satisfy themselves that the internal control systems are operating effectively. The Audit, Risk and Assurance Committee also review and follow up actions to correct identified weaknesses. Board members have access to the minutes of all ARAC committee meetings

- Internal audit assurance – is managed through the Group governance function and is delivered by Bishop Fleming, whose reports are received by the Audit, Risk & Assurance Committee. The internal audit programme is designed to review key areas of risk and adherence to key policies and relevant laws. The programme is agreed formally and kept under review by the Audit, Risk & Assurance Committee.
- External audit assurance - the work of the external auditors provides further independent assurance, as outlined in their audit report. The external auditors have a duty to report to the Board significant matters relating to control weaknesses and inefficiencies that come to their attention during the course of their audit work under the Code of Audit Practice. The Group also receives a letter from the external auditors identifying any internal control weaknesses. In accordance with best practice, the Audit, Risk and Assurance Committee and Board consider this letter.
- In addition to the external and internal audit functions, a number of independent specialist compliance audits are commissioned each year to supplement the assurance framework. These cover areas such as our Gas Servicing programme, Health and Safety arrangements, Fire Risk Assessments, Legionella Management and Asbestos Management.
- Preparation and monitoring of budgets – the Executive Team, the Audit, Risk & Assurance Committee and Board all review Group and subsidiary performance throughout the year. These reports ensure variances are investigated and acted upon. In addition, treasury activity and strategy are subject to regular Board review and approval.
- A process for approving all investment decisions – all investment decisions are subject to appraisal and approval by the Executive Team, the Property & Investment Committee and the Board, in accordance with a delegation framework.

Risk Management

Management responsibility has been clearly defined for the identification, evaluation and control of risks throughout the Group. There is a formal process of management review through a quarterly reporting framework from management, through the Executive Team to the Audit, Risk and Assurance Committee. The Board formally reviews the risk map and sets the Group's risk appetite on an annual basis.

This Committee reviews the Group's strategic and significant risks and the overall risk position compared to the Board's agreed risk appetite each quarter, and the minutes of the meeting are subsequently reviewed by the Board.

The Group risk appetite has been confirmed as remaining 'cautious' as part of the Annual Risk Review as recommended by the Audit, Risk and Assurance Committee and subsequently agreed and approved by the Board as part of the same Annual Risk Review in May 2022. This appetite reflects the concerns about the level of uncertainty surrounding recovery following the coronavirus pandemic and the wider economic recovery. Our vision is to create and maintain an environment where care for our people, and those who work with us, is our top priority; where the belief that all accidents are preventable prevails.

Strategic Risks are those which are considered to be of fundamental importance to the formulation and delivery of Coastline Plan objectives and are summarised as:

Strategic Risk	Risk Mitigation Strategy
Product Safety (including landlord health and safety)	• Detailed assurance map on property related requirements coupled with third party expert reviews for example CORGI accredited Landlord Gas Safety processes. • Development handover process review by internal auditors and all new build defect repairs treated the same as responsive repairs. • Pro-active identification of RADON potential issue and reporting to Board. • Pro-active review of all buildings in relation to fire safety despite no buildings over 18m.
Human Resources and Governance (including Board, Executive, staff and volunteers in relation to skills)	• Rolling programme of NED recruitment. • Investment in apprenticeships across the business to build skills and capacity for the future. • Significant investment in safer working practices for staff. • Investors in People 'Silver' rated employer. • Investors in Volunteers accreditation and effective deployment of additional resources within business to support charitable activities. • Health and Wellbeing Strategy with significant focus on colleagues' mental health.
Government policy, legislation and regulation	• Active involvement with trade body the National Housing Federation and PlaceShapers group of Housing Associations alongside maintaining effective dialogue with Cornwall Council, local MP's and Parish Councils.
Funding and financial viability	• Annual finance strategy and constant market engagement to maintain existing and develop additional sources of finance.inance.
Wider economic conditions (including sales, rental level exposures as well as interest and inflation rates)	• Exposure to sales limited to ensure that change of product mitigates risk. • Regular reporting to Property and Investment Committee and Board on key economic indicators alongside stress testing and scenario planning to inform Defensive Action Plan.

Strategic Risk	Risk Mitigation Strategy
Programme management (impact of planned expansion on internal systems of governance, management and delivery)	• Investment into ICT to provide systems and infrastructure that can support growth. • Cross departmental working supporting issues of peak delivery. Board recruitment focussed on skills that will help support and challenge delivery of extensive ICT and new homes investment.
Reputation (including potential communications failure exacerbating issues)	• Business continuity planning and communications strategy in place to mitigate risk.
Technology, Data and Cybersecurity	• On-going programme of training and upgrading of core systems across the business coupled with regular sessions led by the Head of ICT to promote and co-ordinate opportunities for technology based improvements across the business. • Cyber insurance provides access to experts in case of major incident. • Regular Data Quality Meetings chaired by Director of Finance and ICT with representation from across Coastline teams. • Data standards enforced with all changes to key fields in housing management, CRM or Service Connect needing to be approved at Data Quality or Applications Steering Group.
Markets and Supply Chain (including market consolidation, securing development opportunities and overall consideration of supply chain considerations across all aspects of operations and development investment)	• Digital access and customer first strategy coupled with ICT strategy to improve service offering to Customers and colleagues to improve interactions with and across Coastline. • Active discussions with Cornwall Council, Homes England and others on potential strategic alliances to maximise development opportunities. • Strategic alliance with Legal and General Affordable Homes providing scope to engage and shape new entrant in social housing markets offering.
Climate Change and related impacts across all of the above strategic risks.	• Coastline Plan post 2021-25 includes objectives to contribute towards alleviating both the causes and impact of climate change on the communities we work in. • New environmental strategy approved in September 2021.

Fraud and Significant Control Failings

Coastline complies with the Regulator's requirements with respect to fraud and has a policy requiring a register to be maintained of all actual and attempted fraud, with all cases reported to the Board through the Audit, Risk and Assurance Committee and submitted to the Regulator of Social Housing.

The Audit, Risk and Assurance Committee have reviewed an annual report on Internal Controls Assurance, which has subsequently been approved by the Board. No significant control failings or fraud have been identified during the period.

Overall Assessment

The Board is satisfied that the Group's risk management and internal control systems remained effective during the year to 31 March 2022 and up to the date of the approval of these financial statements.

No weaknesses in internal control which resulted in material misstatement or loss have been identified sufficient to cause material misstatement or loss, which would have required disclosure in these financial statements.

Merger Code

In March 2016 the Board considered and adopted the NHF Merger Code. This voluntary code sets out ten principles which form a framework for considering the various 'partnering' opportunities that may arise.

The Board regularly reviews its position, the latest being in May 2021, re-asserting Coastline's commitment to the principles within that code. Coastline's corporate values and approved policy includes involving the Board and Executive Team for evaluating merger and strategic alliance opportunities.

Other Disclosures

Directors' and Officers' Liability Insurance

The Company has maintained directors' and officers' liability insurance throughout the year. From April 2021 this cover has been provided by Weald Insurance Brokers Ltd following the discontinuation of the offering from the NHF.

Charitable and Political Donations

No political donations were made during the year (2021: £nil). Donations made to charity or other community funding arrangements during the year totalled £16,570 (2021: £35,169).

Disclosure of Information to Auditors

The Board members who held office at the date of approval of this Board report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and
- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Going Concern

The Board confirms it has a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements. Accordingly it continues to adopt the going concern basis in preparing the Group's and Company's financial statements.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Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 surplus or deficit 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;
- 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; and
- 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. 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. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

M Duddridge

Chair – Coastline Housing Ltd

SECTION 172 STATEMENT

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. This S172 statement explains how our Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster Coastline's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.
- The S172 statement focuses on matters of strategic importance to Coastline, and the level of information disclosed is consistent with the size and the complexity of the business.

How the Board complied with its Section 172 duty

The Board welcomes this reporting requirement as a further opportunity to explain how dialogue with stakeholders has been woven into the fabric of Coastline decision making. Recent examples of this are: Involvement in 'Homes for Cornwall'; establishment of and then strengthening of Customer Experience Forum, and other customer engagement through Customer Voice; engagement with Cornwall Council through Cornwall & Isles of Scilly Strategic Housing Group, and wider voluntary sector through the Voluntary Sector Alliance; independent review of effectiveness of governance; development of new People & Culture strategy with colleagues and completion of remuneration benchmarking, Living Wage Foundation membership, positive gender pay gap; expert speakers at Board strategy sessions, including economic experts from University of Exeter and advisors to the UK Climate Change Committee and extensive engagement with customers and colleagues on Environment Strategy.

Our Coastline plan was built up using engagement from Customers, colleagues and input from wider stakeholders and was launched in 2021 and was presented to Board for approval by the employees involved in the process. Our employees continue to update Board on progress regularly against the targets for the homes and services that Coastline provides that stretches both our financial and human resources and maximises delivery against our charitable mission

During 2021/22, board recruitment was in line with the National Housing Federation 2020 Code of Governance. We have improved the diversity of our Directors, particularly in age, and have strengthened engagement with business continuity through wider concern about housing and our new contacts through our Directors.

Delegation of authority

The Board believes that governance of Coastline is best achieved by delegation of its authority for the executive management of Coastline to the CEO, subject to defined limits and monitoring by the Board and Committee structures (for reference see page 16).

The Board routinely monitors the delegation of authority, ensuring it is regularly updated, while retaining ultimate responsibility. The most recent review was completed as part of an independent Board effectiveness review which reported back to the Board in May 2022 and defined an action plan which has been monitored on the Board's behalf by the Audit, Risk and Assurance Committee and delivered by Management.

The Board has a long-standing corporate governance framework which reflects the charitable status of Coastline and the regulatory frameworks for Social Housing, Supported Housing and Extra Care services.

The current framework covers the following principle areas:

1.Company Purpose

Pursuing Coastline's charitable objectives and accountability to communities and other stakeholders for the company's actions. This means focussing primarily on strategic issues, while having regard to economic, political and social issues and other external factors particularly with reference to those impacting Cornwall.

2.Strategy

Responsibility for establishing and reviewing the long-term strategy, Corporate Plan and the financial business plan for Coastline, based on proposals made by management for achieving Coastline's purpose.

3.Monitoring decisions on the management team and the performance of Coastline

Including implementation of, and performance against the strategy and the business plan and the exercise of authority delegated to committees and management. The Board satisfies itself that emerging and principal risks to Coastline are identified and understood, systems of risk management, compliance and controls are in place to mitigate such risks and expected conduct of Coastline's business and its employees is reflected in a shared set of Coastline values.

4.Succession

Ensuring that systems and processes are in place for succession, evaluation and compensation of the CEO, executive and non-executive directors and all colleagues at Coastline.

During 2021/22 our directors continued to exercise all their duties, while having regard to these and other factors as they reviewed and considered proposals from management and governed the company on behalf of its charitable purpose through the Board.

Section 172 Factor	Key Examples	Page(s)
Section 172 (1) (A) Consequence of any decision in the long term	Company purpose Strategic Plan	5, 7, 8, 9
Section 172 (1) (B) Interests of employees	Gender Pay Reporting	17-18
Section 172 (1) (C) Fostering business relationships with suppliers, customers and others	Strategy, objectives and performance	7 to 18
Section 172 (1) (D) Impact of operations on the community and the environment	Strategy, objectives and performance	7 to 18, 28-29
Section 172 (1) (E) Maintaining high standard of business conduct	Governance and Committee Structures Risk management	16, 19 to 24
Section 172 (1) (F) Acting fairly between members	Balanced long-term decision making Code of Governance	7 to 20

Streamlined Energy and Carbon Reporting (SECR)

Coastline is a social housing landlord and therefore the majority of environmental impact is drawn from the energy used by domestic property portfolio. Coastline surveyed 4,511 domestic homes which includes general needs, supported and Extra Care accommodation and for the purposes of SECR operational impacts, included utility costs from office spaces, fleet vehicle and staff vehicle mileage.

In terms of corporate impact which is directly accountable to the operations of the business;

Green House Gas Emissions (GHG) and Energy 1 April 2021-31 March 2022		
	Total Tonnes CO2	Units
Scope 1 – Direct Emissions		
Fuel for transport purposes	198.96	840,014.57 kWh
Natural Gas	331.01	1,807,183 kWh
Scope 2 – Indirect Emissions		
Electricity	182.96	861,684.6 kWh
Total – Scope 1 + 2	712.93	
Scope 3 – Other Indirect Emissions		
Housing Stock	11,407.63	4,511 homes
Grand Total	12,120.56	
Intensity Ratio	2.69 tonnes CO2 per home managed	

Methodology

Each activity has been calculated in the appropriate units of measure and then converted to metric carbon tonnes to provide consistency.

Energy Efficiency Action

Coastline launched its new Environmental Strategy and is now progressing a variety of company-wide improvement projects to deliver targeted improvements. Coastline has a dedicated team who work with customers to maximise their income and increase their ability to pay their bills (not just focussing on fuel poverty). An internal hardship fund is available to customers and £7,000 of this was used to pay customers' utility bills over the course of 2022/23. Regular communications are sent out to customers with tips on how to save energy/ reduce bills.

On a larger scale, the organisation has made a commitment to make improvements to properties identified as being more expensive to heat and targeted work will be taking place to see what support customers may need. Coastline continues to work in Partnership with local ground source heating company Kensa within their grant funded "Heat the Streets" project which is reducing customer fuel costs and environmental impact by replacing older heating systems with modern Ground Source Heating systems.

In addition Coastline has committed to completing its first SHIFT Assessment in the first half of 2022/23 which will help focus future projects on improving environmental outcomes and reducing the impact of operations across the business.

By order of the Board

Mark Duddridge

Chair – Coastline Housing Ltd

1 September 2022

Independent Auditor's Report to the Members of Coastline Housing Limited

Opinion

We have audited the financial statements of Coastline Housing Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Board of directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Board of directors

As explained more fully in the Director's report set out from page 4, the Board of directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of directors are responsible for assessing the group's and the parent 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 the Board of directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the group. We gained an understanding of the industry in which the group operates as part of this assessment to identify the key laws and regulations affecting the group and parent company.
As part of this, we made enquiries with the Board of directors and the group audit risk and assurance committee, reviewed group policies and procedures regarding both compliance and fraud detection/prevention, reviewed group annual compliance report and carried out a review of the Board, and group audit, risk and assurance committee minutes. The key regulations we identified were tax legislation, health and safety regulations, including landlord health and safety and RSH compliance, breaches of The General Data Protection Regulation ("GDPR") and the regulations of the Care Quality Commission (CQC). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group and parent company's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including meeting loan covenants and regulatory performance targets. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of regulatory and legal correspondence and group compliance reports.
- Review of CQC ratings and enquiries of management in relation to any ongoing CQC reviews and communications.
- Review of the group's GDPR register and enquiries of the group's compliance officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to development income, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud. Based upon our understanding we designed and conducted audit procedures including:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

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.

Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor
Lowin House
Tregolls Road
Truro
TR1 2NA
Date:

Statement of Comprehensive Income for the year ended 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Turnover: continuing activities	2	**38,522**	33,364	**36,342**	31,815
Cost of sales	2	**(6,648)**	(3,239)	**(6,648)**	(3,239)
Operating costs	2	**(23,999)**	(21,209)	**(22,179)**	(19,813)
Operating surplus	2	**7,875**	8,916	**7,515**	8,763
Gift aid receivable		**-**	-	**497**	280
Surplus on sales of properties	5	**6,112**	3,314	**6,112**	3,314
Other finance expenditure	6	**(653)**	(572)	**(653)**	(572)
Interest receivable & other income		**52**	5	**59**	126
Interest payable & similar charges	7	**(6,012)**	(6,183)	**(6,012)**	(6,183)
Surplus for the year before taxation	4	**7,374**	5,480	**7,518**	5,728
Tax on surplus	26	**-**	6	**-**	-
Surplus for the year		**7,374**	5,486	**7,518**	5,728

Other Comprehensive Income

	Note	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Actuarial gain/(loss) on pension scheme	24	**1,983**	(2,123)	**1,983**	(2,123)
Total recognised surplus for the year		**9,357**	3,363	**9,501**	3,605

All the above results derive from continuing operations and are on a historic cost basis.

The Statement of Comprehensive Income and Other Comprehensive Income was approved by the Board on 1 September 2022 and signed on its behalf by:

M Duddridge
Chair

S Harrison
Chair of Audit, Assurance & Risk Committee

Statement of Financial Position as at 31 March 2022 (Reg. Number: 03284666)

		Group		Company	
Fixed assets:	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Intangible fixed assets	11	**328**	375	**328**	375
Housing properties	12	**296,333**	277,929	**297,345**	278,797
Other tangible fixed assets	13	**4,649**	4,550	**4,622**	4,524
Investments	14		-	**75**	75
Total fixed assets		**301,310**	282,854	**302,370**	283,771
Current assets:					
Stock	16	**15,753**	8,396	**15,116**	6,249
Rental and other debtors	15	**3,191**	4,322	**2,904**	4,246
Cash and cash equivalents	17	**6,196**	12,065	**5,270**	11,721
Total current assets		**25,140**	24,783	**23,290**	22,216
Creditors: amounts falling due within one year	18	**(9,977)**	(11,536)	**(8,793)**	(9,636)
Net current assets		**15,163**	13,247	**14,497**	12,580
Total assets less current liabilities		**316,473**	296,101	**316,867**	296,351
Creditors: amounts falling due after more than one year	19	**(246,564)**	(233,533)	**(246,564)**	(233,533)
Pension deficit funding liabilities	23	**(138)**	(184)	**(138)**	(184)
Pension defined benefit liability	23	**(1,226)**	(3,196)	**(1,226)**	(3,196)
Provision for tax liabilities	27	**-**	-	**-**	-
Net assets		**68,545**	59,188	**68,939**	59,438
Represented by:					
Capital and reserves:					
Revenue reserves		**68,545**	59,188	**68,939**	59,438
		68,545	59,188	**68,939**	59,438

These financial statements were approved by the Board on 1 September 2022 and signed on its behalf by:

M Duddridge
Chair

S Harrison
Chair of Audit, Assurance & Risk Committee

Consolidated Statement of Cash Flows for the year ended 31 March 2022

Cash flows from operating activities		2022 £'000	2021 £'000
Surplus for the year		**7,374**	5,486
Adjustments for non-cash items:			
Depreciation and impairment charges		**4,858**	4,625
Amortisation of intangible fixed assets		**78**	126
Profit on sale of housing properties		**(6,112)**	(3,314)
Loss on sale of tangible fixed assets		**-**	-
Taxation		**-**	(6)
(Decrease) / increase in trade and other debtors		**1,131**	2,286
Increase in stocks		**(7,357)**	(1,354)
Increase in trade, other creditors and provisions		**(1,493)**	1,211
Pension costs less contributions payable		**-**	-
Adjustments for investing or financing activities:			
Interest receivable and similar income		**(59)**	(126)
Interest payable and similar charges		**4,053**	4,684
Amortisation of loan arrangement fees		**377**	(184)
Government grants utilised in the year		**(1,033)**	(956)
Tax paid		**-**	-
Net cash from operating activities		**1,817**	12,478
Cash flows from investing activities			
Sale of housing properties		**7,109**	3,921
Sale of other fixed assets		**-**	-
Interest received		**-**	-
Acquisitions of housing properties		**(18,802)**	(36,298)
Capital improvements to existing properties		**(2,882)**	(31,867)
Acquisitions of other fixed assets		**(745)**	(847)
Grants received to support capital expenditure		**3,689**	2,668
Net cash from investing activities		**(11,631)**	(28,527)
Cash flows from financing activities			
Interest paid		**(5,953)**	(7,007)
New secured loans		**28,000**	31,000
Repayment of loans		**(17,741)**	(1,007)
Loan arrangement fees		**(361)**	-
Net cash from financing activities		**3,945**	22,986
Net increase / (decrease) in cash and cash equivalents		**(5,869)**	6,937
Cash and cash equivalents at 1 April	(i)	**12,065**	5,128
Cash and cash equivalents at 31 March		**6,196**	12,065

Analysis of changes in net debt

GROUP	At 1 April 2021 £'000	Cash flows £000	Other non-cash changes £'000	At 31 March 2022 £'000
Cash and cash equivalents				
Cash	12,065	(5,869)	-	6,196
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	12,065	**(5,869)**	**-**	**6,196**
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	(173,426)	(10,261)	-	(183,687)
	(173,426)	**(10,261)**	**-**	**(183,687)**
Total	**(161,361)**	**(16,130)**	**-**	**(177,491)**

Statement of Changes in Equity

GROUP	Revenue reserve £'000	Garlidna reserve £000	Restricted reserve £'000	Total equity £'000
Balance at 1 April 2020	**55,781**	**12**	**32**	**55,825**
Surplus for the year	5,486	-	-	5,486
Other comprehensive income (see note 24)	(2,123)	-	-	(2,123)
Total comprehensive income for the year	**3,363**			**3,363**
Transfer from Garlidna reserve	(193)	193	-	-
Balance at 31 March 2021	**58,951**	**205**	**32**	**59,188**
Balance at 1 April 2021	**58,951**	**205**	**32**	**59,188**
Surplus for the year	7,374	-	-	7,374
Other comprehensive income (see note 24)	1,983	-	-	1,983
Total comprehensive income for the year	**9,357**	**-**	**-**	**9,357**
Transfer to Garlidna reserve	(31)	31	-	-
Balance at 31 March 2022	**68,277**	**236**	**32**	**68,545**

COMPANY	Revenue reserve £'000	Garlidna reserve £000	Restricted reserve £'000	Total equity £'000
Balance at 1 April 2020	**55,789**	**12**	**32**	**55,833**
Surplus for the year	5,728	-	-	5,728
Other comprehensive income (see note 24)	(2,123)	-	-	(2,123)
Total comprehensive income for the year	**3,605**	**-**	**-**	**3,605**
Transfer from Garlidna reserve	(193)	193	-	-
Balance at 31 March 2021	**59,201**	**205**	**32**	**59,438**
Balance at 1 April 2021	**59,201**	**205**	**32**	**59,438**
Surplus for the year	7,518	-	-	7,518
Other comprehensive income (see note 24)	1,983	-	-	1,983
Total comprehensive income for the year	**9,501**	**-**	**-**	**9,501**
Transfer to Garlidna reserve	(31)	31	-	-
Balance at 31 March 2022	**68,671**	**236**	**32**	**68,939**

1 Accounting Policies

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard is applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 30.

Measurement Convention

The financial statements are prepared on the historical cost basis.

Legal Status

The Company is a company limited by guarantee, and is registered in England under the Companies Act 2006. It is a registered social housing provider and a registered charity.

Basis of Preparation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit or loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

In the parent financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Statement of Recommended Practice, "Accounting by Registered Social Housing Providers 2018" (SORP 2018) and the Companies Act 2006.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Going Concern

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

The Group prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in March 2022 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. Following the outbreak of Covid-19 the Group has undertaken a series of further scenario testing including severe but plausible downsides in the worst case assessment.

The Board, after reviewing the group and company budgets for 2022/23 and the Group's medium term financial position as detailed in the 30-year business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the Group and Company have adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- The property market – budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales, reductions in sales values and potential conversion of market sale to social homes;
- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – available cash and unutilised loan facilities of £36.9m as at 31 March 2022 which gives significant headroom for committed spend and other forecast cash flows that arise;
- The Group's ability to withstand other adverse scenarios such as higher interest rates increased periods for relets in addition to a higher number of void properties.

The Board believe the Group and Company has sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board are confident that the Group and 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.

Consolidation

The consolidated financial statements include the financial statements of the Company and its four subsidiaries Coastline Services Limited; Coastline Care Limited; Coastline Homes Limited and Coastline Design and Build Limited. The acquisition method of accounting has been adopted. Transactions between the Company and its subsidiaries are eliminated on consolidation.

Basic Financial Instruments

Trade and other debtors/ creditors

Trade and other debtors/ creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Turnover

Group and Company turnover comprises rental income receivable net of voids, income from property sales, service charges and other services which are included at the invoiced value of goods and services supplied in the period with grant income recognised under either the performance method or accruals method dependent on the type of grant.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The Company's stock figure includes the proportion of shared ownership properties intended for first tranche sales, whether these have been completed and are ready for sale or in the course of construction.

Outright sale

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value

Interest Payable

Interest payable and similar charges include interest payable on long term borrowings. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Other Interest Receivable

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Gift aid income is recognised in the profit or loss account on the date the entity's right to receive payments is established.

Retirement Benefits

The Group operates a defined contribution pension scheme through the Social Housing Pension Scheme operated by The Pensions Trust. The assets of the schemes are held separately from those of the Company in an independently administered fund. The amount charged to the profit or loss account represents the contributions payable to the schemes in respect of the accounting period.

The Group also participated in the defined benefit section of the Social Housing Pension Scheme operated by The Pensions Trust providing benefits based on final pensionable pay or on career average salary, although it is closed to future accrual. The assets of the scheme are held separately from those of the Group. For financial years ending on or after 31 March 2019, The Pensions Trust is able to obtain sufficient information to enable the Company to account for the Scheme as a defined benefit scheme.

Housing Properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period, and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties. Following the adoption of component accounting, completed housing properties are now split between their land and structure costs and a specific set of major components that require periodic replacement.

Depreciation is charged to the profit or loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:

Structure	80 years
Cladding (as part of the structure)	20 years
Windows and doors	40 years
Roofs	75 years
Kitchens	20 years
Bathrooms	30 years
Lifts (excluding stairs)	15 years
Heating	30 years
Gas boilers/ Heat Pumps	15 years

Properties are reviewed for impairment annually. Where housing properties have suffered a permanent diminution in value, the impairment after deducting any related Social Housing Grant is recognised in the statement of consolidated income and included within cumulative depreciation.

Shared ownership properties are included in housing properties at cost related to the percentage of equity retained, less any provisions needed for impairment or depreciation.

Development costs which arise directly from the construction or acquisition of a property are capitalised to housing properties in the course of construction.

Capital expenditure on schemes which are aborted is charged to the statement of consolidated income in the year in which it is recognised that the schemes will not be developed to completion.

Social Housing Grant

Social housing grant (SHG) is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the statement of consolidated income as turnover income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated SHG is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a liability until it is recycled or repaid. SHG is subordinated in respect of loans by agreement with the Regulator of Social Housing.

Government Grants

These include grants from local authorities and other organisations. Other grants are initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the statement of consolidated income as turnover over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

Grants in respect of revenue expenditure are credited to the statement of consolidated income in the same period as the expenditure to which they relate.

Sale of Housing Properties

Surpluses on sales of housing accommodation comprise proceeds from property sales, which are recognised at the date of completion, less the net book value of the properties and take into account any liabilities under the original Transfer Agreement with Cornwall Council in relation to Right to Buy sales.

Sale of Housing Properties – Shared Ownership

Under shared ownership arrangements, the Company sells an interest of between 25% and 75% in a Low Cost Home Ownership housing property at open market value. The owner of a low cost home has the right to purchase further proportions up to 100% (subject to occasional restrictions) at the then current valuation. Proceeds of sale of first tranches are accounted for as turnover in the statement of consolidated income. Subsequent tranches sold are disclosed in the profit or loss account after the operating result as a surplus or deficit on the sale of fixed assets.

Improvements, Major Repairs, Cyclical Repairs and Day to Day Repairs

The amount of expenditure incurred which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the statement of consolidated income in the period in which it is incurred.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Other tangible assets include those assets with an individual value in excess of £500 and community alarm equipment, which is specifically associated with an income stream.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold office buildings	50 years
Solar PV panels	20 years
Smoke and carbon monoxide detectors	10 years
Furniture, fixtures and fittings	5 years
Motor vehicles	5 years
Plant and equipment	4 years
Computer hardware	3 years
Community alarm equipment	3 to 10 years
Grounds plant and equipment	3 years

Intangible Fixed Assets

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided evenly on the cost of intangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for intangible assets are:

Computer software	3 years

Operating Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit or loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit or loss over the term of the lease as an integral part of the total lease expense.

Bad and Doubtful Debts

Provision is made against rent arrears of current and former tenants as well as miscellaneous debts to the extent that they are considered irrecoverable. All former tenant arrears are fully provided for in the year that they occur.

Capitalisation of Interest

Interest on loans financing development is capitalised up to the end of the month in which practical completion occurs.

Capitalisation of Development Costs

Development costs which arise directly from the construction or acquisition of a property are capitalised to housing properties in the course of construction.

Capital expenditure on schemes which are aborted is charged to the statement of consolidated income in the year in which it is recognised that the schemes will not be developed to completion.

Taxation

Coastline Housing Limited is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The profit making companies within the Group (CSL, CCL, CDB and CHM) are liable to UK corporation tax. The credit for taxation for the year includes current tax on the taxable profits for the year for these companies, where the profits are not relieved by losses brought forward.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit or loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Value Added Tax

The Company is registered for VAT, but a large proportion of its income, including rents, is exempt for VAT purposes and the majority of its expenditure is subject to VAT which cannot be reclaimed. Expenditure is therefore shown inclusive of VAT. The Company recovers VAT where appropriate and this is credited to the statement of consolidated income account and back against capital expenditure where appropriate.

Gift Aid payment presented within shareholders' funds

Gift Aid payment is only recognised as a liability at the year end to the extent that it has been paid prior to the year end, there is a deed of covenant prior to the year-end or a Companies Act s288 written resolution has been approved by the shareholder in the year to pay the taxable profit for the year to its parent by a certain payment date.

Income statement

Tax charge to be recorded to the extent that a tax charge is payable (i.e. includes any tax credit related to gift aid)

2 Turnover, Operating Costs and Operating Surplus

GROUP	2022				2021			
	Turnover	Cost of sales	Operating costs	Operating surplus	Turnover	Cost of sales	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings	27,209	-	(20,978)	**6,231**	26,094	-	(18,461)	7,633
Support contracts	680	-	(680)	**-**	657	-	(657)	-
Care and support	1,136	-	(518)	**618**	858	-	(592)	266
Other activities	2,388	(460)	(1,733)	**194**	1,834	-	(1,323)	511
Shared ownership first tranche sales	7,109	(6,188)	(90)	**832**	3,921	(3,239)	(176)	506
	38,522	**(6,648)**	**(23,999)**	**7,875**	33,364	(3,239)	(21,209)	8,916

COMPANY	2022				2021			
	Turnover	Cost of sales	Operating costs	Operating surplus	Turnover	Cost of sales	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings	27,209	-	(20,891)	**6,318**	22,944	-	(14,961)	7,983
Support contracts	680	-	(680)	**-**	391	-	(391)	-
Care and support	1,136	-	(518)	**618**	1,140	-	(896)	244
Other activities	208	(460)	-	**(253)**	470	-	(440)	30
Shared ownership first tranche sales	7,109	(6,188)	(90)	**832**	4,190	(3,630)	(64)	496
	36,342	**(6,648)**	**(22,179)**	**7,515**	29,135	(3,630)	(16,752)	8,753

2 Turnover, Operating Costs and Operating Surplus - cont'd

GROUP Income and expenditure	General needs £'000	Sheltered housing £'000	Shared ownership £'000	2022 £'000	2021 £'000
Income from lettings					
Rent receivable	19,656	3,748	1,147	**24,552**	24,010
Service charges receivable	744	675	206	**1,624**	1,128
Grant income amortised	1,033	-	-	**1,033**	956
Total income from lettings	**21,433**	**4,424**	**1,353**	**27,209**	**26,094**
Expenditure on letting activities					
Management	(3,755)	(700)	(415)	**(4,870)**	(4,862)
Services	(1,704)	(332)	(196)	**(2,232)**	(1,546)
Routine maintenance	(1,239)	(241)	(144)	**(1,624)**	(1,189)
Planned maintenance	(4,899)	(953)	(569)	**(6,421)**	(4,940)
Major repairs expenditure	(1,048)	(204)	(122)	**(1,374)**	(1,165)
Rent losses from bad debts	(121)	(24)	(14)	**(159)**	(92)
Depreciation of housing properties	(3,239)	(631)	(373)	**(4,243)**	(4,079)
Other costs	(42)	(8)	(5)	**(55)**	(588)
Operating costs on lettings	**(16,047)**	**(3,093)**	**(1,838)**	**(20,978)**	**(18,461)**
Operating surplus on lettings	**5,386**	**1,330**	**(485)**	**6,231**	**7,633**

Total income from lettings is shown net of void rent losses:

Rent losses from voids	**(248)**	**(180)**	**(31)**	**(459)**	**(585)**

2 Turnover, Operating Costs and Operating Surplus - cont'd

COMPANY Income and expenditure	General needs £'000	Sheltered housing £'000	Shared ownership £'000	2022 £'000	2021 £'000
Income from lettings					
Rent receivable	19,656	3,748	1,147	**24,552**	24,010
Service charges receivable	744	675	206	**1,624**	1,128
Grant income amortised	1,033	-	-	**1,033**	956
Total income from lettings	**21,433**	**4,424**	**1,353**	**27,209**	**26,094**
Expenditure on letting activities					
Management	(3,595)	(695)	(415)	**(4,705)**	(4,703)
Services	(1,704)	(332)	(196)	**(2,232)**	(1,546)
Routine maintenance	(1,250)	(243)	(144)	**(1,637)**	(1,185)
Planned maintenance	(4,945)	(961)	(569)	**(6,475)**	(4,922)
Major repairs expenditure	(1,057)	(206)	(122)	**(1,385)**	(1,161)
Rent losses from bad debts	(121)	(24)	(14)	**(159)**	(92)
Depreciation of housing properties	(3,239)	(631)	(373)	**(4,243)**	(4,079)
Other costs	(42)	(8)	(5)	**(55)**	(588)
Operating costs on lettings	**(15,953)**	**(3,100)**	**(1,838)**	**(20,891)**	**(18,276)**
Operating surplus on lettings	**5,480**	**1,323**	**(485)**	**6,318**	**7,818**
Total income from lettings is shown net of void rents losses:					
Rent losses from voids	**(248)**	**(180)**	**(31)**	**(459)**	**(585)**

During the year the Company spent £11.792 million (2021: £9.642 million) on maintaining and improving its existing property stock of which £2.882 million (2021: £2.373 million) was capitalised. £nil million grant was received in respect of this expenditure during the year (2021 £0.01 million).

3 Accommodation in Management

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

GROUP and COMPANY	2022 Properties	2021 Properties
General needs – social rent	**2,268**	2,310
General needs – affordable rent	**1,194**	1,084
Supported housing / housing for older people – social rent	**649**	649
Supported housing / housing for older people – affordable rent	**121**	115
Other social housing	**279**	268
Shared ownership	**456**	409
Market rented	**3**	5
Managed but not owned	**89**	69
Leasehold	**126**	117
	5,185	5,026

4 Surplus for the Financial Year before Taxation

	GROUP		COMPANY	
This is stated after charging/ (crediting):	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
Depreciation on housing properties	**4,243**	4,079	**4,243**	4,079
Depreciation of other tangible fixed assets	**615**	545	**596**	514
Amortisation of intangible fixed assets	**78**	126	**78**	119
Amortisation of grant income	**1,033**	956	**1,033**	956
Accelerated life on components	**120**	-	**120**	-
(Loss)/Gain on disposal of tangible fixed assets	**(37)**	3	**(42)**	-
Operating lease rentals:				
- vehicles, plant and equipment	**23**	34	**-**	7
- land and buildings	**37**	13	**-**	-
Auditor's remuneration:				
- audit of these financial statements	**22**	28	**22**	28
- audit of the financial statements of subsidiary companies	**16**	13	**-**	2
- tax services	**6**	5	**-**	-
- other services	**-**	19	**-**	19

5 Surplus on Sale of Housing Properties

GROUP and COMPANY	2022 £'000	2021 £'000
Proceeds from sale of housing properties (gross)	**8,067**	4,474
Less: costs of sales	**(1,558)**	(960)
Less: Council share of proceeds under Right to Buy	**(367)**	(200)
	6,112	3,314

6 Other Finance Expenditure

GROUP and COMPANY	2022 £'000	2021 £'000
Unwinding of discount on the SHPS (note 24)	**271**	214
Unwinding of discount on the Coastline Pensioners (note 23)	**(33)**	-
Amortisation of loan note fees	**375**	325
Valuation / Searches	**40**	33
	653	572

7 Interest Payable and Similar Charges

GROUP and COMPANY	2022 £'000	2021 £'000
On loans and bank overdrafts	**2,657**	4,774
Break costs	**5,314**	2,908
Interest capitalised on developments under construction	**(1,959)**	(1,499)
	6,012	6,183

The capitalisation rate used to determine the amount of finance costs capitalised in the period was 5.25% (2021: 5.25%).

8 Employees

(a) Number of employees

GROUP	2022 Number	2021 Number
Average total full-time and part-time employees during the year	**327**	315
Average number of full-time equivalents employed during the year	**289**	280
COMPANY		
Average total full-time and part-time employees during the year	**220**	220
Average number of full-time equivalents employed during the year	**186**	186

(b) Staff costs for the above employees

GROUP	2022 £'000	2021 £'000
Staff costs:		
- gross wages and salaries	**8,675**	7,307
- employer's National Insurance contributions	**673**	607
- employer's pension costs	**405**	352
	9,753	8,266

COMPANY	2022 £'000	2021 £'000
Staff costs		
- gross wages and salaries	**6,085**	5,213
- employer's National Insurance contributions	**486**	445
- employer's pension costs	**310**	268
	6,881	5,926

(c) The full time equivalent number of staff who received remuneration above £60,000:

GROUP	2022 Number	2021 Number
£140,001 to £150,000	**1**	-
£130,001 to £140,000	**-**	1
£120,001 to £130,000	**-**	-
£110,001 to £120,000	**3**	1
£100,001 to £110,000	**-**	2
£90,001 to £100,000	**1**	1
£80,001 to £90,000	**1**	-
£70,001 to £80,000	**5**	2
£60,001 to £70,000	**1**	5

COMPANY	2022 Number	2021 Number
£140,001 to £150,000	**1**	-
£130,001 to £140,000	**-**	1
£120,001 to £130,000	**-**	-
£110,001 to £120,000	**3**	1
£100,001 to £110,000	**-**	2
£90,001 to £100,000	**1**	1
£80,001 to £90,000	**1**	-
£70,001 to £80,000	**4**	2
£60,001 to £70,000	**1**	4

This includes the remuneration of Executive Officers, which is also disclosed in note 9.

9 Board Members' and Executive Officers' Emoluments

Key management personnel are the Executive Team who oversee the day-to-day operational running and, working with the Board and wider colleagues, identify and execute the Group's strategic direction. They are detailed on page 1 of these accounts.
The remuneration paid to the Executive Officers of the Group and the Board members during the year was as follows:

EXECUTIVE OFFICERS	**Salary £**	**Other emoluments £**	**Pension £**	**2022 Total £**	2021 Total £
Chief Executive A Young	124,541	17,931	10,337	**152,809**	135,648
Director of Housing, Assets and Communities, L Beard	104,095	15,397	8,640	**128,132**	112,582
Director of HR & Governance D Wingham Left February 2022	79,705	11,591	6,616	**97,912**	96,717
Director of Finance, People and Change N Mallows	103,381	14,563	4,506	**122,450**	107,999
Director of Development and Commercial Services, C Weston	97,440	13,674	8,088	**119,202**	105,314
TOTAL – COMPANY and GROUP	**509,162**	**73,156**	**38,187**	**620,505**	558,260

9 Board Members' and Executive Officers' Emoluments - cont'd

NON - EXECUTIVE DIRECTORS	2022 £	2021 £
M Duddridge (Chair)	**11,700**	-
S Harrison	**7,800**	6,298
P Bearne	**7,800**	7,500
S Roberts	**5,250**	5,000
J Waldron	**7,800**	7,500
F Perrin	**-**	3,125
C Pears	**5,250**	2,083
A Moore	**5,250**	3,021
K Harris	**5,250**	2,897
P Stephens	**7,150**	9,961
B Treleaven	**1,313**	-
D Barlow	**1,313**	-
K Kemp	**1,313**	-
M Tucker	**625**	-
D Law MBE	**-**	6,250
TOTAL - COMPANY AND GROUP	**67,814**	53,635

INDEPENDENT COMMITTEE MEMBERS	2022 £	2021 £
E Chapman	**2,000**	333
J De-Ville	**2,000**	333
K Kemp	**1,500**	333
L Denmead	**833**	333
M Gaunt	**167**	-
TOTAL - COMPANY AND GROUP	**6,500**	1,332

Expenses paid during the year to Board Members amounted to £3,790 (2021: £956).
No Non-Executive Directors participate in any of the four Group pension schemes. At the year-end four Executive Officers were members of one of the schemes (2021: five). At the year-end £nil of pension scheme contributions relating to Executive Officers remained unpaid (2021: Nil). One of the Executive Officers; Allister Young, was a statutory director in the year.In respect of the officer who held the Chief Executive's position during the year, pension arrangements were:

(a) As an ordinary member of the Social Housing Defined Contribution Pension Scheme.
(b) No enhancement or special terms were applied.
(c) No individual pension arrangement to which the Group makes a contribution.

10 Trusts

The Company is Sole Corporate Trustee of Garlidna (Penzance Almshouses) Trust, a registered charity. The income and expenditure of the Trust and its assets and liabilities, are incorporated within the Company and Group's financial statements. A transfer between reserves is performed annually for the deficit or surplus of income over expenditure. This transfer is included within the statement of changes in equity.

11 Intangible Fixed Assets

GROUP and COMPANY	Group £'000	Company £'000
Cost		
At 1 April 2021	1,711	1,661
Additions	55	55
Disposals	(63)	(63)
At 31 March 2022	**1,703**	**1,653**
Depreciation		
At 1 April 2021	(1,336)	(1,286)
Charged in year	(78)	(78)
Disposals	39	39
At 31 March 2022	**1,375**	**1,325**
Net book value		
At 31 March 2022	**328**	**328**
At 31 March 2021	375	375

12 Tangible Fixed Assets – Housing Properties

GROUP	Freehold Properties		Shared Ownership Properties		Garlidna Alms House	Total
	Completed	Under Construction	Completed	Under Construction		
Housing Properties	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost						
At 1 April 2021	215,469	54,395	25,949	13,901	368	**310,082**
Additions	5,030	10,156	834	5,188	-	**21,208**
Schemes completed	14,936	(14,936)	4,033	(4,033)		
Components Capitalised	2,882	-	-	-	-	**2,882**
Disposals	(2,049)	-	(84)	-	-	**(2,133)**
At 31 March 2022	**236,268**	**49,615**	**30,732**	**15,056**	**368**	**332,039**
Depreciation						
At 1 April 2021	(30,815)	-	(1,266)	-	(72)	**(32,153)**
Charge for the year	(3,904)	-	(335)	-	(4)	**(4,243)**
Eliminated on Disposals	655	-	35	-	-	**690**
At 31 March 2022	**(34,064)**	**-**	**(1,566)**	**-**	**(76)**	**(35,706)**
Net Book Value						
At 31 March 2022	**202,204**	**49,615**	**29,166**	**15,056**	**292**	**296,333**
At 31 March 2021	184,654	54,395	24,683	13,901	296	**277,929**

COMPANY	Freehold Properties		Shared Ownership Properties		Garlidna Alms House	Total
	Completed	Under Construction	Completed	Under Construction		
Housing Properties	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost						
At 1 April 2021	215,475	54,816	26,040	14,251	368	**310,950**
Additions	5,040	10,235	837	5,240	-	**21,352**
Schemes completed	14,936	(14,936)	4,033	(4,033)	-	**-**
Components Capitalised	2,882	-	-	-	-	**2,882**
Disposals	(2,049)	-	(84)	-	-	**(2,133)**
At 31 March 2022	**236,284**	**50,115**	**30,826**	**15,458**	**368**	**333,051**
Depreciation						
At 1 April 2021	(30,815)	-	(1,266)	-	(72)	**(32,154)**
Charge for the year	(3,904)	-	(335)	-	(4)	**(4,243)**
Eliminated on Disposals	655	-	35	-	-	**690**
At 31 March 2022	**(34,064)**	**-**	**(1,566)**	**-**	**(76)**	**(35,706)**
Net Book Value						
At 31 March 2022	**202,220**	**50,115**	**29,260**	**15,458**	**292**	**297,345**
At 31 March 2021	184,660	54,816	24,774	14,251	296	**278,797**

Included in the cost of housing properties is £4.859 million in respect of cumulative capitalised development administration costs (2021: £4.149 million) and cumulative capitalised interest of £9.479 million (2021: £7.520 million).

All housing properties are freehold. See note 3 for accommodation in management.

12 Tangible Fixed Assets – Housing Properties - cont’d

Valuation for disclosure only

The value of completed housing properties as at 31 March 2022 on an existing use value, Social Housing (EUV-SH) basis was £198.5 million (2021: £179.8 million).

For information purposes only, completed housing properties are valued at 31 March 2022 by Savills (UK) Limited, qualified professional independent external valuers.

The valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

In valuing housing properties, discounted cash flow methodology was adopted with key assumptions:

Social housing and shared ownership only

Discount rate 5.75%

Rent assumptions: Social rented CPI +1.0% thereafter, Shared ownership RPI +0.5% and Other rents RPI +1.0% or in accordance with any relevant lease or nominations agreements

13 Tangible Fixed Assets – Other

GROUP	Freehold offices £'000	Furniture, fixtures & fittings £'000	Computer hardware £'000	Plant, equipment & vehicles £'000	Community alarm equipment £'000	Total £'000
Cost						
At 1 April 2021	3,570	1,791	1,105	1,279	117	7,862
Additions	387	-	87	388	46	908
Disposals	(319)	(13)	-	(56)	-	(388)
At 31 March 2022	**3,638**	**1,778**	**1,192**	**1,611**	**163**	**8,382**
Depreciation						
At 1 April 2021	(693)	(1,143)	(822)	(617)	(37)	(3,312)
Charged in year	(67)	(126)	(163)	(248)	(11)	(615)
Disposals	125	13	-	56	-	194
At 31 March 2022	**(635)**	**(1,256)**	**(985)**	**(809)**	**(48)**	**(3,733)**
Net book value						
At 31 March 2022	**3,003**	**522**	**207**	**802**	**115**	**4,649**
At 31 March 2021	2,877	648	283	662	80	4,550

COMPANY	Freehold offices £'000	Furniture, fixtures & fittings £'000	Computer hardware £'000	Plant, equipment & vehicles £'000	Community alarm equipment £'000	Total £'000
Cost						
At 1 April 2021	3,570	1,774	1,105	792	117	7,358
Additions	387	-	87	368	46	888
Disposals	(319)	(1)	-	-	-	(320)
At 31 March 2022	**3,638**	**1,773**	**1,192**	**1,160**	**163**	**7,926**
Depreciation						
At 1 April 2021	(693)	(1,126)	(822)	(156)	(37)	(2,834)
Charged in period	(67)	(126)	(163)	(229)	(11)	(596)
Disposals	125	1	-	-	-	126
At 31 March 2022	**(635)**	**(1,251)**	**(985)**	**(385)**	**(48)**	**(3,304)**
Net book value						
At 31 March 2022	**3,003**	**522**	**207**	**775**	**115**	**4,622**
At 31 March 2021	2,877	648	283	636	80	4,524

14 Investments

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	£	£	**£**	£
Ordinary shares of £1 each – Coastline Services Limited	**-**	-	**75,000**	75,000
Ordinary shares £1 each – Coastline Design and Build Limited	**-**	-	**1**	1
Ordinary shares £1 each – Coastline Care Limited	**-**	-	**1**	1
Ordinary shares £1 each – Coastline Homes Limited	**-**	-	**100**	100
	-	-	**75,102**	75,102

The Company holds 100% of the share capital of Coastline Services Limited. Coastline Services Limited is a company incorporated in England and Wales (Company number 05558027). The principal activity of the company is the provision of maintenance and technical services, primarily in respect of affordable housing. Coastline Services Limited has agreements with Coastline Housing Limited for the provision of responsive and void maintenance as well as various planned investment works to existing properties. The accounts of Coastline Services Limited are available to the public and may be obtained from its registered office at Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall TR15 3RQ.

The Company holds 100% of the share capital in Coastline Design and Build Limited, which was incorporated on the 3 June 2015. Coastline Design and Build Limited is a company incorporated in England and Wales (Company number 09622238). The principal activities of the company are that of a commercial design and build contractor for new builds whose principal client is CHL. The accounts of Coastline Design and Build Limited are available to the public and may be obtained from its registered office at Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall TR15 3RQ.

The Company holds 100% of the share capital in Coastline Care Limited. Coastline Care Limited is a company incorporated in England and Wales (Company number 06665734). The company has been dormant since 1 April 2015. The accounts of Coastline Care Limited are available to the public and may be obtained from its registered office at Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall TR15 3RQ.

The Company holds 100% of the share capital of Coastline Homes Limited. Coastline Homes Limited is a company incorporated in England and Wales (Company number 10957677). The principal activities of the company is the design, construction and sale of residential housing. The accounts of Coastline Homes Limited are available to the public and may be obtained from its registered office at Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall TR15 3RQ.

15 Debtors

	GROUP		COMPANY	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Due within one year:				
Current tenants	**437**	1,500	**437**	1,500
Former tenants	**356**	242	**356**	242
Less provision for bad and doubtful debts	**(473)**	(332)	**(473)**	(332)
Total rent and service charges receivable	**320**	1,410	**320**	1,410
Trade debtors	**40**	54	**-**	-
Taxation and social security	**14**	1	**8**	(3)
Other debtors	**1,788**	2,702	**1,571**	2,702
Less provision for bad and doubtful debts	**(282)**	(328)	**(282)**	(328)
Prepayments and accrued income	**1,311**	483	**1,287**	465
	3,191	4,322	**2,904**	4,246

At 31 March 2020 the outstanding rent and service charge amount for current tenants of general needs and older persons properties (as benchmarked by 'HouseMark') was £183,668 (2019: £144,676) representing 0.87% (2019: 0.71%) of the annual rent debit.

16 Stock

	GROUP		COMPANY	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Shared ownership first tranches				
- Completed	**809**	1,356	**809**	1,356
- Work in progress	**5,539**	4,893	**5,539**	4,893
Outright sale properties				
- Completed	**8,768**	1,659	**8,768**	-
- Work in progress	**-**	-	**-**	-
Work in progress	**637**	488	**-**	-
	15,753	8,396	**15,116**	6,249

17 Cash and Cash Equivalents

	GROUP		COMPANY	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Cash at bank and in hand	**6,196**	12,065	**5,270**	11,721
Cash and cash equivalents per cash flow statement	**6,196**	12,065	**5,270**	11,721

There were no significant non-cash transactions in the year.
There are no restrictions on cash and cash equivalents held.

18 Creditors: amounts falling due within one year

	GROUP		COMPANY	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Trade creditors	**2,415**	1,391	**810**	629
Rent, service and other charges received in advance	**868**	1,043	**868**	1,043
Taxation and social security	**180**	-	**171**	-
Accruals and deferred income	**5,075**	8,047	**2,737**	4,512
Other creditors	**1,439**	1,055	**1,440**	1,055
Amounts due to subsidiary undertakings	**-**	-	**2,767**	2,397
RCGF Amendment	**-**	-	**-**	-
	9,977	**11,536**	**8,793**	**9,636**

Amounts due to subsidiary undertakings are trading balances repayable on demand and non-interest bearing.

19 Creditors: amounts falling due after more than one year

GROUP and COMPANY	2022 £'000	2021 £'000
Bank loans	**151,187**	140,926
Bond Premium	**38**	39
Private placement	**32,500**	32,500
Arrangement fees capitalised	**(1,990)**	(2,006)
	181,735	171,459
Deferred Capital Grant	**64,636**	61,981
Recycled Capital Grant Fund	**193**	93
	246,564	**233,533**

Total additional fees of £361,000 incurred in respect of new loan facilities (2021: £511,000) were capitalised during the year. During the year £377,000 (2021: £326,000) of capitalised fees were amortised.

The balance on Deferred Capital Grant shown above is net of amortised grant already released to the Statement of Comprehensive Income. Total Capital Grant received is £71.4 million (2021: £67.7 million).

Recycled Capital Grant Fund	2022 £'000	2021 £'000
Opening balance 1 April	**93**	221
Arising in the year	**193**	113
Applied to development schemes	**(93)**	-
RCGF Amendment	**193**	(20)
Closing balance 31 March	**129**	**314**

20 Debt Analysis

Debt is repayable as follows:

GROUP and COMPANY	2022 £'000	2021 £'000
Less than one year	**-**	-
Between two and five years	**46,827**	67,699
After five years	**136,860**	105,727
	183,687	173,426

Borrowing Facilities

The Group and Company has undrawn committed borrowing facilities. Undrawn facilities available at 31 March 2022 were as follows:

GROUP and COMPANY	2022 £'000	2021 £'000
Expiring in less than two years	**-**	-
Expiring between two and five years	**62,032**	47,325
Expiring in more than five years	**-**	-
	62,032	47,325

The main bank loans are secured by fixed charges upon a defined subset of the Company's lettable properties.

Financial Liabilities

The interest rate profile of the Group and Company's financial liabilities as at 31 March 2022 was:

GROUP and COMPANY	2022 £'000	2021 £'000
Floating rate	**71,027**	86,226
Fixed rate	**112,660**	87,200
	183,687	173,426

The weighted average period for which interest rates were fixed was 3 years (2021: 14 years), and the weighted average fixed interest rate was 3.62% (2021: 3.86%) including margins.

The fixed rate loans are for terms maturing between five years and 30 years at interest rates ranging from 1.00% to 7.70% including margins.

21 Non-equity Share Capital

The Company is limited by guarantee.

22 Financial Commitments

Capital expenditure commitments are as follows:

GROUP and COMPANY	2022 £'000	2021 £'000
Expenditure contracted for but not provided in the accounts	**25,548**	34,896
Expenditure authorised by the Board but not contracted	**56,269**	33,923

Of the £68.8 million of capital commitments at 31 March 2022, £21.4 million (2021: £15.1 million) will be funded by grant and other public finance. The remainder will be fully funded through existing loan facilities and cash balances. All contracted expenditure can be met within existing funding arrangements.

Operating Leases

At 31 March 2022 Group and Company future minimum lease payments payable under non-cancellable operating leases are as follows:

	GROUP		COMPANY	
Land and buildings, leases expiring	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
Within one year	**-**	-	**-**	-
In two to five years	**115**	151	**-**	-
	27	33	**-**	-
Vehicles, plant and equipment, leases expiring	**-**	11	-	7
Within one year	**66**	26	-	-
In two to five years	**66**	37	-	7

23 Pension Liabilities

GROUP and COMPANY	2022 £'000	2021 £'000
Social Housing Pension Scheme (SHPS)	**1,226**	3,196
Coastline Pensioners	**138**	184
	1,364	3,380

The 'Coastline Pensioners' are historic retirees who by virtue of agreements following restructuring post stock transfer in 1998, are paid an inflating pension until they die. These pensions are increased annually in accordance with local government pension scheme rules. Payments during the year to these pensioners were £13,000 (2021: £12,000). The carrying value of the liability of £138,000 (2021: £184,000) represents the discounted value of expected future payments discounted at 2.77% (2021: 2.22%).

24 Pensions

The Group participated in one pension scheme:

(1) Social Housing Pension Scheme (SHPS): Defined Benefit Pension Scheme

The Group participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme 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 completed 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.

The Scheme 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.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

a) Main actuarial assumptions used for the purposes of FRS 102:

	At 31 March 2022 **% per annum**	At 31 March 2021 % per annum
Discount Rate	**2.77%**	2.22%
Inflation (RPI)	**3.42%**	3.20%
Inflation (CPI)	**3.12%**	2.87%
Salary Growth	**4.12%**	3.87%
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 **(Years)** **31 March 2022**	Life expectancy at age 65 (Years) 31 March 2021
Male retiring in 2022 (2021: 2020)	21.1	21.6
Female retiring in 2022 (2021: 2020)	23.7	23.5
Male retiring in 2042 (2021: 2040)	22.4	22.9
Female retiring in 2042 (2021: 2040)	25.2	25.1

b) Scheme assets and expected returns:

	At 31 March 2022 £'000	At 31 March 2021 £'000
Global Equity	**2,072**	1,443
Absolute Return	**433**	500
Distressed Opportunities	**386**	261
Credit Relative Value	**359**	285
Alternative Risk Premia	**356**	341
Fund of Hedge Funds	**-**	1
Emerging Markets Debt	**314**	365
Risk Sharing	**356**	330
Insurance-Linked Securities	**252**	217
Property	**292**	188
Infrastructure	**769**	604
Private Debt	**277**	216
Opportunistic Illiquid Credit	**363**	230
High Yield	**93**	271
Opportunistic Credit	**38**	248
Cash	**37**	
Corporate Bond Fund	**720**	535
Liquid Credit	**-**	108
Long Lease Property	**278**	177
Secured Income	**402**	376
Liability Driven Investment	**3,013**	2,301
Currency Hedging	**(42)**	-
Net Current Assets	**30**	55
Total assets	**10,798**	**9,052**

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

c) The following amounts were measured in accordance with the requirements of FRS 102:

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability):

	At 31 March 2022 £'000	At 31 March 2021 £'000
Fair value of plan assets	**10,798**	9,052
Present value of defined benefit obligation	**12,024**	12,248
Surplus (deficit) in plan	**(1,226)**	(3,196)
Unrecognised surplus	**-**	-
Defined benefit asset (liability) to be recognised	**(1,226)**	(3,196)

24 Pensions - cont'd

d) Analysis of amount charged to operating profit in the period:

Defined benefit costs recognised in statement of comprehensive income (SOCI):

	Period from 31 March 2021 to 31 March 2022	Period from 31 March 2020 to 31 March 2021
Current service cost	**-**	-
Expenses	**11**	11
Net interest expense	**68**	30
Losses (gains) on business combinations	**-**	-
Losses (gains) on settlements	**-**	-
Losses (gains) on curtailments	**-**	-
Losses (gains) due to benefit changes	**-**	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**79**	41

Defined benefit costs recognised in other comprehensive income:

	Period ended 31 March 2022	Period ended 31 March 2021
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	**1,357**	865
Experience gains and losses arising on the plan liabilities - gain (loss)	**(890)**	271
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	**174**	(41)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	**1,139**	(3,111)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	**1,780**	(2,016)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	**-**	-
Total amount recognised in other comprehensive income - gain (loss)	**1,780**	(2,016)

e) Movement in deficit during the period:

Reconciliation of opening and closing balances of the defined benefit obligation:

	Period ended 31 March 2022	Period ended 31 March 2021
Defined benefit obligation at start of period	**12,248**	9,211
Current service cost	**-**	-
Expenses	**11**	11
Interest expense	**271**	214
Contributions by plan participants	**-**	-
Actuarial losses (gains) due to scheme experience	**890**	(271)
Actuarial losses (gains) due to changes in demographic assumptions	**(174)**	41
Actuarial losses (gains) due to changes in financial assumptions	**(1,139)**	3,111
Benefits paid and expenses	**(83)**	(69)
Liabilities acquired in a business combination		-
Liabilities extinguished on settlements		-
Losses (gains) on curtailments		-
Losses (gains) due to benefit changes		-
Exchange rate changes		-
Defined benefit obligation at end of period	**12,024**	12,248

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

	Period ended 31 March 2022	Period ended 31 March 2021
Fair value of plan assets at start of period	**9,052**	7,808
Interest income	**203**	184
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	**1,357**	865
Contributions by the employer	**269**	264
Contributions by plan participants	**-**	-
Benefits paid and expenses	**(83)**	(69)
Assets acquired in a business combination	**-**	-
Assets distributed on settlements	**-**	-
Exchange rate changes	**-**	-
Fair value of plan assets at end of period	**10,798**	9,052

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £1,560,000 (2021: £1,049,000)

25 Related Parties

Non-Executive Directors

One Non-Executive Director who served during the year (2021: one) has a standard tenancy agreement and is required to fulfil the same obligations and receive the same benefit as other Customers. There are no rental arrears to report as at year-end (2021: £nil).

Subsidiary companies

Coastline Housing (CHL) has subsidiaries which are not regulated by the Regulator of Social Housing: Coastline Services Limited (CSL); Coastline Care Limited (CCL); Coastline Design and Build Limited (CDB); and Coastline Homes Limited (CHM) (see note 28).

CSL's main business is the provision of building, maintenance and technical management services, which includes property and grounds maintenance work undertaken for CHL. The total value of work undertaken by CSL on behalf of CHL during the year was £5,992,977 (2021: £4,563,707). This is removed on consolidation in the Group financial statements. The total balance due to CSL from CHL at 31 March 2022 was £103,478 (2021: £530,779).

CCL was Dormant throughout the period to 31 March 2022 (2021: Dormant).

CDB's main business is that of a commercial design and build contractor for new builds whose principal client is CHL. The total value of work undertaken by CDB on behalf of CHL during the year was £24,271,151 (2021: £34,633,843). This is removed on consolidation in the Group financial statements. The total balance due to CHL from CDB at 31 March 2022 was £nil (2021: £3,525,113).

CHM's main business is the delivery of a wider range of housing options including an element of open market housing for sale where it forms part of wider development schemes that the Group is undertaking. The company commenced trading during the year ended 31 March 2019.

Coastline Housing provides certain administrative functions for the other Group companies, including financial, human resources and IT. These are recharged on the most appropriate basis, either on head count or on floor area of office space occupied.

All transactions with Group companies are on an arm's-length basis and on commercial terms.

26 Tax on Surplus on Ordinary Activities

Total tax expense recognised in the statement of comprehensive income, other comprehensive income and equity:

	GROUP		COMPANY	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Current tax:				
UK Corporation tax on profits for the year at 19% (2019 19%)	-	-	-	-
Adjustments in respect of previous periods	-	-	-	-
		-		-
Deferred tax:				
Origination and reversal of timing differences	-	(5)	-	-
Adjustments in prior periods	-	(1)	-	-
Effect of tax rate change on opening balance	-	-	-	-
	-	(6)	-	-
Total corporation tax	-	(6)	-	-

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%.

This will increase the company's future tax charge accordingly. Deferred tax has been calculated at 19% (2021: 19%).

Factors affecting the tax charge for the current year:

The current tax of £nil (2021: £6,000 credit) for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	GROUP		COMPANY	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Current tax reconciliation				
Profit on ordinary activities before gift aid and taxation	**7,834**	5,480	-	-
Current tax at 19% (2021: 19%)	**1,488**	1,041	-	-
Income not taxable in determining taxable surplus	**(1,394)**	(979)	-	-
Effect of gift aid	**(94)**	(54)	-	-
Effect of tax change in previous period	-	-	-	-
Deferred tax not recognised	-	(13)		
Effect of deferred tax in previous periods	-	(1)	-	-
Effect of tax rate on opening deferred tax balance	-	-	-	-
Losses carried forward	-	-	-	
Total current tax (credit) / charge (see above)	-	(6)	-	-

27 Provision for Liabilities

Deferred tax

	GROUP	
	2022 £'000	2021 £'000
At 1 April	-	6
(Released)/ charged in the year	-	(6)
Change in underlying rate of tax	-	-
At 31 March	-	-
Comprising:		
Accelerated capital allowances	-	-

The deferred tax liability at 31 March 2022 has been calculated based on the rate of 19%. .

28 Group Members

Coastline Housing Limited is the parent undertaking and has four subsidiaries being Coastline Services Limited; Coastline Care Limited; Coastline Design and Build Limited; and Coastline Homes Limited (see note 14).

29 Legislative Provision

The Company is a company limited by guarantee and is registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008. The registered provider number for Coastline Housing Limited is LH4165.

The Company is also a registered charity (registration charity no. 1066916).

30 Accounting Estimates and Judgements

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 13 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

Impairment of debtors

The Group makes an estimate for the recoverable value of rental arrears, trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

Pensions

FRS 102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected inflation rates, employee turnover, expected return on plan assets and discount rates. Substantial changes in the assumed development of any one of these variables may significantly change the Group's retirement benefit obligation and pension assets.

The impact of Covid-19 on Coastline's (closed to further accrual) defined benefit pension scheme assets and liabilities has been reflected in the accounts based on the triennial (2020) valuation results updated to current year's actuarial assumptions

Valuation of housing properties

The Group tests annually whether there are any impairment triggers that would require the Group to undertake a full impairment review of housing properties under FRS 102. In July 2015 the Government announced a 1% reduction for the next four years of rental income for social housing properties effective from 1 April 2016. This announcement was identified as an impairment trigger and accordingly a full impairment review was undertaken at the March 2016 year end.

There have been no such impairment triggers during the year ended 31 March 2022.

The recoverable value is assessed as the higher of fair value or value in use. The SORP considers depreciated replacement cost as a reasonable estimate for value in use taking into consideration the service potential of social housing. The valuation of housing properties at the year-end have therefore been assessed using depreciated replacement cost. These calculations require the use of assumptions and estimates, in particular in relation to the identification of cash generating units, expected replacement cost and the service potential of the asset.

Recoverability of stock and WIP

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Assessing net realisable value requires the use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Critical accounting judgements in applying the Group's accounting policies

There are no such judgements in either the current or prior year.

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