

# Coastline Housing Limited Consolidated Financial Statements for the year ended 31 March 2024



*Great Homes, Great Services, Great People*

**Coastline**  
housing



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Registered Number: 03284666

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

## Directors, Executive Team and Advisors

The Board	Role	From	To	Committee Membership	Meeting Attendance (Inc. Committees)		
					Max No	No Att	%
M Duddridge	Chair	01 July 2021	17 May 2023		3	3	100
S Harrison	Deputy Chair Chair	27 Sept 2018 25 May 2023	24 May 2023		15	13	87
A Young	Chief Executive	09 Oct 2014			16	16	100
A Moore	Non-Executive Director Vice Chair Interim Chair	01 Sept 2020 25 May 2023 24 Jan 2024	24 May 2023 08 Nov 2023		14	14	100
K Kemp	Non-Executive Director	01 Jan 2022			13	12	92
C Pears	Non-Executive Director	01 Mar 2021			18	18	100
K Harris	Non-Executive Director	01 Sept 2020 24 Jan 2024	08 Nov 2023		17	17	100
B Treleven	Interim Vice Chair	09 Nov 2023	23 Jan 2024		15	12	80
P Doddrell	Non-Executive Director	01 Jan 2022			18	14	78
G Pipkin	Co-opted Non-Exec Director	01 Apr 2022			4	4	100
D Barlow	Non-Executive Director	01 Jan 2022			18	16	89
M Tucker	Ind. Committee Member Co-opted Non-Exec Director	01 Jan 2022 01 Jan 2024	31 Dec 2023		8	7	88
E Chapman	Ind. Committee Member	01 Jan 2024			4	2	50
C Jones	Ind. Committee Member	01 Feb 2021			4	4	100
M Gaunt	Ind. Committee Member	01 Sept 2022			4	4	100
S Curtis	Ind. Committee Member	01 Mar 2022			4	4	100
D Willcocks	Ind. Committee Member	01 Sept 2021			4	4	100
D Willcocks	Ind. Committee Member	01 Jan 2024			1	1	100
K Surgenor	Ind. Committee Member	01 Jan 2024			1	1	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	ARAC Audit Risk and Assurance Committee
CDB Coastline Design & Build Limited	PIC Property Investment Committee
CCL Coastline Care Limited	People Committee
CHM Coastline Homes Limited	CEC Customer Experience Committee
CSL Coastline Services Limited	

### The Executive Team

	From	To
A Young	Chief Executive	9 Oct 2014
L Beard	Deputy Chief Executive (with responsibility for Housing, Assets and Communities)	26 Nov 2007
N Mallows	Director of Finance, People and Change	25 Jan 2016
C Weston	Director of Development and Commercial Services	1 Mar 2016

### Company Secretary

	From
R Wilde	Head of Governance, Risk and Assurance

## Corporate Information

### Advisors

Principal Solicitors Trowers & Hamlins, The Senate, Southernhay Gardens, Exeter EX1 1UG  
Stephens and Scown, Osprey House, Malpas Road, Truro, Cornwall TR1 1UT

### Funders

Santander, 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  
Saltire Finance plc, 1 Bartholomew Lane, London EC2N 2AX  
Homes England, 50 Victoria Street, Westminster, London SW1H 0TL  
Lloyds Bank plc, 10 Gresham Street, London, EC2V 7AE  
NatWest plc, 4 Commercial Square, Camborne TR14 8EB  
PKF Francis Clare, Lowin House, Tregolls Road, Truro TR1 2NA  
Bishop Fleming, Chy Nyverow, Newham Road, Truro TR1 2DP

### Bankers

### External Auditor

### Internal Auditor

## 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 2023/24

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 provision of extra care 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 1.

# Chair's and Chief Executive's Report

This year has been a productive and successful one for Coastline. Although our operating environment has remained challenging in many ways, we have seen some pleasing results and some great achievements across the year.

We have seen additional legal and regulatory requirements introduced across the sector and it has been a key point of focus for us to make sure we were prepared for these. We maintained our 'G1' governance rating and were ready for the new approach to consumer regulations introduced from 1 April 2024. We also put a large amount of work into ensuring we were on top of other aspects of the Social Housing Regulation Act, such as the newly introduced Awaab's Law.

The introduction of this law meant a renewed focus on damp and mould for the sector as a whole and, here at Coastline, we worked hard to raise awareness among customers of the importance of reporting any suspected damp and mould issues as soon as possible. We also worked with customers to improve communications around this issue and created our own in-house team specifically to focus on damp and mould issues.

The results from the first year of our Tenant Satisfaction Measures customer survey, that we undertook in Summer 2023, are set out in this report. We are pleased with a very strong set of results, with customer satisfaction scores well above average (often in the top quartile), and 100% compliance against the landlord health and safety measures. Of course, the important thing is to use the feedback from customers as a chance to learn, so we have plans in place to look at where we can improve further, and have ambitions to see even higher results for the second year of the survey.

The ongoing cost of living crisis has been hard for customers and we have continued to provide support in different ways. Our Income and Welfare Reform colleagues carried out around 700 in-person visits to customers that specifically expressed concerns about navigating the cost of living crisis. Across the last financial year, we supported 268 households through our Sustainability Fund, spending £82,898.

People in crisis have received help with items such as food and energy vouchers, heating oil, white goods, carpets, mobile phones, and school uniforms. The team also managed to obtain £20,599 in Discretionary Housing Payments last year from Cornwall Council, supporting 41 customers to clear rent arrears and sustain tenancies.

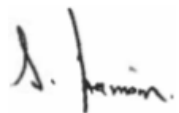
From a development perspective, we completed 191 more new affordable homes and started on site with 54 more during the year. This included the completion of our largest development yet at Quintrell Downs. We were delighted that for the 7th year in a row we earned a place on a top ten list of the fastest growing housing associations nationally. We came in at number four in a list looking at how many new homes housing associations were building as a percentage of current stock.

From a People and Culture perspective, we looked at how we can continue to encourage all our 'great people' to be the very best at what they do, and how we can support them holistically with other benefits and rewards. Just after the financial year closed, we were delighted to share the news with colleagues that we received Investors in People Gold (a step up from our previous silver award) and received a Living Pensions award for the work we have done in committing to a Living Pension for all colleagues.

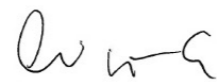
During the 2023 calendar year we raised a fantastic £9,160 for local Community Interest company Man Down. We fundraise for a different local cause each year and in 2023 colleagues decided they wanted to support Man Down. Sadly, a number of colleagues had been affected in some way by male suicide and mental health problems and everyone came together to agree that it was an important issue to support and raise awareness of.

Looking ahead to the next year, we see exciting times ahead but also times of change. Steve Harrison reaches the end of his six-year tenure on our Board and will therefore be stepping down as Chair.

We look forward to welcoming Francesa Rhodes as Chair to take Coastline forward on the next step of its journey. This will also see us updating our Coastline Plan 2021-2025 to set the scene for what is to come for Coastline over the next five years. With our new Chair, strong board and team of great people, we feel we are well placed to work with the new Government and continue to make a real difference in our work as a social landlord.



**Steve Harrison**  
Chair



**Allister Young**  
Chief Executive

# Strategic Report and Performance Highlights

## Performance Highlights



### Our homes

- **5,473** properties with a valuation of **£242.9** million
- **86** homes managed for Legal and General Affordable Homes
- **191** new homes completed in the year, of which **84** were affordable homes
- Number of new shared ownership owners - **88**
- Shared owners who converted to full ownership - **6**
- **54** homes started on site

### Maintenance of our homes

- **£14.3** million repairing and improving homes (expenditure on works to existing properties)
- **21,344** repairs of which **3,403 (16%)** were emergencies
- **101** kitchens fitted
- **79** new bathrooms



### Our financial strength

- **£48.2** million turnover
- **£8.2** million operating surplus
- **17%** operating margin
- **£52** million available liquidity



### Our customer satisfaction

- Tenant Satisfaction Measure (TSM) Overall **81%**
- **107** second average call wait time
- **71,524** customer contacts made
- **39,638** telephone calls answered



### Our customer-led services

- **93** people helped back into work or training
- **642** people helped by our homeless service



### Levels of compliance

- Gas **100%** domestic, **100%** communal
- Electrical (5-year) **99.78%** domestic, **100%** communal & (10 year) **100%** domestic and communal
- Fire **100%** communal



### Our new customers

- **520** families moved into our homes in the year



**G1 V2** ✓

**Regulator Rating – November 2022**

- Governance: G1
- Viability: V2

# Who Are We?

Coastline Group is one of the leading providers of affordable housing in Cornwall, providing 5,473 homes for more than 11,739 people, employing over 360 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 **5,473**. 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 **191** new homes, including **84** affordable rented homes for general needs, **88** for shared ownership, **5** open market homes, **1** Rent to Buy and **12** social rented homes.

We have **5,473** owned and managed properties and **99** that we manage but do not own.

## Property numbers

	2020	2021	2022	2023	2024
<b>Property Stock</b>	No.	No.	No.	No.	No.
Social housing rented	4,364	4,426	4,511	4,589	4,616
Shared ownership	370	409	456	522	606
Market rented	6	5	3	2	1
Managed but not owned	54	69	89	86	99
Leasehold properties	114	117	126	128	151
<b>Total Housing Stock</b>	<b>4,908</b>	<b>5,026</b>	<b>5,185</b>	<b>5,327</b>	<b>5,473</b>
Garages	685	660	704	710	697
<b>Total Property Stock</b>	<b>5,593</b>	<b>5,686</b>	<b>5,889</b>	<b>6,037</b>	<b>6,170</b>

# Strategy, Objectives and Performance

2023/24 was our third year of our Coastline Plan 'Great Futures' 2021-2025 and our second year of our Development Strategy, Environment Strategy and People & Culture Strategy. These, along with our Asset Management Strategy and Homes, Communities & Customer Experience Strategy set our strategic priorities and commitment to demanding targets for our business.

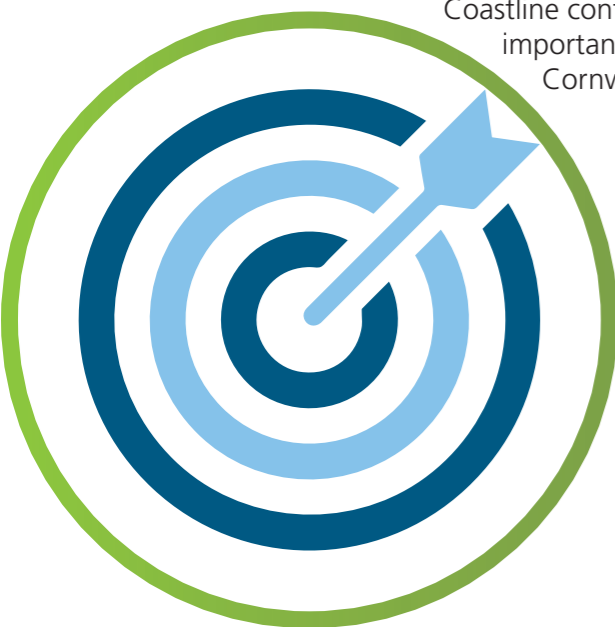
A high-level summary of the Coastline Plan can be found below.

Our Financial Statements set out our performance in relation to this, with levels of service and investment performing well.

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 2023/24 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 continues to develop its approach to partnership working as an important aspect of what is required to solve the Housing Crisis in Cornwall.



## Coastline Plan 2021-2025

During 2023/24 Coastline set **64** targets for the year to help track progress against the **17** aims of the Corporate Plan. Our progress at year end was **75%** of these targets were achieved, with only **4%** of targets significantly off track.

	 Great Homes	 Great Services	 Great People	 Great Foundations	Total March 24
On track	17	13	9	9	48
Slightly off-track	5	4	2	2	13
Significantly off-track	2	0	1	0	3
Not completed/ failed	0	0	0	0	0
<b>Total</b>	<b>24</b>	<b>17</b>	<b>12</b>	<b>11</b>	<b>64</b>

# Our key highlights for the year are: Great Homes



## What went well

- Ensuring minimum 'good' CQC rating is maintained at Miners Court. Excellent effort has been made by the team to work towards an Outstanding Care Quality Commission (CQC) inspection. A variety of improvements have been made to the service including extensive work on medication and supporting procedures, developing training courses that are specific for Extra Care (i.e., Manual Handling Train the Trainer), preparation for the new CQC changes to the Key Lines of Enquiry and the introduction of a digital care planning system (Birdie).
- Delivery of our full Planned Maintenance/Investment programme for 2023/24, meeting customers' expectations and the needs of our Stock Condition Survey (SCS) and Environmental Strategy.
- Completion of a number of 'non-standard' but critical areas of asset investment, including: successful completion of 2022/23 'Dragons Den' project at Matela Close/Wheal Rose, completion of outstanding works at fire damaged properties, replacement of roof and balconies at our Spinnakers scheme.
- Maintained 100% compliance against the 'big six' technical fields of compliance (Gas, Electrical, Legionella, Asbestos, Fire, Lifts).
- Established an in-house Damp and Mould Team to undertake surveys and prevent/react to damp and mould cases in Coastline properties. We also produced customer information videos on our website and were invited by Housing Ombudsman Service record a podcast to share our good practice approach to managing damp and mould which was made available on their website in February 2024.
- Successful completion of 'Heat the Streets' project with Kensa where 38 energy efficient ground source heating systems were installed in place of oil boilers. This award-winning project used EU funding at around a third of the full cost, connecting a ground source heating supply to several properties at one time.
- Our satisfaction results of the new Tenancy Satisfaction Measure TP11 (satisfaction that the landlord makes a positive contribution to neighbourhood) saw performance of 65.1% against a sector median of 62.5%.

## What didn't go as well

- The number of homes completed were 19 lower than planned as result of delays in pre-construction areas and delays on site.
- 2023/24 targeted 200 homes to start on site but only 40 was achieved. This is mainly as a result of planning being significantly delayed on schemes which has resulted in delays to starts on site. 2024/25 is targeting 284 and to maintain that pace of growth in future years.
- Customer satisfaction with the quality of the home at 91% (SAT07) compared to a target of 95%.
- Implementation of a replacement asset management system, including enhanced ability reporting on Decent Homes and HHSRS was planned for September 2023 but this has now been revised to October 2025.

## Great Services

### What went well

- Overall satisfaction, measured in the new tenancy standards TP01, saw performance of 80.5% against a sector median of 69.4%;
- Satisfaction that the landlord listens to tenant views and acts upon them, measured by TP06, saw performance of 64.0% against a sector median of 58.4%
- Customer assessed repair "right first time" achieved 89.8% against a target of 85%.
- Re-procured our "out of hours" service through the Procurement for Housing (PfH) Framework Agreement
- Completed and implemented the findings for our 2022/23 customer focused review of our responsive repairs service, to improve customer service and capacity.

### What didn't go as well

- ✂ Delays to implementing new systems for our shared ownership sales and finance teams. Both are expected to complete in 2024/25.
- ✂ Our customer satisfaction with how complaints are handled achieved 55% against a target of 70%, which Coastline is committed to improving. Whilst we are under our target, when benchmarked against results in the sector, we continue to be above the sector median.

### Great People

#### What went well

- 👥 With the cost of living continuing to affect household finances, Coastline has sought to support as many households as possible through the cost-of-living crisis. The scope of this area of work focused on further embedding the Sustainability Fund to support households directly with their finances and exploring further avenues of supporting customers with their household expenditure. Coastline has expanded the range of resources and information available to customers and linked this to the update of Coastline's website. As well as sharing information during informal customer contact, Coastline has also carried out various campaigns over the year, focusing on support, benefits and Government cost of living payments.
- 👥 Colleagues have also visited approximately 700 households that expressed concern about the cost of living during the customer survey. As well as providing the customer with guidance and information about their finances, customers have been referred for more specialised support such as to Community Energy Plus, StepChange, Christians Against Poverty, and Citizens Advice. Coastline's own Welfare Reform Team has worked with 274 households since January 2023 and Coastline have supported 268 households through the Sustainability Fund.
- 👥 Successful accreditation from Ofqual for training programmes delivered by Homeless Service and delivery of training programmes.
- 👥 Roll out of year 2 of Insights training, focusing on teamworking, communication, skills of giving and receiving feedback (working towards 'radical candour')
- 👥 Successful Investors in Volunteers re-accreditation

#### What didn't go as well

- 👥 There have been five RIDDORS (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) against a zero target. The target acknowledges that this may not be achievable but Coastline continue to positively report all incidents and learn from them.

### Great Foundations

#### What went well

- 🏠 Managed loan covenant headroom in line with our risk appetite, with gearing headroom in excess of £23.2 million and interest cover headroom of £1.1 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.
- 🏠 Transacted £10 million of stand-alone interest rate swaps as part of the interest rate management strategy.

#### What didn't go as well

- 🏠 In 2023/24 we planned to sell the remaining open market units at our Quintrell Downs site in Newquay. Following a period of slower sales and the potential continued risk with the sales market following the 'mini-budget', in November 2023 a decision was made to convert the remaining 28 open market sales units to shared ownership. Whilst this decision did not generate the cash receipts expected for 2023/24; it has meant that Coastline de-risked our financial performance whilst maintaining ownership of these homes and securing affordable home ownership for local families.

## 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 VfM 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 VfM 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 VfM 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, that colleagues and customers were extensively involved in setting the aims of the plan in an inclusive 'bottom up' way. All colleagues are encouraged and supported to develop and propose improvements in what we do and how we do it. 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 Committee specifying and reviewing a suite of performance information that they consider important. Performance reporting to Customer Voice is primarily via the Coastline Conversation which provides a regular update to the Customer Experience Committee meetings.



## Our key VfM metrics

A summary of our performance across our key areas is provided below, including details of performance in line with the Regulator for Social Housing VfM Metrics:

RSH Reference Indicator	Confirmed Results						Current Year	Budget
	2016/17	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Metric 1 – Reinvestment %	17.5%	18.0%	13.0%	13.3%	8.1%	8.9%	<b>11.9%</b>	17.1%
Metric 2 – New Supply Delivered % (a – Social housing units)	3.4%	3.2%	5.3%	2.8%	3.6%	3.3%	<b>3.6%</b>	3.9%
Metric 2 – New Supply Delivered % (b – Non-social housing units)	0.0%	0.0%	0.0%	0.1%	0.0%	0.4%	<b>0.2%</b>	0.0%
Metric 3 – Gearing	57.1%	57.2%	55.6%	57.4%	59.2%	54.7%	<b>54.3%</b>	56.3%
Metric 4 – EBITDAMRI Interest Cover (note different to Coastline loan covenants basis, exc. Capitalised interest)	141.1%	187.8%	184.7%	123.0%	103.0%	88.0%	<b>112.0%</b>	103.6%
Metric 5 – Headline Social Housing Cost Per Unit	£3,256	£3,161	£3,320	£3,930	£4,431	£4,679	<b>£4,483</b>	£4,386
Metric 6 – Operating Margin (a – Social Housing Lettings)	35.6%	35.9%	31.8%	29.3%	22.9%	18.0%	<b>22.0%</b>	23.7%
Metric 6 – Operating Margin (b – Overall)	34.0%	31.1%	26.2%	26.7%	20.4%	18.2%	<b>17.0%</b>	19.6%
Metric 7 – Return on Capital Employed (ROCE)	5.0%	5.9%	5.8%	4.1%	4.4%	3.0%	<b>4.1%</b>	7.5%

RSH Reference Indicator	Sector LQ	Sector Median	Sector UQ	*SW Median	Coastline Trend	2023/24 to SW Median	2023/24 to Sector Median
	<b>2022/23</b>						
Metric 1 – Reinvestment %	4.3%	6.7%	9.4%	7.0%			
Metric 2 – New Supply Delivered % (a – Social housing units)	0.6%	1.3%	2.2%	1.4%			
Metric 2 – New Supply Delivered % (b – Non-social housing units)	0.0%	0.0%	0.0%	0.0%			
Metric 3 – Gearing	33.4%	45.3%	53.7%	40.5%			
Metric 4 – EBITDAMRI Interest Cover (note different to Coastline loan covenants basis, exc. Capitalised interest)	88.7%	128.4%	169.3%	158.0%			
Metric 5 – Headline Social Housing Cost Per Unit	£4,082	£4,586	£5,847	£4,341			
Metric 6 – Operating Margin (a – Social Housing Lettings)	14.4%	19.8%	25.5%	18.8%			
Metric 6 – Operating Margin (b – Overall)	12.0%	18.2%	23.0%	18.7%			
Metric 7 – Return on Capital Employed (ROCE)	2.2%	2.8%	3.6%	3.0%			

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

In addition to the reporting within the Statutory Accounts Coastline also produces as many of the measures from the Sector Scorecard as possible from the [Sustainability Reporting Standard](#) in a separate document later in the year.

The Sustainability Reporting Standard for Social Housing (SRS) is an environmental, social and governance standard designed to help the housing sector measure, report and enhance ESG performance in a transparent, consistent and comparable way.



## Great Homes

We have completed 191 homes, a 3.5% rate of growth, during the year:

- **84** Affordable rent
- **1** Rent to Buy
- **88** Shared Ownership
- **13** Social Rent and
- **5** Open rent

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.

This ambitious but thorough approach has seen us become one of largest providers of new affordable homes in Cornwall, and for the last seven years we have featured in the Inside Housing top ten fastest growing housing associations (based on units delivered by size). This is against a continually challenging market for any new home delivery 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 2023/24, only 16% of our repairs were classed as an emergency.

Customer satisfaction results have seen a significant shift with the Regulator requirements on customer satisfaction surveying and reporting which were [published](#) on the 23 March 2023 and saw a change from Coastline's voluntary reporting on satisfaction which had been completed with the support of the Institute of Customer Services between 2020 and 2023.

The 2023 survey was supported by Acuity Research and Practice Ltd, who provide a range of resident satisfaction, benchmarking and social housing research and reported to the Regulator in June 2024.

Our initial results, collected in Summer 2023, were encouraging. We expect our overall satisfaction score of 81% to be above sector median, and we await with interest the publication of other registered providers performance so that we can better understand the relative service delivery of our business and continue to strive to services to our customers and communities that is of the best quality.

## Great People

Whilst our headline social housing cost per unit has increased over the previous years, 2023/24 saw a slight reduction and is under the sector median. Our costs have increased to reflect previous investment, not only in our customer's homes, but in our colleagues, but this has been offset by the growth in number of homes. We continue to ensure 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. All salaries were subject to an external benchmarking exercise completed by professional advisors in January 2024 alongside explicit additional benchmarking of a number of trades where colleague retention and the external market place were considered of potential concern. The key aim of this work is to ensure that our pay reflects others in the sector, south west and Cornwall more specifically to ensure that pay levels are in line with median rewards levels.





## Great Foundations

Our approach to the strategic financial stewardship is expressed through a primary focus on our EBITDAMRI ratio to interest payable, essentially operating cashflows. We seek to maintain a healthy balance on risk mitigation and deploying our resources effectively by planning in the longer-term to exceed 135% EBITDAMRI but accepting below this in any one financial period to ensure customer service, property quality as well as colleague health and wellbeing.

During 2023/24, we continued our investment in our customers' homes. 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.

Operating margin fell to 17% due to the loss on shared ownership activity, caused by a provision for 72 future first tranche sales following an increase in scheme costs for four schemes on site. However social housing lettings increased to 22% from 18.2% due to significant investment in our planned and cyclical investment in 2022/23.

While we focus on interest cover as our main strategic financial planning tool, we still maintain a focus on our operating margin. While this measure reduced, in line with the rest of the sector, following the period of 1% rent reductions from 2016 to 2020, our comparison position moved to upper quartile. Despite the focus on interest cover, the Board keep the operating margin under constant review, as this helps with assessing Coastline's performance both in isolation and in the wider industry setting.

Over the past four years, we have taken advantage of our EBITDAMRI headroom by negotiating with lenders to reduce long-term interest cost liabilities by paying any mark to market costs. The change in interest rate environment over the last 24-months has seen a continual period of upward movement in rates. We have protected Coastline's exposure during this time by continuing to expand the trading on our ISDA platforms with Santander and NatWest.

Our gearing continues to increase as we invest to build new affordable homes of various tenures. Whilst the final number of completions was below expectation during 2023/24, it is a level of completions which sees Coastline within the top 10 fastest growing housing providers for the seventh year in a row. We are the only organisation in the country 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

	2020	2021	2022	2023	2024
<b>Statement of Consolidated Income</b>	£m	£m	£m	£m	£m
Turnover: continuing activities	30.5	33.4	38.5	36.7	48.2
Turnover: Shared Ownership Sales	6.5	3.9	7.1	5.1	8.1
Income from lettings	24.5	26.0	27.2	28.7	32.0
Property depreciation	3.5	4.0	4.2	4.5	5.4
Operating surplus before housing sales	8.8	8.4	7.0	6.5	8.4
Operating surplus from social housing lettings	7.8	7.6	6.2	5.1	7.1
Operating surplus	9.7	8.9	7.9	6.7	8.2
Surplus for the financial year	10.9	7.5	7.4	6.3	7.3

### Statement of Financial Position

Housing properties	245.7	277.9	296.3	318.6	354.5
Cash and cash equivalents	5.1	12.1	6.2	61.5	5.7
Indebtedness	143.4	173.4	183.7	235.7	198.1
Total reserves	55.8	59.1	68.5	74.8	82.0

### Statistics

Operating margin	26.2%	26.7%	20.4%	17.2%	17.0%
Operating margin excluding sales	36.7%	28.5%	22.6%	20.6%	24.0%
Surplus as % of turnover	35.7%	22.5%	19.2%	17.2%	17.0%
Operating margin social housing lettings	31.8%	29.3%	22.9%	18.0%	22.0%
Rent losses	£403,000	£585,000	£459,000	£380,000	£336,000
Gearing (tightest covenant)	50.6%	52.0%	53.6%	59.1%	58.1%
EBITDA – MRI interest cover (tightest covenant)	218.0%	144.3%	131.3%	119.9%	126.5%
	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>
Total social and supported rental	4,418	4,495	4,600	4,675	4,715
Total low costs home ownership	370	409	456	522	606
Total leasehold and market rent	123	122	129	130	152
<b>Total housing</b>	<b>4,911</b>	<b>5,026</b>	<b>5,185</b>	<b>5,327</b>	<b>5,473</b>

The results remain strong for 2023/24 and we have delivered a surplus for the year of £7.3 million (2023: £6.3 million). This surplus is stated after £6.6 million profit from property sales and £11.6 million costs to maintain our existing properties

We achieved first tranche sales of 72 against a target of 70, delivering an operating margin of £0.7 million versus a target of £0.7 million. However, a provision of £960,000 for 72 future first tranche sales has been included following an increase in scheme costs for four schemes on site. Our outright sale of 19 homes against our target of 20, achieving an operating margin of break-even.

The surplus for the year meant we increased our net assets by £7.2 million with housing properties increasing by £35.9 million. We spent £23.3 million on housing under construction and completed 191 new homes with a value of £20.7 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.

The Board have taken the strategic view that Coastline should utilise its resources to invest in existing homes and services and in new homes, rather than protecting the operating margin (beyond what is appropriate for sensible risk management purposes).

Continuing 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.



## 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 2024, the breakdown of borrowings was as set out below:

	Arranged £m	Drawn £m	Undrawn £m
Bank loans	209.3	157.3	52.0
Bond issues	8.3	8.3	-
Private placement	32.5	32.5	-
<b>Total funding</b>	<b>250.1</b>	<b>198.1</b>	<b>52.0</b>

Borrowing facilities are at both fixed and floating rates of interest in order to manage exposure to interest rate fluctuations. At 31 March 2024, fixed rates of interest ranged from 1% to 7.1%.

Type of exposure	Actual	Minimum	Maximum
Fixed rate	195.6	97.8	195.6
Floating rate	2.5	0.0	97.80

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 five years.

At the year-end, our drawn borrowings of £198.1 million were repayable as follows:

	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m
Within one year	1.0	-	-	-	-
Between one and two years	-	-	-	-	-
Between two and five years	36.0	67.7	46.8	89.5	48.5
After five years	106.4	105.7	136.9	146.2	149.6
<b>Total borrowings</b>	<b>143.4</b>	<b>173.4</b>	<b>183.7</b>	<b>235.7</b>	<b>198.1</b>

2022/23 had a higher level of debt due to completion on a new £50 million facility with ARA Venn at the end of the financial year but the excess facilities were repaid at the beginning of 2023/24.

Cash inflows and outflows are shown in the Group cash flow statement on page 39. The net decrease in cash was £55.9 million, predominantly due to the investment in our new and existing homes and net repayment of £37.6 million of loans.

## Governance

### BOARD

#### AUDIT, RISK AND ASSURANCE COMMITTEE

Responsible for overseeing risk and assurance, financial management, internal and external audit, and review of the Asset & Liability Register

Members:

Karen Harris (Chair)  
Charles Pears (NED)  
David Barlow (NED)  
Paul Doddrell (NED)  
Michelle Tucker (Co-optee)

#### PEOPLE COMMITTEE

Responsible for assisting the Board to meet its strategic responsibilities in relation to its people activities and developments in ever changing working and operational environments

Members:

Charles Pears (Chair)  
Karen Harris (NED)  
Ben Treleaven (NED)  
Steve Harrison (NED)  
Andrew Moore (NED)  
Keith Surgenor (Independent Member)

#### PROPERTY AND INVESTMENT COMMITTEE

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

Members:

Andrew Moore (Chair)  
Steve Harrison (NED)  
Charles Pears (NED)  
Ben Treleaven (NED)  
Darren Willcocks (Independent Member)  
Allister Young (CEO)

#### CUSTOMER EXPERIENCE COMMITTEE

Responsible for overseeing the customer experience for Coastline's customers

Members:

Kelly Kemp (Chair)  
David Barlow (NED)  
Paul Doddrell (NED)  
Gill Pipkin (Co-optee)  
Edward Chapman (Customer)  
Clare Jones (Customer)  
Steve Curtis (Customer)  
Molly Gaunt (Customer)

### EXECUTIVE TEAM

The Board is composed of nine non-executive members, two co-opted 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. 2023/24 saw the launch of our new non-executive directors development programme which is about equality, diversity and inclusion and building capacity for future succession planning for us and the wider sector.

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 2023/24 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 Committee is a committee of Customers and non-executive directors 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 **35** regularly involved customers and a further **70** volunteers working with us. In addition, we surveyed **4,911** 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 giving fair and equal treatment to people and our EDI plan sets out how we employ a diverse profile of great people who are representative of the communities we serve. This helps us provide equal access to great services for our customers.

Fuller details of our approach and commitments can be found on our website under the EDI section where our Annual Equality, Diversity and Inclusion Statement is published: [Annual EDI position statement and action plan 24 25 Web Version.pdf \(coastlinehousing.co.uk\)](#)

Coastline retains accreditation as both a Living Wage Foundation and Living Pensions Employer and sees these as being an important aspect of avoiding poverty within our business. Coastline also has level 3 Disability Confident status which allows us to be recognised for the work we do. It also enables us to be more proactive in attracting and supporting different candidates and volunteers into Coastline.



## Gender Pay Reporting

	April 2024		April 2023	
	Male	Female	Male	Female
Group Head Count	188	173	168	185
Mean Hourly Rate	£16.55	£16.11	£15.50	£14.42
Median Hourly Rate	£14.89	£14.16	£13.44	£12.62
Mean Bonus	£1141.92	£950.34	£371.51	£384.26
Median Bonus	£1025.88	£842.45	£500.00	£425.68
% Not receiving bonus	13.30%	9.25%	23.81%	15.68%

The gender pay gap for 2023/24 was 2.66% (6.97% in 2022/23). We continue to remain committed to an approach to pay, recruitment and retention and continue to strive to improve on this position.

The most significant change is in relation to the headline performance bonus amounts, which were awarded for 2023/24 due to the improved financial performance during the year, alongside strong performance against the aims of the Coastline Plan. Furthermore, the mean hourly rate figures have increased by around 12% which will have been as a result of annual pay increases and the on-going adoption of the living wage.

Band	Pay Quartiles by gender (adjusted rate which includes bonus)				Description
	April 2024		April 2023		
	Male	Female	Male	Female	
1	49%	51%	51%	49%	Includes all employees whose hourly rate places them at or below the lower quartile
2	43%	57%	30%	70%	Includes all employees whose hourly rate places them above the lower quartile but at or below the median
3	52%	48%	55%	45%	Includes all employees whose hourly rate places them above the median but at or below the upper quartile
Highest	64%	36%	55%	45%	Includes all employees whose hourly rate places them above the upper quartile

During 2023/24, we employed more employees within maintenance services staff, who were mainly male alongside a decision to increase pay to reflect the current market salaries for similar roles within in Cornwall. This is offset against current vacancies within our extra care service who predominately tend to be female. The gender balance within the highest pay band was impacted by a restructure and reduction in head count in our development team, which is predominantly female.

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 5.64:1 (2023, 5.15:1).

Further details of Executive and staff salaries can be found in the Notes to the Financial Statements (note 9, page 55).



# 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 of Practice. 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; and
  - All aspects of Employment Law.
- Creating and maintaining an environment where our priority is to care for our people, and those who work with us. We believe that all accidents are preventable and therefore operate an open environment to encourage, report and therefore learn from incidents. Coastline's Safety, Health and Environmental (SHE) Policy is reviewed annually by Board. There are quarterly Management reviews of SHE performance from which the minutes are reported to Executive Team meetings. Board receive a SHE performance report including statistics of accidents, incidents and near misses each quarter.
- 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; of which our risk and assurance policy was reviewed and updated within 2023/24;
- Customer Scrutiny – Direct lived experience from Coastline communities is brought to the Executive Team and the Board through the Customer Voice, Customer Experience Committee and a complaints process, which meets expectations of the Housing Ombudsman Service Complaint Handling Code. 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 Audit, Risk and Assurance 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 – is managed through the Group finance function and is delivered by PKF Francis Clark. 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, Radon monitoring and Asbestos Management;
- Preparation and monitoring of budgets – the Executive Team 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; and
- 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 Audit, Risk and Assurance 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. At these quarterly reviews the Committee also conducts a deep dive into the entire risk map of a chosen operational area.

During the year the Risk Management and Assurance Policy was updated to reflect a move from a single risk appetite to a more granular approach with a separate risk appetite for each theme within the strategic risk map. The Group risk appetite definitions and appetites assigned to each theme are given in the tables below and have been confirmed as part of the Annual Risk Review approved by the Board in May 2024.

Appetite Level	Appetite Definition
Averse	Avoidance of risk and uncertainty is the key objective
Cautious	Preference for very safe options that have a very low degree of inherent risk, acceptance that potential rewards therefore likely to be limited
Fair	Preference for safe options that have a low degree of inherent risk, acceptance that potential rewards are likely to be limited
Moderate	Preference for options which offer greater potential rewards, willing to accept greater inherent risks
Opportunistic	Preference for innovative options with highest potential rewards and inherent risks

Strategic Risk Map Theme	Risk Category	Risk Appetite	Risk Mitigation Strategy
<b>Product Safety</b> (including landlord health and safety)	Operations	Averse	<ul style="list-style-type: none"> <li>Detailed assurance map on property related requirements coupled with third party expert reviews for example CORGI accredited Landlord Gas Safety processes.</li> <li>Development handover process review by internal auditors and all new build defect repairs treated the same as responsive repairs.</li> <li>Pro-active identification of RADON potential issue and reporting to Board.</li> <li>Pro-active review of all buildings in relation to fire safety despite no buildings over 18m</li> </ul>
	Property	Averse	
	Legal	Averse	
<b>Human resources and Governance</b> (including Board, Executive, staff and volunteers in relation to skills)	People	Moderate	<ul style="list-style-type: none"> <li>Rolling programme of NED recruitment.</li> <li>Investment in apprenticeships across the business to build skills and capacity for the future.</li> <li>Significant investment in safer working practices for staff.</li> <li>Investors in People 'Silver' rated employer.</li> <li>Investors in Volunteers accreditation and effective deployment of additional resources within business to support charitable activities.</li> <li>Health and Wellbeing Strategy with significant focus on colleagues' mental health.</li> </ul>
	Governance	Averse	
<b>Government policy, legislation and regulation</b>	Legal	Cautious	<ul style="list-style-type: none"> <li>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.</li> </ul>

Strategic Risk Map Theme	Risk Category	Risk Appetite	Risk Mitigation Strategy
<b>Funding and financial viability</b>	Financial	Fair	<ul style="list-style-type: none"> <li>Annual finance strategy and constant market engagement to maintain existing and develop additional sources of finance.</li> </ul>
<b>Wider economic</b> (including sales, rental level exposures as well as interest and inflation rates)	Wider economic	Moderate	<ul style="list-style-type: none"> <li>Exposure to sales limited to ensure that change of product mitigates risk.</li> <li>Regular reporting to Property and Investment Committee and Board on key economic indicators alongside stress testing and scenario planning to inform Defensive Action Plan.</li> </ul>
<b>Programme</b> (impact of planned expansion on internal systems of governance, management and delivery)	Project/ Programme	Fair	<ul style="list-style-type: none"> <li>Investment into ICT to provide systems and infrastructure that can support growth</li> <li>Cross departmental working supporting issues of peak delivery.</li> </ul>
<b>Reputation and Trust</b>	Reputational	Fair	<ul style="list-style-type: none"> <li>Business continuity planning and communications strategy in place to mitigate risk</li> <li>Customer Charter pledge commitments includes response time promise of four days coupled with simplified complaints process to ensure that any service failures are promptly dealt with</li> </ul>
<b>Markets and Supply Chain</b>	Commercial	Fair	<ul style="list-style-type: none"> <li>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.</li> <li>Active discussions with Cornwall Council, Homes England and others on potential strategic alliances to maximise development opportunities.</li> <li>Strategic alliance with Legal and General Affordable Homes providing scope to engage and shape new entrant in social housing markets offering.</li> </ul>
<b>Technology, Data and Cybersecurity</b>	Technology	Fair	<ul style="list-style-type: none"> <li>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</li> <li>Cyber insurance provides access to experts in case of major incident.</li> <li>Regular Data Quality Meetings chaired by Director of Finance, People &amp; Change with representation from across Coastline teams</li> <li>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.</li> </ul>
	Data & information management	Cautious	
<b>Climate Change and related impacts across all of the above Strategic Risks.</b>	Climate Change	Fair	<ul style="list-style-type: none"> <li>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</li> <li>Environmental Strategy approved in September 2021</li> </ul>

## 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 2024 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 (2023: £nil). Donations made to charity or other community funding arrangements during the year totalled £12,741 (2023: £16,497).

### 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.





## 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

**S Harrison**  
**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 Committee, 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, expert speakers at Board strategy sessions, including speakers from the Federation of Small Businesses and the National Housing Federation 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 2023/24, 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., including our two new independent committee members.



### 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 18).

The Board routinely monitors the delegation of authority, ensuring it is regularly updated, while retaining ultimate responsibility. The most recent review was completed in November 2023.

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 2023/24 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	3, 4, 5, 7
Section 172 (1) (B) Interests of employees	Gender Pay Reporting	20
Section 172 (1) (C) Fostering business relationships with suppliers, customers and others	Strategy, objectives and performance	4 to 18
Section 172 (1) (D) Impact of operations on the community and the environment	Strategy, objectives and performance	4 to 18, 29-31
Section 172 (1) (E) Maintaining high standard of business conduct	Governance and Committee Structures Risk management	15, 21 to 24 23 to 24
Section 172 (1) (F) Acting fairly between members	Balanced long-term decision making Code of Governance	4 to 18 19

### 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. This report presents a full 3rd party verified SECR statement, compared to the previous financial year's energy usage, for use in Coastlines annual reporting. As at 1 April 2024 Coastline owned 4,690 low-cost rental domestic homes which includes general needs, supported and Extra Care accommodation. In addition, for the purposes of SECR operational impacts include utility costs from office spaces, fleet vehicle and staff vehicle mileage.

Green House Gas Emissions (GHG) and Energy 1 April 2023-31 March 2024		
	Total Tonnes CO2	Units
<b>Scope 1 – Direct Emissions</b>		
Fuel for transport purposes	227.53	951,580.41kWh
Natural Gas	326.28	1,783,639.13 kWh
<b>Scope 2 – Indirect Emissions</b>		
Electricity	178.62	862,629.62 kWh
<b>Total – Scope 1 + 2</b>	<b>732.43</b>	
<b>Scope 3 – Other Indirect Emissions</b>		
Housing Stock	6209.19	4,690 homes
<b>Grand Total</b>	<b>6,941.62</b>	
<b>Intensity Ratio</b>	1.48 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

As in previous years Coastline continues to focus energy and waste reduction by using a wide range of cost-effective improvements as driven by work packages relating to the Environmental Strategy. During 2023/24 these improvements included waste collected during 5 targeted Neighbourhood Waste Amnesty Days, to help reduce risks of fly tipping and littering, 104 customers provided with water saving devices, whilst 14 customers were nominated within the annual garden competition and a further 5 customer Green Champions nominated. Constantine wild flowering project was planned and completed by the local resident group transforming a small area of the neighbourhood which the group now help to maintain.

The previously launched Tool Loan Project provides low carbon electrical garden tools for customers to use to maintain their gardens. The scheme has proven very popular within the Redruth area and is valued by customers who cannot afford equipment to improve their gardens.

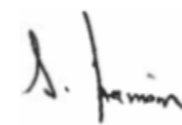
Coastline has a dedicated team who work with customers to maximise their income and increase their ability to pay their bills (not just focussing on fuel poverty). An internal sustainability fund remains available to customers and is used to support customers, including the provision of essential items, food vouchers, white goods and assistance with fuel debt to enable servicing to take place, over the course of 2023/24. Energy information relating to home ratings has been published on social media and regularly within "Coastlines" customer magazine, alongside energy saving advice and guidance.

Maintenance teams continue to work with suppliers of goods and materials to provide improved information in terms of environmental impact of all goods supplied. Coastline's main supplier, Bradfords, have published that a small overall reduction was made in Scope 1 carbon emissions with target to be scope 1 net zero by 2044 whilst Scope 2 emissions remained insignificant due to sourcing green energy, bolstered by the addition of solar PV to 7 branches over the course of 2023. Based on sector benchmarking, ~95% of Bradfords' carbon footprint lies in scope 3 - those activities which lie outside the direct control of the business. Bradfords has committed to support Scope 3 emissions and has now set up a client environmental working group.

In terms of property asset investment Coastline continued to invest in lower carbon and more efficient heating sources and systems and saw the completion of the multi-award winning "Heat the Streets" project with local Partner Kensa, resulting in over 40 homes being connected to innovative Ground Source heat networks.

To further reduce the environmental impact of the housing stock a number of heating systems have been replaced with more energy efficient units including air and ground source heat pump installations, smart electric heating Installations, natural gas boiler only upgrades, natural gas installations and a small number of replacement oil heating installations.

By order of the Board



**Steve Harrison**  
Chair – Coastline Housing Ltd  
29 August 2024

# 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 2024, 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 2024 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 2022.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 on page 28, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the 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: 03 September 2024

## Group and Company Statement of Comprehensive Income for the year ended 31 March 2024

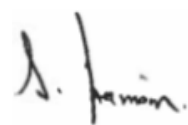
	Note	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Turnover: continuing activities	2	<b>48,242</b>	37,940	<b>47,906</b>	37,582
Cost of sales	2	<b>(13,441)</b>	(6,079)	<b>(13,441)</b>	(6,079)
Operating costs	2	<b>(26,591)</b>	(25,189)	<b>(26,297)</b>	(24,862)
<b>Operating surplus</b>	2	<b>8,210</b>	6,672	<b>8,168</b>	6,641
Gift aid receivable		-	-	<b>48</b>	178
Surplus on sales of properties	5	<b>6,633</b>	5,034	<b>6,633</b>	5,034
Other finance expenditure	6	<b>(673)</b>	(660)	<b>(673)</b>	(660)
Interest receivable & other income		<b>370</b>	85	<b>370</b>	85
Interest payable & similar charges	7	<b>(7,201)</b>	(4,808)	<b>(7,201)</b>	(4,808)
<b>Surplus for the year before taxation</b>	4	<b>7,339</b>	6,323	<b>7,345</b>	6,470
Tax on surplus	26	-	-	-	-
<b>Surplus for the year</b>		<b>7,339</b>	6,323	<b>7,345</b>	6,470

## Other Comprehensive Income

	Note	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Actuarial gain/(loss) on pension scheme	24	<b>(147)</b>	(100)	<b>(147)</b>	(100)
<b>Total recognised surplus for the year</b>		<b>7,192</b>	6,223	<b>7,198</b>	6,370

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 29 August 2024 and signed on its behalf by:



S Harrison  
Chair

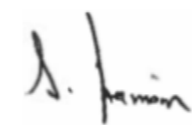


K Harris  
Chair of Audit, Risk and Assurance Committee

## Statement of Financial Position as at 31 March 2024 (Reg. Number: 03284666)

	Note	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Fixed assets:</b>					
Intangible fixed assets	11	<b>213</b>	352	<b>213</b>	352
Housing properties	12	<b>354,511</b>	318,647	<b>355,666</b>	319,795
Other tangible fixed assets	13	<b>5,134</b>	5,219	<b>5,105</b>	5,198
Investments	14		-	<b>100</b>	75
<b>Total fixed assets</b>		<b>359,883</b>	324,218	<b>361,084</b>	325,420
<b>Current assets:</b>					
Stock	16	<b>12,710</b>	20,873	<b>11,847</b>	20,505
Rental and other debtors	15	<b>4,735</b>	2,164	<b>4,614</b>	2,077
Cash and cash equivalents		<b>5,661</b>	61,546	<b>4,573</b>	60,695
<b>Total current assets</b>		<b>23,106</b>	84,583	<b>21,034</b>	83,277
<b>Creditors: amounts falling due within one year</b>	18	<b>(17,302)</b>	(15,966)	<b>(15,884)</b>	(15,321)
<b>Net current assets</b>		<b>5,804</b>	68,617	<b>5,150</b>	67,956
<b>Total assets less current liabilities</b>		<b>365,687</b>	392,835	<b>366,234</b>	393,376
Creditors: amounts falling due after more than one year	19	<b>(282,188)</b>	(316,662)	<b>(282,188)</b>	(316,662)
Pension deficit funding liabilities	23	<b>(78)</b>	(95)	<b>(78)</b>	(95)
Pension defined benefit liability	23	<b>(1,461)</b>	(1,310)	<b>(1,461)</b>	(1,310)
Provision for tax liabilities	27	-	-	-	-
<b>Net assets</b>		<b>81,960</b>	74,768	<b>82,507</b>	75,309
<b>Represented by:</b>					
<b>Capital and reserves:</b>					
Revenue reserves		<b>81,960</b>	74,768	<b>82,507</b>	75,309
<b>81,960</b>		<b>81,960</b>	74,768	<b>82,507</b>	75,309

These financial statements were approved by the Board on 29 August 2024 and signed on its behalf by:



S Harrison  
Chair



K Harris  
Chair of Audit, Risk and Assurance Committee

## Consolidated Statement of Cash Flows for the year ended 31 March 2024

	2024 £'000	2023 £'000
<b>Cash flows from operating activities</b>		
Surplus for the year	7,339	6,323
<b>Adjustments for non-cash items:</b>		
Depreciation and impairment charges	5,624	5,204
Amortisation of intangible fixed assets	136	59
Profit on sale of housing properties	(6,633)	(5,034)
Loss on sale of tangible fixed assets	1	-
Loss on sale of shared ownership properties	269	-
(Decrease)/increase in trade and other debtors	(2,571)	1,027
Increase/(Decrease) in stocks	8,163	(5,120)
Increase in trade, other creditors and provisions	1,323	6,043
Pension costs less contributions payable	-	-
<b>Adjustments for investing or financing activities:</b>		
Interest receivable and similar income	(370)	(85)
Interest payable and similar charges	5,960	2,604
Amortisation of loan arrangement fees	311	362
Government grants utilised in the year	(1,627)	(1,053)
Tax paid	-	-
<b>Net cash from operating activities</b>	<b>17,925</b>	<b>10,330</b>
<b>Cash flows from investing activities</b>		
Sale of housing properties	13,761	5,416
Sale of shared ownership properties	8,146	-
Acquisitions of housing properties	(52,308)	(21,349)
Capital improvements to existing properties	(2,731)	(3,692)
Acquisitions of other fixed assets	(663)	(1,308)
Grants received to support capital expenditure	4,712	19,066
Purchase of shares in a company	(25)	-
<b>Net cash from investing activities</b>	<b>(29,108)</b>	<b>(1,867)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(6,831)	(4,723)
New secured loans	10,000	61,000
Repayment of loans	(47,605)	(8,950)
Loan arrangement fees	(265)	(440)
<b>Net cash from financing activities</b>	<b>(44,701)</b>	<b>46,887</b>
Net increase / (decrease) in cash and cash equivalents	(55,885)	55,350
Cash and cash equivalents at 1 April	61,546	6,196
<b>Cash and cash equivalents at 31 March</b>	<b>5,661</b>	<b>61,546</b>

(i)

## (i) Analysis of changes in net debt

GROUP	At 1 April 2023 £'000	Cash flows £000	Other non-cash changes £'000	At 31 March 2024 £'000
<b>Cash and cash equivalents</b>				
Cash	61,546	(55,885)	-	5,661
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	<b>61,546</b>	<b>(55,885)</b>	-	<b>5,661</b>
<b>Borrowings</b>				
Debt due within one year	-	-	-	-
Debt due after one year	(235,775)	37,606	-	(198,169)
	<b>(235,775)</b>	<b>37,606</b>	-	<b>(198,169)</b>
<b>Total</b>	<b>(174,229)</b>	<b>(18,279)</b>	-	<b>(192,508)</b>



## Statement of Changes in Equity

GROUP	Revenue reserve £'000	Garlidna reserve £000	Restricted reserve £'000	Total equity £'000
<b>Balance at 1 April 2022</b>	<b>68,277</b>	<b>236</b>	<b>32</b>	<b>68,545</b>
Surplus for the year	6,323	-	-	6,323
Other comprehensive income (see note 24)	(100)	-	-	(100)
<b>Total comprehensive income for the year</b>	<b>6,223</b>	<b>-</b>	<b>-</b>	<b>6,223</b>
Transfer from Garlidna Reserve	(25)	25	-	-
<b>Balance at 31 March 2023</b>	<b>74,475</b>	<b>261</b>	<b>32</b>	<b>74,768</b>
<b>Balance at 1 April 2023</b>	<b>74,475</b>	<b>261</b>	<b>32</b>	<b>74,768</b>
Surplus for the year	7,339	-	-	7,339
Other comprehensive income (see note 24)	(147)	-	-	(147)
<b>Total comprehensive income for the year</b>	<b>7,192</b>	<b>-</b>	<b>-</b>	<b>7,192</b>
Transfer to Garlidna reserve	(14)	14	-	-
<b>Balance at 31 March 2024</b>	<b>81,653</b>	<b>275</b>	<b>32</b>	<b>81,960</b>

COMPANY	Revenue reserve £'000	Garlidna reserve £000	Restricted reserve £'000	Total equity £'000
<b>Balance at 1 April 2022</b>	<b>68,671</b>	<b>236</b>	<b>32</b>	<b>68,939</b>
Surplus for the year	6,470	-	-	6,470
Other comprehensive income (see note 24)	(100)	-	-	(100)
<b>Total comprehensive income for the year</b>	<b>6,370</b>	<b>-</b>	<b>-</b>	<b>6,370</b>
Transfer from Garlidna reserve	(25)	25	-	-
<b>Balance at 31 March 2023</b>	<b>75,016</b>	<b>261</b>	<b>32</b>	<b>75,309</b>
<b>Balance at 1 April 2023</b>	<b>75,016</b>	<b>261</b>	<b>32</b>	<b>75,309</b>
Surplus for the year	7,345	-	-	7,345
Other comprehensive income (see note 24)	(147)	-	-	(147)
<b>Total comprehensive income for the year</b>	<b>7,198</b>	<b>-</b>	<b>-</b>	<b>7,198</b>
Transfer to Garlidna reserve	(14)	14	-	-
<b>Balance at 31 March 2024</b>	<b>82,200</b>	<b>275</b>	<b>32</b>	<b>82,507</b>

## 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 2024. 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 May 2024 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.

The Board, after reviewing the group and company budgets for 2024/25 and the Group's medium- and long-term financial position as detailed in the 30-year business plan, 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 £52.3 million as at 31 March 2024 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 10% 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
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**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	2024				2023			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	32,036	-	(24,950)	7,086	28,652	-	(23,503)	5,149
Support contracts	824	-	(824)	-	811	-	(811)	-
Care and support	1,302	-	(554)	748	1,194	-	(586)	608
Other activities	817	-	(171)	646	887	-	(203)	684
Open market sales	5,117	(5,117)	-	-	1,250	(1,250)	-	-
Shared ownership first tranche sales	8,146	(8,324)	(91)	(269)	5,146	(4,829)	(86)	231
	<b>48,242</b>	<b>(13,441)</b>	<b>(26,591)</b>	<b>8,210</b>	<b>37,940</b>	<b>(6,079)</b>	<b>(25,189)</b>	<b>6,672</b>

COMPANY	2023				2022			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	32,036	-	(24,827)	7,209	28,652	-	(23,379)	5,273
Support contracts	824	-	(824)	-	811	-	(811)	-
Care and support	1,302	-	(555)	747	1,194	-	(586)	608
Other activities	481	-	-	481	529	-	-	529
Open market sales	5,117	(5,117)	-	-	1,250	(1,250)	-	-
Shared ownership first tranche sales	8,146	(8,324)	(91)	(269)	5,146	(4,829)	(86)	231
	<b>47,906</b>	<b>(13,441)</b>	<b>(26,297)</b>	<b>8,168</b>	<b>37,582</b>	<b>(6,079)</b>	<b>(24,862)</b>	<b>6,641</b>



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

GROUP					
Income and expenditure	General needs	Sheltered housing	Shared ownership	2024	2023
	£'000	£'000	£'000	£'000	£'000
<b>Income from lettings</b>					
Rent receivable	21,308	5,310	1,656	<b>28,274</b>	25,652
Service charges receivable	1,707	764	-	<b>2,471</b>	1,947
Grant income amortised	1,291	-	-	<b>1,291</b>	1,053
<b>Total income from lettings</b>	<b>24,306</b>	<b>6,074</b>	<b>1,656</b>	<b>32,036</b>	<b>28,652</b>
<b>Expenditure on letting activities</b>					
Management	(3,653)	(858)	(542)	<b>(5,053)</b>	(5,379)
Services	(1,655)	(407)	(257)	<b>(2,319)</b>	(2,289)
Routine maintenance	(1,400)	(344)	(218)	<b>(1,962)</b>	(1,638)
Planned maintenance	(6,089)	(1,496)	(948)	<b>(8,533)</b>	(7,645)
Major repairs expenditure	(812)	(199)	(126)	<b>(1,137)</b>	(1,325)
Rent losses from bad debts	(80)	(20)	(12)	<b>(112)</b>	(364)
Depreciation of housing properties	(3,837)	(943)	(595)	<b>(5,375)</b>	(4,549)
Other costs	(328)	(80)	(51)	<b>(459)</b>	(314)
<b>Operating costs on lettings</b>	<b>(17,854)</b>	<b>(4,347)</b>	<b>(2,749)</b>	<b>(24,950)</b>	<b>(23,503)</b>
<b>Operating surplus on lettings</b>	<b>6,452</b>	<b>1,727</b>	<b>(1,093)</b>	<b>7,086</b>	<b>5,149</b>

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

Rent losses from voids	(218)	(118)	-	(336)	(380)
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2 Turnover, Operating Costs and Operating Surplus - cont'd

COMPANY					
Income and expenditure	General needs	Sheltered housing	Shared ownership	2024	2023
	£'000	£'000	£'000	£'000	£'000
<b>Income from lettings</b>					
Rent receivable	21,308	5,310	1,656	<b>28,274</b>	25,652
Service charges receivable	1,707	764	-	<b>2,471</b>	1,947
Grant income amortised	1,291	-	-	<b>1,291</b>	1,053
<b>Total income from lettings</b>	<b>24,306</b>	<b>6,074</b>	<b>1,656</b>	<b>32,036</b>	<b>28,652</b>
<b>Expenditure on letting activities</b>					
Management	(3,495)	(858)	(542)	<b>(4,895)</b>	(5,217)
Services	(1,655)	(407)	(257)	<b>(2,319)</b>	(2,289)
Routine maintenance	(1,405)	(344)	(218)	<b>(1,967)</b>	(1,644)
Planned maintenance	(6,111)	(1,501)	(948)	<b>(8,560)</b>	(7,672)
Major repairs expenditure	(814)	(200)	(126)	<b>(1,140)</b>	(1,330)
Rent losses from bad debts	(80)	(20)	(12)	<b>(112)</b>	(364)
Depreciation of housing properties	(3,837)	(943)	(595)	<b>(5,375)</b>	(4,549)
Other costs	(328)	(80)	(51)	<b>(459)</b>	(314)
<b>Operating costs on lettings</b>	<b>(17,725)</b>	<b>(4,353)</b>	<b>(2,749)</b>	<b>(24,827)</b>	<b>(23,379)</b>
<b>Operating surplus on lettings</b>	<b>6,581</b>	<b>1,721</b>	<b>(1,093)</b>	<b>7,209</b>	<b>5,273</b>

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

Rent losses from voids	(260)	(120)	-	(380)	(459)
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During the year the Company spent £14.363 million (2023: £14.781 million) on maintaining and improving its existing property stock of which £2.732 million (2023: £4.125 million) was capitalised. £nil million grant was received in respect of this expenditure during the year (2023: £nil 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	2024 Properties	2023 Properties
General needs – social rent	2,218	2,252
General needs – affordable rent	1,438	1,388
Supported housing / housing for older people – social rent	649	649
Supported housing / housing for older people – affordable rent	149	121
Other social housing	175	279
Shared ownership	606	522
Market rented	1	2
Managed but not owned	86	86
Leasehold	151	128
	<b>5,473</b>	<b>5,327</b>

### 4 Surplus for the Financial Year before Taxation

This is stated after charging/ (crediting):	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Depreciation on housing properties	4,874	4,549	4,874	4,549
Depreciation of other tangible fixed assets	750	655	735	640
Amortisation of intangible fixed assets	136	59	136	59
Amortisation of grant income	1,291	1,053	1,291	1,053
Accelerated life on components	499	229	499	229
(Loss)/Gain on disposal of tangible fixed assets	9	45	1	30
Operating lease rentals:				
- vehicles, plant and equipment	21	23	-	-
- land and buildings	36	36	-	-
Auditor's remuneration:				
- audit of these financial statements	37	24	37	24
- audit of the financial statements of subsidiary companies	9	17	-	-
- tax services	8	8	-	-
- other services	-	-	-	-

### 5 Surplus on Sale of Housing Properties

GROUP and COMPANY	2024 £'000	2023 £'000
Proceeds from sale of housing properties (gross)	13,761	7,569
Less: costs of sales	(7,050)	(2,310)
Less: Council share of proceeds under Right to Buy	(78)	(225)
	<b>6,633</b>	<b>5,034</b>

### 6 Other Finance Expenditure

GROUP and COMPANY	2024 £'000	2023 £'000
Unwinding of discount on the SHPS (note 24)	369	330
Unwinding of discount on the Coastline Pensioners (note 23)	(7)	(32)
Amortisation of loan note fees	311	362
	<b>673</b>	<b>660</b>

### 7 Interest Payable and Similar Charges

GROUP and COMPANY	2024 £'000	2023 £'000
On loans and bank overdrafts	8,193	7,012
Break costs	249	-
Interest capitalised on developments under construction	(1,241)	(2,204)
	<b>7,201</b>	<b>4,808</b>

The capitalisation rate used to determine the amount of finance capitalised in the period was 6.00% (2023: 5.25% to December 2022, then 6.00% from January 2023).

## 8 Employees

### (a) Number of employees

GROUP	2024 Number	2023 Number
Average total full-time and part-time employees during the year	350	350
Average number of full-time equivalents employed during the year	341	341
<b>COMPANY</b>		
Average total full-time and part-time employees during the year	227	220
Average number of full-time equivalents employed during the year	221	186

### (b) Staff costs for the above employees

GROUP	2024 £'000	2023 £'000
Staff costs:		
- gross wages and salaries	10,028	9,199
- employer's National Insurance contributions	968	875
- employer's pension costs	589	457
	<b>11,585</b>	<b>10,531</b>
<b>COMPANY</b>		
	2024 £'000	2023 £'000
Staff costs		
- gross wages and salaries	6,880	6,273
- employer's National Insurance contributions	714	638
- employer's pension costs	451	343
	<b>8,045</b>	<b>7,254</b>

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

GROUP	2024 Number	2023 Number
£170,000 to £180,000	1	-
£160,000 to £170,000	-	-
£150,001 to £160,000	-	1
£140,001 to £150,000	2	-
£130,001 to £140,000	1	2
£120,001 to £130,000	-	1
£110,001 to £120,000	-	-
£100,001 to £110,000	-	-
£90,001 to £100,000	1	-
£80,001 to £90,000	5	3
£70,001 to £80,000	3	5
£60,001 to £70,000	3	1
<b>COMPANY</b>		
	2024 Number	2023 Number
£170,000 to £180,000	1	-
£160,000 to £170,000	-	-
£150,001 to £160,000	-	1
£140,001 to £150,000	2	-
£130,001 to £140,000	1	2
£120,001 to £130,000	-	1
£110,001 to £120,000	-	-
£100,001 to £110,000	-	-
£90,001 to £100,000	1	-
£80,001 to £90,000	4	2
£70,001 to £80,000	3	5
£60,001 to £70,000	3	1

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 £	2024 Total £	2023 Total £
Chief Executive A Young	137,310	25,185	11,397	<b>173,892</b>	156,285
Deputy Chief Executive (with specific responsibility for Housing, Assets and Communities) L Beard	116,682	21,858	9,685	<b>148,225</b>	131,063
Director of Finance, People and Change N Mallows	116,626	21,180	9,497	<b>147,303</b>	130,335
Director of Development and Commercial Services, C Weston	107,021	18,406	8,883	<b>134,310</b>	121,916
<b>TOTAL – COMPANY and GROUP</b>	<b>477,639</b>	<b>86,629</b>	<b>39,462</b>	<b>603,730</b>	539,599

The Executive Team remuneration above includes a Higher Performance Award (HPA), which is overseen by the Board, supported by the People Committee. Coastline's Executive salaries are benchmarked to median levels, and the HPA allows the Board to reward performance when it is above median levels, without consolidating this into base salary. Eligibility is assessed against a balanced scorecard criteria that includes financial and non-financial targets. This award is structured over a three-year period, with payments in the first two years out of a maximum of 7.5%, and in the third year a maximum of 15%. 2023/24 was the third year of the scheme, and this accounts for the increase in 'other emoluments' for members of the Executive Team.



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

NON - EXECUTIVE DIRECTORS	2024 £	2023 £
M Duddridge (Former Chair)	2,167	13,000
S Harrison (Chair)	12,133	7,800
A Moore	9,533	7,800
K Harris	7,800	6,100
C Pears	7,375	5,250
B Treleaven	5,250	5,250
D Barlow	5,250	5,250
K Kemp	8,650	5,250
P Doddrell	5,250	5,250
M Tucker	1,313	-
G Pipkin	1,313	-
<b>TOTAL - COMPANY AND GROUP</b>	<b>63,450</b>	<b>60,950</b>

INDEPENDENT COMMITTEE MEMBERS	2024 £	2023 £
M Tucker	2,437	2,500
E Chapman	3,250	2,500
J De-Ville	-	1,250
S Curtis	3,250	2,500
C Jones	3,250	1,460
M Gaunt	3,250	2,500
K Surgenor	812	-
D Willcocks	812	-
<b>TOTAL - COMPANY AND GROUP</b>	<b>17,061</b>	<b>12,710</b>

Expenses paid during the year to Board Members amounted to £1,457 (2023: £3,477).

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 (2023: four). At the year-end £nil of pension scheme contributions relating to Executive Officers remained unpaid (2023: 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
	Computer Software	Computer Software
<b>Cost</b>		
At 1 April 2023	1,786	1,736
Additions	(3)	(3)
Disposals	-	-
<b>At 31 March 2024</b>	<b>1,783</b>	<b>1,733</b>
<b>Depreciation</b>		
At 1 April 2023	(1,434)	(1,384)
Charged in year	(136)	(136)
Disposals	-	-
<b>At 31 March 2024</b>	<b>(1,570)</b>	<b>(1,520)</b>
<b>Net book value</b>		
<b>At 31 March 2024</b>	<b>213</b>	<b>213</b>
At 31 March 2023	352	352



## 12 Tangible Fixed Assets – Housing Properties

GROUP	Freehold Properties		Shared Ownership Properties		Garlidna Alms House	Total
	Completed	Under Construction	Completed	Under Construction		
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
As at 1 April 2023	256,061	47,007	39,459	15,390	381	<b>358,298</b>
<b>Additions</b>	6,327	17,771	9,984	5,524	-	<b>39,606</b>
<b>Schemes completed</b>	15,747	(15,747)	4,887	(4,887)	-	<b>-</b>
<b>Components Capitalised</b>	2,675	-	-	-	57	<b>2,732</b>
<b>Disposals</b>	(1,746)	-	(513)	-	-	<b>(2,259)</b>
<b>At 31 March 2024</b>	<b>279,064</b>	<b>49,031</b>	<b>53,817</b>	<b>16,027</b>	<b>438</b>	<b>398,377</b>
<b>Depreciation</b>						
As at 1 April 2023	(37,655)	-	(1,917)	-	(79)	<b>(39,651)</b>
Charge for the year	(4,389)	-	(481)	-	(4)	<b>(4,874)</b>
Eliminated on Disposals	624	-	35	-	-	<b>659</b>
<b>At 31 March 2024</b>	<b>(41,420)</b>	<b>-</b>	<b>(2,363)</b>	<b>-</b>	<b>(83)</b>	<b>(43,866)</b>
<b>Net Book Value</b>						
<b>At 31 March 2024</b>	<b>237,644</b>	<b>49,031</b>	<b>51,454</b>	<b>16,027</b>	<b>355</b>	<b>354,511</b>
At 31 March 2023	218,406	47,007	37,542	15,390	302	<b>318,647</b>

COMPANY	Freehold Properties		Shared Ownership Properties		Garlidna Alms House	Total
	Completed	Under Construction	Completed	Under Construction		
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
As at 1 April 2023	256,086	47,582	39,556	15,841	381	<b>359,446</b>
<b>Additions</b>	6,327	17,775	9,985	5,526	-	<b>39,613</b>
<b>Schemes completed</b>	15,747	(15,747)	4,887	(4,887)	-	<b>-</b>
<b>Components Capitalised</b>	2,675	-	-	-	57	<b>2,732</b>
<b>Disposals</b>	(1,746)	-	(513)	-	-	<b>(2,259)</b>
<b>At 31 March 2024</b>	<b>279,089</b>	<b>49,610</b>	<b>53,915</b>	<b>16,480</b>	<b>438</b>	<b>399,532</b>
<b>Depreciation</b>						
As at 1 April 2023	(37,655)	-	(1,917)	-	(79)	<b>(39,651)</b>
Charge for the year	(4,389)	-	(481)	-	(4)	<b>(4,874)</b>
Eliminated on Disposals	624	-	35	-	-	<b>659</b>
<b>At 31 March 2024</b>	<b>(41,420)</b>	<b>-</b>	<b>(2,363)</b>	<b>-</b>	<b>(83)</b>	<b>(43,866)</b>
<b>Net Book Value</b>						
<b>At 31 March 2024</b>	<b>237,669</b>	<b>49,610</b>	<b>51,552</b>	<b>16,480</b>	<b>355</b>	<b>355,666</b>
At 31 March 2022	218,431	47,582	37,639	15,841	302	<b>319,795</b>

Included in the cost of housing properties is £6.292 million in respect of cumulative capitalised development administration costs (2023: £5.600 million) and cumulative capitalised interest of £12.924 million (2023: £11.683 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 2024 on an existing use value, Social Housing (EUV-SH) basis was £242.9 million (2023: £220.1 million).

For information purposes only, completed housing properties are valued at 31 March 2024 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 5.50% for main rented stock and 5.75% for sheltered and supported stock.

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	Furniture, fixtures & fittings	Computer hardware	Plant, equipment & vehicles	Community alarm equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 April 2023	4,017	1,820	1,383	1,985	280	9,485
Additions	50	14	104	382	118	668
Disposals	-	(14)	-	(58)	-	(72)
<b>At 31 March 2024</b>	<b>4,067</b>	<b>1,820</b>	<b>1,487</b>	<b>2,310</b>	<b>398</b>	<b>10,081</b>
<b>Depreciation</b>						
At 1 April 2023	(697)	(1,369)	(1,141)	(995)	(65)	(4,266)
Charged in year	(92)	(135)	(143)	(348)	(32)	(750)
Disposals	-	13	-	56	-	69
<b>At 31 March 2024</b>	<b>(789)</b>	<b>(1,491)</b>	<b>(1,284)</b>	<b>(1,287)</b>	<b>(97)</b>	<b>(4,947)</b>
<b>Net book value</b>						
<b>At 31 March 2024</b>	<b>3,278</b>	<b>329</b>	<b>203</b>	<b>1,023</b>	<b>301</b>	<b>5,134</b>
At 31 March 2023	3,320	451	242	991	215	5,219

COMPANY	Freehold offices	Furniture, fixtures & fittings	Computer hardware	Plant, equipment & vehicles	Community alarm equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 April 2022	4,017	1,815	1,383	1,647	280	9,142
Additions	50	14	104	357	118	643
Disposals	-	(14)	-	-	-	(14)
<b>At 31 March 2024</b>	<b>4,067</b>	<b>1,815</b>	<b>1,487</b>	<b>2,004</b>	<b>398</b>	<b>9,771</b>
<b>Depreciation</b>						
At 1 April 2023	(697)	(1,364)	(1,141)	(677)	(65)	(3,944)
Charged in period	(92)	(135)	(143)	(333)	(32)	(735)
Disposals	-	13	-	-	-	13
<b>At 31 March 2024</b>	<b>(789)</b>	<b>(1,486)</b>	<b>(1,284)</b>	<b>(1,010)</b>	<b>(97)</b>	<b>(4,666)</b>
<b>Net book value</b>						
<b>At 31 March 2024</b>	<b>3,278</b>	<b>329</b>	<b>203</b>	<b>994</b>	<b>301</b>	<b>5,105</b>
At 31 March 2023	3,320	451	242	970	215	5,198



## 14 Investments

	GROUP		COMPANY	
	2024 £	2023 £	2024 £	2023 £
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
Ordinary shares £312.50 each - Go Collaborate Limited	25,000	-	25,000	-
	<b>25,000</b>	-	<b>100,102</b>	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.

The Company holds 1.68% of the share capital of GoCollaborate Limited. GoCollaborate Limited is a company incorporated in England and Wales (Company number 12915479). The principal activities of the company is to provide an accessible and more engaging consultation platform on community projects and developments. More information and access to the accounts of GoCollaborate Limited can be obtained from its registered office at 1a Lower East Street, St Columb, Cornwall TR9 6AX.

## 15 Debtors

	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due within one year:				
Current tenants	413	409	413	409
Former tenants	286	334	286	334
Less provision for bad and doubtful debts	(603)	(579)	(603)	(579)
<b>Total rent and service charges receivable</b>	<b>96</b>	164	<b>96</b>	164
Trade debtors	85	73	-	-
Taxation and social security	51	8	25	3
Other debtors	4,228	1,578	4,228	1,578
Less provision for bad and doubtful debts	(360)	(406)	(360)	(406)
Prepayments and accrued income	635	747	625	738
	<b>4,735</b>	2,164	<b>4,614</b>	2,077

## 16 Stock

	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Shared ownership first tranches				
- Completed	4,445	2,182	4,445	2,182
- Work in progress	6,029	4,476	6,029	4,476
Outright sale properties				
- Completed	1,373	5,852	1,373	5,852
- Work in progress	-	7,995	-	7,995
Work in progress	863	368	-	-
	<b>12,710</b>	20,873	<b>11,847</b>	20,505

## 17 Cash and Cash Equivalents

	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash at bank and in hand	5,661	61,546	4,573	60,695
Cash and cash equivalents per cash flow statement	5,661	61,546	4,573	60,695

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	3,156	1,964	1,839	1,218
Rent, service and other charges received in advance	983	931	983	931
Taxation and social security	198	186	196	186
Accruals and deferred income	10,777	11,206	7,094	5,707
Other creditors	2,188	1,679	2,188	1,679
Amounts due to subsidiary undertakings	-	-	3,584	5,600
RCGF Amendment	17,302	15,966	15,884	15,321
	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	2024 £'000	2023 £'000
	Bank loans	165,637
Bond Premium	33	35
Private placement	32,500	32,500
Arrangement fees capitalised	(2,022)	(2,068)
	196,148	233,707
Deferred Capital Grant	85,967	82,649
Recycled Capital Grant Fund	73	306
	282,188	316,662

Total additional fees of £269,000 incurred in respect of new loan facilities (2023: £442,000) were capitalised during the year. During the year £316,000 (2023: £364,000) 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 £95.1 million (2023: £90.5 million).

Deferred Capital Grant Fund	2024 £'000	2023 £'000
Opening balance 1 April	82,649	64,636
Received in the year	4,609	19,066
Released to income in the year	(1,291)	(1,053)
<b>Closing balance 31 March</b>	<b>85,967</b>	<b>82,649</b>

	2024 £'000	2023 £'000
To be released within one year	1,349	1,276
To be released in more than one year	84,618	81,373
	85,967	82,649

Recycled Capital Grant Fund	2024 £'000	2023 £'000
Opening balance 1 April	306	193
Arising in the year	103	113
Applied to development schemes	(336)	-
<b>Closing balance 31 March</b>	<b>73</b>	<b>306</b>



## 20 Debt Analysis

Debt is repayable as follows:

GROUP and COMPANY	2024 £'000	2023 £'000
Less than one year	-	-
Between two and five years	48,500	89,553
After five years	149,636	146,187
	<b>198,136</b>	<b>235,740</b>

### Borrowing Facilities

The Group and Company has undrawn committed borrowing facilities. Undrawn facilities available at 31 March 2024 were as follows:

GROUP and COMPANY	2024 £'000	2023 £'000
Expiring in less than two years	-	-
Expiring between two and five years	52,032	51,032
Expiring in more than five years	-	-
	<b>52,032</b>	<b>51,032</b>

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 2024 was:

GROUP and COMPANY	2024 £'000	2023 £'000
Floating rate	2,500	40,104
Fixed rate	195,636	195,636
	<b>198,136</b>	<b>235,740</b>

The weighted average period for which interest rates were fixed was 17 Years (2023: 10 years), and the weighted average fixed interest rate was 3.90% (2023: 3.57%) including margins.

The fixed rate loans are for terms maturing between three years and 28 years at interest rates ranging from 1.00% to 6.69% 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	2024 £'000	2023 £'000
Expenditure contracted for but not provided in the accounts	28,213	55,500
Expenditure authorised by the Board but not contracted	34,593	20,294

Of the £62.8 million of capital commitments at 31 March 2024, £23.3 million (2023: £14.0 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 2024 Group and Company future minimum lease payments payable under non-cancellable operating leases are as follows:

	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Land and buildings, leases expiring</b>				
Within one year	36	-	-	-
In two to five years	6	78	-	-
	<b>42</b>	<b>78</b>	<b>-</b>	<b>-</b>
<b>Vehicles, plant and equipment, leases expiring</b>				
Within one year	21	-	-	-
In two to five years	18	55	-	-
	<b>39</b>	<b>55</b>	<b>-</b>	<b>-</b>

## 23 Pension Liabilities

GROUP and COMPANY	2023 £'000	2022 £'000
Social Housing Pension Scheme (SHPS)	1,461	1,310
Coastline Pensioners	78	95
	<b>1,539</b>	<b>1,405</b>

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 £9,800 (2023: £11,000). The carrying value of the liability of £78,000 (2023: £95,000) represents the discounted value of expected future payments discounted at 4.93% (2023: 4.83%).

## 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.

Coastline was notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this." For clarity, the estimate provided by the Trustee includes the full potential impact should a negative outcome be received on all past service elements being considered by the Court. We note also that the Trustee does not have the estimate calculated as at 31 March 2024 or on an accounting (FRS 102) basis

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

	At 31 March 2024	At 31 March 2023
	% per annum	% per annum
Discount Rate	4.93%	4.83%
Inflation (RPI)	3.08%	3.16%
Inflation (CPI)	2.79%	2.82%
Salary Growth	3.79%	3.82%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
	31 March 2024	31 March 2023
Male retiring in 2024 (2023: 2023)	20.5	21.1
Female retiring in 2024 (2022: 2023)	23.0	23.4
Male retiring in 2044 (2023: 2043)	21.8	22.2
Female retiring in 2044 (2023: 2043)	24.4	24.6

**b) Scheme assets:**

	At 31 March 2024	At 31 March 2023
	£'000	£'000
Global Equity	620	119
Absolute Return	243	69
Distressed Opportunities	219	193
Credit Relative Value	204	240
Alternative Risk Premia	197	12
Emerging Markets Debt	80	34
Risk Sharing	364	468
Insurance-Linked Securities	32	161
Property	250	274
Infrastructure	628	727
Private Equity	5	-
Private Debt	245	283
Opportunistic Illiquid Credit	243	272
High Yield	1	22
Cash	123	46
Long Lease Property	40	192
Secured Income	186	292
Liability Driven Investment	2,530	2,930
Currency Hedging	(2)	12
Net Current Assets	11	16
<b>Total assets</b>	<b>6,219</b>	<b>6,362</b>

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

**24 Pensions - cont'd**

**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 2024 £'000	At 31 March 2023 £'000
Fair value of plan assets	6,219	6,362
Present value of defined benefit obligation	7,680	7,672
Surplus (deficit) in plan	(1,461)	(1,310)
Unrecognised surplus	-	-
<b>Defined benefit asset (liability) to be recognised</b>	<b>(1,461)</b>	<b>(1,310)</b>

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

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

	Period from 31 March 2023 to 31 March 2024	Period from 31 March 2022 to 31 March 2023
Current service cost	-	-
Expenses	11	11
Net interest expense	54	29
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 (SoCl)	<b>65</b>	<b>40</b>

Defined benefit costs recognised in other comprehensive income:

	Period ended 31 March 2024	Period ended 31 March 2023
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(740)	(4,894)
Experience gains and losses arising on the plan liabilities - gain (loss)	16	10
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	71	15
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	192	4,475
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	<b>(461)</b>	<b>(394)</b>
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)	<b>(461)</b>	<b>(394)</b>

**e) Movement in deficit during the period:**

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

	Period ended 31 March 2024	Period ended 31 March 2023
Defined benefit obligation at start of period	7,672	12,024
Current service cost	-	-
Expenses	11	11
Interest expense	369	330
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	(16)	(10)
Actuarial losses (gains) due to changes in demographic assumptions	(71)	(15)
Actuarial losses (gains) due to changes in financial assumptions	(192)	(4,475)
Benefits paid and expenses	(93)	(193)
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	<b>7,680</b>	<b>7,672</b>

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

	Period ended 31 March 2024	Period ended 31 March 2023
Fair value of plan assets at start of period	6,362	10,798
Interest income	315	301
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(740)	(4,894)
Contributions by the employer	375	350
Contributions by plan participants	-	-
Benefits paid and expenses	(93)	(193)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	<b>6,219</b>	<b>6,362</b>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was (£425,000) (2023: £4,593,000)



## 25 Related Parties

### Non-Executive Directors

One Non-Executive Director who served during the year (2023: 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 (2023: £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 £7,024,232 (2023: £7,217,365). This is removed on consolidation in the Group financial statements. The total balance due to CSL from CHL at 31 March 2024 was £277,793 (2023: £119,176).

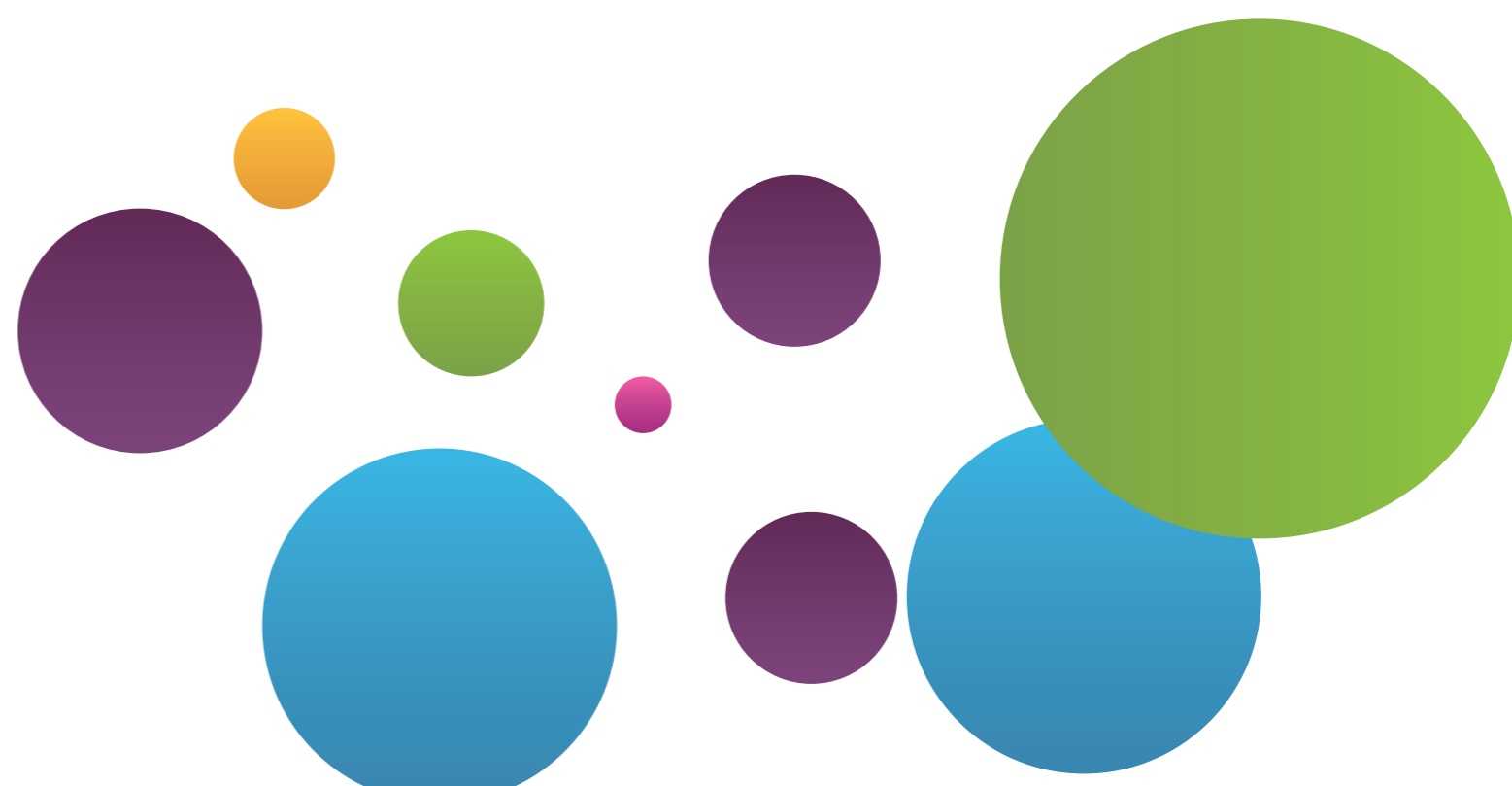
CCL was Dormant throughout the period to 31 March 2024 (2023: Dormant).

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 £34,564,785 (2023: £26,343,076). This is removed on consolidation in the Group financial statements. The total balance due to CHL from CDB at 31 March 2024 was £174,950 (2023: £345).

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Current tax:</b>				
UK Corporation tax on profits for the year at 19% (2023: 19%)	-	-	-	-
Adjustments in respect of previous periods	-	-	-	-
<b>Deferred tax:</b>				
Origination and reversal of timing differences	-	-	-	-
Adjustments in prior periods	-	-	-	-
Effect of tax rate change on opening balance	-	-	-	-
	-	-	-	-
Tax on profit of ordinary activities	-	-	-	-

A UK corporation tax rate of 25% (effective 1 April 2023) was substantively enacted from April 2023 and reversing the previously enacted rate of 19% .

This will increase the company's future tax charge accordingly. Deferred tax has been calculated at 25% (2023: 19%).

Factors affecting the tax charge for the current year:

The current tax of £nil (2023: £nil) for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below:

	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Current tax reconciliation</b>				
Profit on ordinary activities before gift aid and taxation	7,339	6,323	-	-
Current tax at 19% (2021: 19%)	1,394	1,201	-	-
Income not taxable in determining taxable surplus	(1,385)	(1,167)	-	-
Effect of gift aid	(9)	(34)	-	-
Effect of tax change in previous period	-	-	-	-
Deferred tax not recognised	-	-	-	-
Effect of deferred tax in previous periods	-	-	-	-
Effect of tax rate on opening deferred tax balance	-	-	-	-
Losses carried forward	-	-	-	-
<b>Total current tax (credit) / charge (see above)</b>	-	-	-	-

## 27 Provision for Liabilities

Deferred tax

	GROUP	
	2024 £'000	2023 £'000
At 1 April	-	-
(Released)/ charged in the year	-	-
Change in underlying rate of tax	-	-
<b>At 31 March</b>	-	-
Comprising:		
Accelerated capital allowances	-	-

The deferred tax liability at 31 March 2024 has been calculated based on the rate of 25%.

## 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 2024.

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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