



**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

31 MARCH 2021

**Housing Plus Group Finance Limited
Acton Court, Acton Gate, Stafford, ST18 9AP**

Registration No. 12100621

A member of The Housing Plus Group

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DIRECTORS, AUDITORS, ADVISORS AND BANKERS

Housing Plus Group Finance Limited	Registered Company No: 12100621
Registered Office	Acton Court, Acton Gate, Stafford, ST18 9AP
Directors	S L Boden P J Ingle R Bowden G E Evans S Jennings – appointed 23 July 2020
Company Secretary	I E Molyneux
Bankers	Barclays Bank PO Box 3333, 15 Colmore Row, Birmingham B3 2WN
External Auditors	KPMG LLP (appointed 12 November 2020) Chartered Accountants and Statutory Auditors, One Snowhill, Snowhill Queensway, Birmingham, B4 6GA
Internal Auditors	Beever and Struthers (appointed 1 April 2020) 20 Colmore Circus, Queensway, Birmingham, B4 6AT
Legal Advisors	Anthony Collins LLP 134 Edmund Street, Birmingham, B3 2ES DWF LLP 2 Hardman Street, Manchester, M3 3AA Trowers & Hamlin LLP 55 Princess Street, Manchester, M2 4EW

DIRECTORS, AUDITORS, ADVISORS AND BANKERS (CONTINUED)

FUNDERS

Nationwide Building Society
Kings Park Road, Moulton Park,
Northampton,
NN3 6NW

Clydesdale Bank plc (trading as Yorkshire Bank)
30 St Vincent Place Glasgow,
GH1 2HL

BAE Systems Pension Funds Investment Management Ltd
Burwood House,
14/16 Caxton Street
London,
SW1H 0QT

Canada Life Investments Ltd
1-6 Lombard Street,
London, EC3V9JU

REPORT OF THE BOARD

The Directors' Report and Audited Financial Statements for the year ended 31 March 2021 is presented herewith for Housing Plus Group Finance Limited ('the company'), Registered Company number 12100621.

The company is a subsidiary of ultimate parent The Housing Plus Group Limited ('Housing Plus'). Housing Plus is a holding company which provides central services for the company and other group members such as finance, human resource advice, information technology, development advice, legal services, health and safety advice and corporate publicity.

Housing Plus has prepared a Group Strategic Report to accompany the consolidated financial statements

Principal activities

The company's principal activity is to source funding on behalf of The Housing Plus Group Limited directly from banks, building societies and capital markets and on-lend the proceeds to asset-owning subsidiaries of The Housing Plus Group.

Business review

The company was incorporated on 12 July 2019. The Company entered into a secured loan facility agreement with Nationwide Building Society on 22 August 2019 using property owned by fellow subsidiaries of The Housing Plus Group Limited as security. On 31 October 2019, the Company entered into three further secured loan facility agreements with Clydesdale Bank Plc, BAE Systems Pensions Funds Investment Management Ltd and Canada Life Investments respectively, using property owned by fellow subsidiaries of The Housing Plus Group Limited as security.

All of the drawn funding was on-lent to two of the Group's asset owning Registered Provider subsidiaries, South Staffordshire Housing Association Limited ('SSHA') and Severnside Housing ('Severnside'). The Company has undrawn revolving credit facilities which have been secured for the benefit of any asset owning Registered Provider within the Group. Non-utilisation fees in relation to undrawn facilities are recharged to the Group's asset owning Registered Provider subsidiaries.

The statement of comprehensive income shows a result of £nil for the period. This is in line with the Company's role as a special purpose lending vehicle which does not seek to generate significant financial returns.

The Company benefits from the Group-centralised Treasury service with policies and procedures approved by the Group Board. These cover funding, interest rate exposures, cash management and the investment of surplus cash.

REPORT OF THE BOARD (continued)

Principal risks and uncertainties

Housing Plus Group Finance Limited on-lends all of its drawn debt to asset owning subsidiaries of The Housing Plus Group Limited under a guarantee and security trust basis. Where debt has been on-lent, the underlying assets securing the debt belong to the relevant asset owning (i.e. homes for rent) subsidiary of The Housing Plus Group Limited – being South Staffordshire Housing Association Limited and Severnside Housing and are secured through a Security Trust arrangement with the Prudential Trustee Company Limited.

As Housing Plus Group Finance Limited is not obliged to provide incremental funding to any Group asset owning subsidiaries, Housing Plus Group Finance Limited is not at risk if it cannot obtain further funding for the Housing Plus Group. All of Housing Plus Group Finance Limited's costs relating to providing funding services are billed to the relevant asset-owning subsidiary of The Housing Plus Group Limited.

Financial performance

The Company is a special purpose lending vehicle and does not seek to generate significant financial returns. The Company makes neither a profit nor a loss in line with its role as a special purpose lending vehicle. The Company therefore does not have financial key performance indicators.

Going Concern

After reviewing the budget for 2021/22 and long term financial plans based on normal business planning and control procedures and having received confirmation of continued support from the Group, the members of the Board have a reasonable expectation that Housing Plus Group Finance Limited has adequate resources to continue in operational existence for the foreseeable future.

The impact of the Covid-19 outbreak has been considered by the Directors, and as their main customer is the asset-owning subsidiaries of The Housing Plus Group, who have confirmed their continued support, the outbreak does not pose a material uncertainty that would cast doubt on the Company's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Future development, performance and position

The Company has £45.5m of undrawn revolving credit facilities as at 31 March 2021. The Company's future financial performance is expected to show neither a profit nor a loss.

REPORT OF THE BOARD (continued)

Other information

The Company has no direct employees and it exists solely to on-lend debt which has been sourced through loan facility agreements with banks, building societies and capital markets for the benefit of the Group.

Statement of directors' responsibilities in respect of Directors' Report and the financial statements

The directors are responsible for preparing 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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

REPORT OF THE BOARD (continued)

Provision of information to auditors

The Directors who held office at the date of approval of this Report of the Board confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

A resolution to appoint External Auditors will be proposed at the next Annual General Meeting.

This report was approved by the Board and signed on its behalf on 20 July 2021 by:



.....
S L Boden
Director



.....
P J Ingle
Director



.....
I E Molyneux
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOUSING PLUS GROUP FINANCE LIMITED

Opinion

We have audited the financial statements of Housing Plus Group Finance Limited ("the company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOUSING PLUS GROUP FINANCE LIMITED (continued)

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

- Enquiring of directors, the audit and risk committee as to the Company's high-level policies and procedures to prevent and detect fraud and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Audit and Risk Committee and Treasury Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Company management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue of the Company (being interest receivable) is a balance with minimal judgement involved in its calculation, and so lacking in opportunities for fraudulent revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOUSING PLUS GROUP FINANCE LIMITED (continued)

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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

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

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

Directors' report

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

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOUSING PLUS GROUP FINANCE LIMITED (continued)

Directors' responsibilities

As explained more fully in their statement set out on pages 5 and 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

8 September 2021

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March	Note	Year Ended 31st March 2021 £'000	8 months ended 31st March 2020 £'000
Interest receivable and similar income	6	13,864	8,414
Interest payable and similar charges	7	(13,864)	(8,414)
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	8	-	-
Total comprehensive income		-	-

All of the above results derive from the continuing operations of the company.

The notes on pages 14 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

As at 31 March	2021 Profit and loss account £'000	2020 Profit and loss account £'000
Balance at 1 April 2020/ 22 August 2019	-	-
Profit for the year	-	-
Balance at 31 March	-	-

The notes on pages 14 to 21 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2021

	Note	2021 £'000	2020 £'000
Current assets:			
Debtors due within one year	9	4,884	5,333
Debtors due after more than 1 year	9	283,300	280,600
Cash and cash equivalents		-	-
		288,184	285,933
Creditors: amounts due within one year	10	(4,884)	(5,333)
		283,300	280,600
Net current assets			
Creditors amounts falling due after more than one year	11	(283,300)	(280,600)
		-	-
Total net assets			
Capital and reserves			
Profit and loss account		-	-
		-	-
Total capital and reserves			

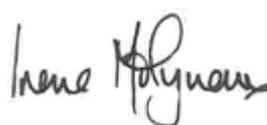
The financial statements (registered number 12100621) were approved and authorised for issue by the Board of Directors on 20 July 2021 and signed on its behalf by:



.....
S L Boden
Director



.....
P J Ingle
Director



.....
I E Molyneux
Company Secretary

The notes on pages 14 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

Housing Plus Group Finance Limited is incorporated in England under the Companies Act 2006 as a private limited company (limited by guarantee).

2. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (FRS102). The financial statements comply with the Companies Act 2006.

The financial statements have been prepared under the historic cost convention.

The financial statements are presented in pounds sterling (£).

The financial plans were stress tested against 3 different scenarios including economic, welfare and compliance changes and a 'perfect storm' scenario was performed combining all of the other 3 scenarios. Mitigations were needed for the joint business plan for all scenarios, with the 'perfect storm' scenario requiring a 25% reduction in repairs and maintenance spend of £5.4m, the removal of £34m of uncommitted development, a reduction in non-business critical back office costs of £1.27m per annum and the sale of the Groups market rented properties valued at £13.4m and the Groups offices valued at £6m. This would allow the 'perfect storm' scenario to be managed internally for a period of 3 years, after this the Board would need to consider longer term actions.

The impact of the Covid-19 outbreak has been considered by the Directors. The Group continues to operate effectively with the majority of support staff working from home and other staff abiding by social distancing. Contrary to expectations, SSHA and Severnside have performed well to date. Rental income collection has remained strong during the period with little change in the arrears figure to date with performance at 1.58% which is below the corporate target of 3%. Voids performance suffered during the 'lockdown' period, but performance has since improved, and it is anticipated that void loss will be controlled around the budget level. Development work was also suspended during the start of the 2020/21 financial year but has since resumed.

As such the outbreak does not pose a material uncertainty that would cast doubt on the company's ability to continue as a going concern.

As at 31st March 2021 the company had undrawn loan facilities of £45.5 million ready to draw down. As the company is only used as a lending vehicle there is no material uncertainty that would cast doubt on the company's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Based on the above the Board and Directors are satisfied that the company can continue to meet its obligations as they fall due. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

b) FRS102 Exemptions

The company is a wholly owned subsidiary and is exempt from the requirement to prepare consolidated financial statements. In preparing separate financial statements the company has taken advantage of the disclosure exemption in FRS 102 and has not prepared a cash flow statement.

The company's results are consolidated into The Housing Plus Group Limited consolidated financial statements which are publicly available.

c) Interest receivable

Interest receivable and other financing costs in relation to facilities lent to members of the Group.

d) Taxation

Any charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

e) Debtors and creditors

Debtors and creditors receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenditure.

f) Loan issue costs

Loan issue costs are amortised over the life of the related loan. Loans are presented in the Statement of Financial Position within creditors falling due after more than one year net of any unamortised loan issue costs.

Amortised loan issue costs are recognised in the Statement of Comprehensive Income in the year, and are included within interest payable and similar charges.

g) Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The company accounts for its financial instruments using sections 11 'Basic Financial Instruments' and 12 'Other Financial Instruments Issues' of FRS102.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Basic financial instruments are initially recognised at transaction price and in subsequent years at amortised cost. Financial assets are derecognised when the rights to the cash flows from the asset expire or are settled. Financial liabilities are derecognised when the obligation is discharged, cancelled or expired. Any difference between the consideration paid or received and the amounts derecognised are recorded in the Statement of Comprehensive Income.

h) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, cash in hand, deposits and short term investments with an original maturity of three months or less.

i) Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the use of certain accounting estimates and judgements concerning the future. There are no 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.

3. Profit

During the period, the company recharged interest paid and other financing costs on loans to the asset-owning borrowers to whom the debt was on-lent or asset-owning borrowers to whom an undrawn element of a loan facility is available. Consequently during the period the company made neither a profit nor a loss.

Audit fees for the company are paid for by the parent entity, The Housing Plus Group Limited and disclosed within its consolidated financial statements.

4. Employees

The company does not have any employees. All employees acting on behalf of the company are employed by The Housing Plus Group Limited or one of its asset-owning subsidiaries, whose costs are disclosed in those financial statements.

5. Directors' Emoluments

The directors of Housing Plus Group Finance Limited are employed and remunerated by The Housing Plus Group Limited. Full accounting disclosures on directors' remuneration are therefore included within its consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Interest receivable and similar income

	Year end 31 March 2021 £'000	Period ended 31 March 2020 £'000
Interest receivable from Group undertakings	13,864	8,414
	<u>13,864</u>	<u>8,414</u>

7. Interest payable and financing costs

	Year end 31 March 2021 £'000	Period ended 31 March 2020 £'000
Interest payable from Group undertakings	13,706	8,317
Non-utilisation fees payable under undrawn facilities	158	97
	<u>13,864</u>	<u>8,414</u>

8. Taxation

	Year end 31 March 2021 £'000	Period ended 31 March 2020 £'000
UK Corporation Tax		
UK Corporation Tax on surplus for the period	-	-
	<u>-</u>	<u>-</u>

9. Debtors

	2021 £'000	2020 £'000
Due within one Year		
Interest due from Group undertakings	1,584	2,033
Loans to Group undertakings	3,300	3,300
	<u>4,884</u>	<u>5,333</u>
Due after more than one year		
Loans to Group undertakings	283,300	280,600
	<u>283,300</u>	<u>280,600</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Loans and borrowings	3,300	3,300
Accruals	1,584	2,033
	<u>4,884</u>	<u>5,333</u>

11. Creditors: amounts falling due after more than one year

	2021	2020
	£'000	£'000
Loans and borrowings	283,300	280,600
	<u>283,300</u>	<u>280,600</u>

12. Debt Analysis

Loans from banks, building societies and capital markets are secured by specific charges on the Group's housing properties. The loans accrue interest at varying rates and are repayable in instalments as shown below:

	2021	2020
	£'000	£'000
Bank/ building society/ capital market loans		
In one year or less, or on demand	3,300	2,033
Repayable between one year and two years	11,800	3,300
Repayable between two and five years	42,000	42,300
Repayable after five years	229,500	235,000
	<u>286,600</u>	<u>283,900</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Debt Analysis (continued)

The amount repayable in relation to the bank, building society and capital market debt is offset by inter-company debtor balances between Housing Plus Group Finance Limited and South Staffordshire Housing Association and Severnside Housing.

	2021	2020
	£'000	£'000
Loan Facility		
Fixed rate loans	206,000	238,500
Index-linked loans	12,000	12,000
Variable loans	68,600	33,400
	<u>286,600</u>	<u>283,900</u>

Security, terms of repayment and interest rates

At 31 March 2021 the HPG Finance Ltd had total facilities as detailed below of £332.1m (2020: £315.4m) with £45.5m (2020: £31.5m) remaining undrawn. £6m of additional funding was drawn from existing facilities during the year and £3.6m repaid. In addition the HPG Finance Ltd.'s Revolving Credit Facilities increased by £20m with Nationwide. Loan balances as 31 March 2021 were £286.6m (2020: £283.9m).

The Nationwide loan is secured by properties owned by SSHA and Severnside. The final scheduled loan repayment is due in March 2045. Of the total loan drawn of £198.6m, 63% are fixed rate loans with a weighted average interest rate of 6.10%, 31% are variable rate loans with a weighted average interest rate of 1.39% and 6% are index linked with an interest rate of 5.32%. The total Nationwide facility as at 31 March 2021 is £237.1m, with £38.5m remaining undrawn.

The Private Placement with the BAE pension fund of £45m is secured against properties owned by SSHA. £35m of the Private Placement is to be repaid between August 2038 and August 2042 in equal instalments of £7m and has a fixed interest rate of 5%, with the remaining £10m being repaid in a single instalment in August 2042 with a fixed interest rate of 3.75%.

The Private Placement with Canada Life of £35m is secured against properties owned by Severnside. The interest rate is fixed at 4.54% and the Private Placement is due to be repaid in September 2048.

The £15m Revolving Credit Facility with Clydesdale Bank plc. is secured against properties owned by SSHA. At 1 April 2021 £8m of the facility had been utilised. The facility is repayable in full on 26 January 2023 and has a variable interest rate of 1.29%. £7m of the facility remains undrawn.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Security, terms of repayment and interest rates (continued)

All of Housing Plus Group Finance Limited's costs relating to providing funding services are billed to the relevant asset-owning subsidiary of The Housing Plus Group Limited.

The risks faced by this company have been disclosed within the Report of the Board on pages 3 and 4.

13. Analysis of changes in net debt

	At the beginning of the period £'000	Cashflow £'000	Non-cash Movements £'000	At the end of the period £'000
Cash and Cash equivalents	-	-	-	-
Housing loans due within one year	(3,300)	3,300	(3,300)	(3,300)
Housing loans due after one year	(280,600)	(6,000)	3,300	(283,300)
	(283,900)	(2,700)	-	(286,600)

14. Financial Instruments

	Note	2021 £'000	2020 £'000
Financial assets at fair value through profit or loss			
Financial assets that are debt instruments measured at historical cost			
Amounts owed from group undertakings	11	<u>288,184</u>	<u>285,933</u>
		288,184	285,933
Financial Liabilities measured at fair value through profit and loss			
Financial Liabilities measured at amortised cost			
Loans	12,13	286,600	283,900
Accruals	12	<u>1,584</u>	<u>2,033</u>
		288,184	285,933

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Group companies

The ultimate parent undertaking and controlling party is The Housing Plus Group Limited, a Registered Provider (Registered Co-operative & Community Benefit Society No. 30224R). The consolidated financial statements of The Housing Plus Group Limited are available from the Company Secretary, The Housing Plus Group Limited, Acton Court, Acton Gate, Stafford, ST18 9AP.

16. Related party transactions

The company has taken advantage of the exemption by S33.1A of FRS102 not to disclose related party transactions with other group companies.