One Housing Group Limited

Annual Report and Financial Statements

Year ended 31 March 2022

One Housing Group Limited

Registered under the *Co-operative and Community Benefit Societies Act* (20453R)
Registered with the Regulator of Social Housing (number LH0171)

Annual Report and Financial statements for the year ended 31 March 2022

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One Housing Group Limited

Our Vision and Values

Vision

We create places for people to call home and support them to live well.

Our five strategic aims are the goals we have set to achieve our vision.

- Creating places to call home
- Supporting people to live well
- Building homes and communities
- Growing responsibly and sustainably
- A modern, flexible, and fun place to work

Our Values

- We keep our promises
- We do a great job
- We work together
- We value diversity
- We look for ways to improve.

We are committed to working with our employees and our residents to deliver our vision and strategic aims, whilst embedding these values across all the work that we do.

One Housing Group Limited
Chief Executive's Report

One Housing Group, Chair's letter of introduction

One Housing Group is at the start of a new chapter in our history, as we formally joined the Riverside Group on 1st December 2021. We are proud to combine with a housing association that shares our values and our deep commitment to helping people in housing need, building more homes where they are needed and creating communities where people can realise their potential. This is a hugely exciting time to be part of our organisation, with the real opportunity to do more for our customers and communities.

The partnership followed close collaboration between our two boards which allowed us to develop our proposals and set out a compelling offer for our customers, colleagues, and external stakeholders. These proposals and business cases will shape our work until our eventual full integration with the wider group in 2024.

Our integration work over the next two years will also be guided by the six Pledges we made to our customers. We promised to deliver better services, additional investment, and support to improve the livelihoods of customers. This includes additional support and advice to help our customers through difficult times, particularly as the cost-of-living increases, and more investment to make sure that our homes are safe, warm, and environmentally sustainable. Alongside our longer-term plans, we have identified additional resources and we have already started to deliver on these Pledges. In addition, we have set up a Customer Task and Finish Group, involving customers from both organisations, who will monitor our performance in delivering these Pledges.

The new partnership provides us with financial stability and allows us to unlock investment that otherwise would be unavailable – alongside Riverside we intend to invest nearly one billion pounds over the next five years on improving, repairing and carrying out building safety work to our homes. In the longer- term it will mean that we can invest to meet the net zero carbon targets.

Alongside this transition, we continue to deliver for our customers. Ambitious regeneration plans for Camden and the Isle of Dogs continue to progress. Exceptional care services will continue to be a focus of our work, including the national leading homelessness service at Arlington and the UK's first LGBT+ affirming retirement community, Tonic@bankhouse.

Underpinning our work is the continuing Customer Experience Strategy. The strategy is focused on both better meeting the changing demands of our customers and creating efficiencies that allow us to deliver value for money and provide support to residents who need our help most. Following the launch this year, year two will focus on improving our customer services centre, continuing the improvement of our repairs service, and embedding a 'Customer First' culture around the organisation.

In May 2022, Steve Douglas, my predecessor as Chair of One Housing Group, passed away. Steve was an inspiration to me and to many colleagues at One Housing and his commitment to providing the very best for our social housing tenants, to good and effective governance, and to equality and diversity in housing and in society will stay with is. Our love and sympathy are with Steve's family.

I would like to extend my sincere appreciation and thanks to Rommel Pereira for his exceptional work as he leaves our Board to join the TRGL Board and Chair the TRGL Group Audit Committee. I would also like to thank Kevin Brush for his contribution to our Board and I would like to extend a welcome to Pauline Davis and Ingrid Fife as new Board members. The two new additions to the board bring invaluable experience from the wider Riverside Group.

We look forward to continuing to deliver the ambitious plan as part of our new future within Riverside Group.

Caroline Corby
Group Chair
14 July 2022

One Housing Group Limited
Chief Executive's Report

One Housing Group, CEO letter

2021-22 was focused on delivering projects that are vital today, including our building safety work programme and the ongoing response to the pandemic, and on articulating our vision for the organisation tomorrow, in the shape of our merger with the Riverside Group. The merger means we became the fourth largest housing association in the UK with 75,000 homes and over 5,000 colleagues. We're working hard to unlock the benefits of this scale for customers and colleagues, and making our voice heard at the national level while continuing to deliver great local services.

In one of the biggest conversations, we've ever had with our customers, we articulated our vision for the Riverside Group merger and asked whether they agreed with our proposals as part of a six-week consultation. In total, 3,632 people let us know what they thought. The results showed that, overall, four times as many customers, who expressed a view, either way, were in favour of the merger as were against. We are now focused on delivering this vision.

As an organisation, we have begun meeting with colleagues and residents to discuss how we can work together in the future to improve services for customers as part of a journey to full integration. An integration road map was published in April, and we continue to deliver against this framework.

The year was marked by our continuing response to Covid-19 and I once again wish to pay tribute to the exceptional care and support provided by colleagues in care homes and around the business to keep our customers safe.

Another continuing theme was progress on delivering our customer experience strategy, work that was marked by our renewed commitment to listen to our customers and stakeholders and place them at the heart of our decision-making.

The Customer Experience Strategy was launched across the organisation in March 2021. The Strategy was supported by our new Customer Service Offer which was launched at the same time.

Shaping our approach to customers in future will be our new Resident Engagement Strategy. We were pleased to have received over 1,300 responses to the survey associated with the Strategy and this feedback is shaping the ongoing Strategy.

Despite the Covid-19 disruptions, we have continued to make progress on improving our performance for repairs. 84% of repairs were 'first-time fixes' in January 2022, and the average time we took to make repairs remained good at 0.5 days for emergency repairs and 6.45 days for routine repairs. Customer satisfaction with completed repairs in January 2022 reached 91.6%.

Our building safety program continued to be a huge focus of our work and investment. We had identified 170 buildings with potential fire remediation work and we have committed over £250m in our business plan to fund work over the next few years. In 2021-22, £20m was spent on cladding remediation and contracts commenced on 21 high rise buildings. Our extensive experience with the ongoing cladding program has given us the expertise and operational approach we need to continue to make good progress.

As we continue on the path toward full integration, I would like to commend the work of colleagues across One Housing and thank them for their efforts during this exceptional year.

Richard Hill
Chief Executive Officer
14 July 2022

One Housing Group Limited

SUMMARY FINANCIAL RESULTS

Year ended 31 March	**2022**	**2021**
Operating surplus by business stream	**Surplus / (deficit) £'m**	**Surplus / (deficit) £'m**
Housing (excluding cladding & fire related cost)	20.4	23.3
Other social housing activities	1.6	0.1
Property related (PY excludes Victoria Quarter impairment)	45.0	13.3
Private Care Homes - Baycroft	(12.1)	(9.6)
Other commercial activities	4.2	6.7
	59.1	33.8
Cladding and fire related costs	(23.1)	(14.8)
Victoria Quarter impairment	-	(13.0)
Other impairment	1.3	(0.9)
Operating surplus	37.3	5.1
Net interest & financing cost	(33.4)	(35.3)
Movement in fair value of financial instruments	23.3	14.4
Movement in fair value of investment properties	1.6	-
Surplus / (Deficit) before taxation	28.8	(15.8)

Statement of Financial Position at 31 March	**2022**	**2021**
	£'m	**£'m**
Housing Properties	1,785.3	1,713.5
Investment Properties	56.9	55.3
Other Fixed Assets	32.0	33.6
Investment in Subsidiaries	166.2	232.7
	2,040.4	2,035.1
Net current assets	2.4	(50.6)
Long term creditors	(1,645.5)	(1,615.1)
Provisions for Liabilities and Pensions	(8.7)	(13.5)
Net assets = Capital and Reserves	388.6	355.9

One Housing Group Limited

Strategic Report of the Board – Key issues for 2022 Results

Review of the Business - Introduction

The Board presents its Strategic Report and the Association's audited financial statements for the year ended 31 March 2022. This strategic report is structured as follows:

- Introduction
- The Riverside Group Partnership
- Operations & Service Delivery report including:
    - Care & Support
    - Customer Experience Strategy
    - Building & Fire Safety
    - Development & Sales
    - Our People
    - Look Ahead
- Finance report including:
    - Review of results for the year
    - Treasury & Funding
    - Value for Money
- Governance report including:
    - Group and Committee structure
    - Compliance with Regulatory standards and internal controls
    - Risk management
    - Board responsibilities.

Who We Are

One Housing Group Limited ("OHGL" or the "Association") is a charitable registered provider of social housing administered by a board of directors. When we refer to 'the Group' we mean the consolidated One Housing Group inclusive of all subsidiaries. Our subsidiaries and joint ventures are listed in Notes 18 and 19 of the Financial Statements. We are regulated by the Regulator of Social Housing ("RSH").

The Association is the parent company responsible for the strategic planning and direction of One Housing Group, along with central and development services.

Principal Activities

OHGL rents and manages homes for people from a range of backgrounds and especially those who struggle to afford a place to live. We house and support people across London and the South East and currently own and manage around 17,000 homes. The subsidiaries of the Association build and sell affordable homes to people in the London and South East areas.

We also help people into employment and work hard to make a positive difference in our residents' lives by promoting independence and well-being through a range of training and support services.

In London, we are a provider of quality care and support to people with a range of needs and we help them to live independently in the community. Our supported housing schemes transform the lives of people with mental health needs and we help homeless people to move on to secure homes and more stable futures. Our principal activities are described further below:

One Housing Group Limited

Housing

We offer a wide range of housing options including homes for social rent in partnership with local authorities as well as homes for affordable rent, shared ownership, private rent and private sale. We operate in the following key business areas:

- Social housing: providing rented housing for people and families who cannot afford to rent or buy on the open market.
- Intermediate housing: an option for people who can't afford typical market rents.
- Affordable home ownership and leasehold: shared ownership homes, where residents buy a share in the equity of their homes (which they can increase as and when they can afford it) and pay rent to us on the remainder.
- Market rent: providing homes on the private rental market generating surpluses to support the delivery of core services and social housing.

Care & Support

Housing care and support: helping people who need housing-related support or extra care. This includes specialist housing support for young people, the elderly within retirement homes and people with complex mental health needs. We offer personalised support to meet our customers' individual needs together with choice and control.

Development

- Property development: developing and delivering new high-quality homes for people at every income level to meet the urgent housing need across London and the South East.
- The sale of shared ownership and market sale properties on the open market.
- Commercial property: in addition to our market rent housing property, we also hold a portfolio of commercial property.

Community and Social Mobility

- Community investment programmes: involving residents through a combination of consultation and community-improvement projects.
- Social mobility and aspiration: focusing on employment and training schemes, including volunteering opportunities to build skills and promote employment opportunities in the communities we serve.

Where We Operate

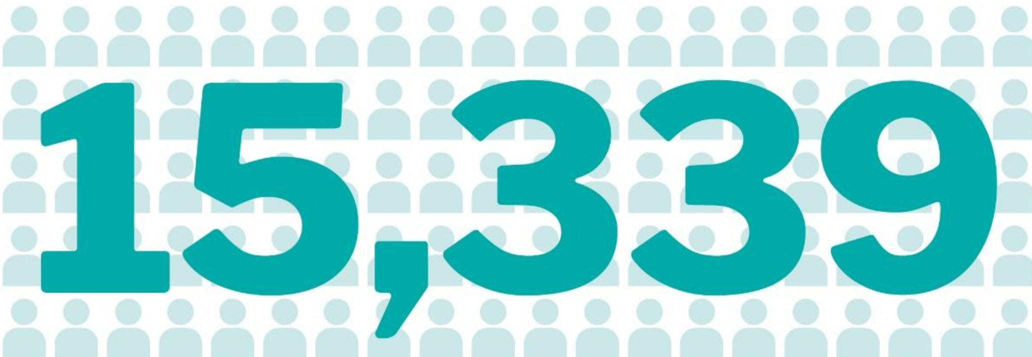
The Group owns and/or manages around 17,000 homes across London and the South East, with the greatest concentrations of homes being in the London Boroughs of Tower Hamlets, Camden, Newham, Hackney, and Islington.

About the Association

Key financial results at a glance

Year ending	2022 £'000	2021 £'000
Operating surplus	37,266	5,105
Surplus /(deficit) before taxation	28,804	(15,794)
Total fixed assets	2,040,441	2,035,086
Net assets = Capital and reserves	388,642	355,927

The split of our homes by business stream: general needs, leasehold, low cost home ownership, supported housing and non social.



Homes owned and managed.

The number of homes built or acquired and the number disposed of in the past three years.

Homes built in 2022

Homes disposed of in 2022

One Housing Group Limited

The Riverside Group Partnership

At the start of December 2021, The Riverside Group Ltd and One Housing Group Ltd agreed a partnership that means One Housing Group joined The Riverside Group as a subsidiary.

The merger was the result of an intensive programme of work including the development of a joint long-term financial plan and a full business case. The proposed merger was discussed with our key partners and stakeholders including Homes England, the Greater London Authority, our local authority partners and the Regulator for Social Housing.

A key part of the process was a six-week consultation process with our residents and our customers. All of our customers were asked for their views on the proposal for the two organisations to join forces; the consultation was a series of pledges – developed with involved residents from both organisations - demonstrating how the merged organisation could do more for customers and for the communities we serve. Both Riverside and One Housing customers who responded to the consultation were strongly in favour of the proposals.

On the 1 December, the merger was formally completed and we introduced some rebranding and joint communications across the two organisations. However, both organisations continue to operate with the same focus on customer service and the delivery of our core services.

Following merger, we are now embarked on a two-year journey to full integration, and formal amalgamation, by April 2024. Richard Hill, Chief Executive of One Housing, is leading this work and an integration roadmap was shared with colleagues in March 2022. A resident panel, the Partnership Pledge Task and Finish Group, will both ensure the partnership pledges are fully honoured.

Responding to Covid-19

The guiding principle for our response to Covid-19 remains to protect our workforce and our customers. In 2021-22, Covid-19 continued to impact our business this year – with our social care, homelessness, and internal planned investment programme all directly affected by restrictions, and our wider repairs and our development plans indirectly affected by the disruptions. As restrictions lifted, our internal planned investment programme has recommenced and we are still anticipating long term consequences for social care provision and staffing. The guiding principle for our response remains to protect our workforce and our customers.

Care & Support

Covid-19

Our number one priority during the pandemic has been to keep our vulnerable residents as safe as possible. Vaccination remains a primary protection measure against Covid-19, reducing the risk of serious illness, hospitalisation, and death. All staff in our care homes are vaccinated alongside our residents.

Since the roll out of the vaccine, alongside regular testing of our staff, visitors, and residents we have had no deaths from Covid-19 in our care homes and senior living schemes. We have continually followed all the public health guidance and ensured PPE is available and deep cleans have been carried out when required to reduce transmission.

One Housing Group Limited

Strategic Report of the Board – Key issues for 2022 Results

Recovery Plan

In 2021-22 we put in place a care and support recovery plan aimed at helping our care and support projects to recover from the impact of Covid-19. Implementation of the plan has had a positive impact on our financial performance.

Our Care and Support division has delivered a positive variance to budget of c.£0.3m at year end. Our core care business has performed well and delivered an overall surplus of £2.2m before interest. Our Baycroft Private Care Homes do continue to experience significant difficulties as care home occupancy across the market is affected by Covid-19 and associated visiting restrictions. Additionally, Baycroft performance is impacted by Covid-19 costs and recruitment challenges in a tight labour market.

Some of the key successes of the Recovery Plan in the past year are:

- additional income generated through enhanced housing management,
- better staffing controls in contracts and senior living
- a streamlined Care & Support Central team performing to budget post restructure
- oversight of the Covid-19 grant programme delivering an additional £626k for Baycroft
- the implementation of non-staffing efficiencies programme including catering

These initiatives have helped mitigate the impact of Baycroft challenges on the overall Care & Support position. In 2022-23, we will continue to focus on our Baycroft marketing and sales strategy, driving occupancy by reviewing our fee strategy and external marketing.

Senior Living Consolidation

Over the year we delivered the Recovery Plan strategy to exit senior living schemes which were geographically outside of our core operating area or poorly performing. We transferred care at Millcroft in Oxfordshire to an external provider. In Essex, we exercised our lease break with Funding Affordable Homes (FAH) on our Rosebank and Beaumont Homes; operational management of the schemes has transferred to Orwell Housing Association.

Our collaborative joint working with FAH and Orwell optimised the transition process for staff and customers. Delivery of this strategy has removed risk of recurrent financial losses and concentrated our Senior Living with care operation in target areas of geography.

Customer Experience Strategy

Our Customer Experience Strategy was formally launched in March 2021. The Strategy was supported by our new Customer Service Offer which was launched at the same time and is available on our website.

The key achievements to date include:

- Launch of Customer Voice customer satisfaction surveys
- Launch of ‘On My Way’ App for the repairs service to track arrival time.
- Launch of the new Complaints policy and the commencement of improvements in our performance with an improved turnaround of complaint responses.
- Development of the Customer Feedback framework which is reported to the Customer Services Committee.
- Improved Service Charge communication following workshops with residents.
- Improvements in service charge processes with significant improvements in accuracy and our audit processes.
- Development and roll-out of our Customer Service Offer.
- New style resident and building safety newsletters including better reporting on our service performance.

- Development of housing management plans for complex developments.
- Launch of the CRM case task force and a range of digital improvements.

Our plan for the next year focuses on the top priorities that will really make a difference to customers. These include a focus on developing our Customer Services Centre; improvements in our repairs service with an emphasis on scheduling and follow-on work; ongoing improvements in Communication with residents; and work to embed a Customer First Culture embedded across the organisation.

We continue to develop our digital service offer with new functionality for MyOneHousing developed during the year with further plans to enable the on-line reporting of repairs in 2022.

This year we also completed consultation in February 2022 on a revised Resident Engagement Strategy. The strategy was based on feedback from over 1500 residents. Residents told us that their top themes for improvement and priorities for engagement are:

- Stronger working partnerships with our residents: More influence in top-level decision-making that links to their home
- Resident-led scrutiny leading to service improvement
- Improved two-way communication
- Community development: Identifying needs and addressing these to build stronger communities
- Supporting our residents to become engaged: Providing more opportunities for our residents to talk with us.

We are working with residents to shape how each theme is delivered.

Delivering on our Building and Fire Safety work

Our key priority is always to keep our residents and customers safe. We have continued to prioritise our programme of work on fire safety.

We identified 170 buildings with potential combustible cladding problems to which we have committed £169.4m as well as a further £109m for fire remedial works over the next 10 years. In 2021-22, £20m was spent on cladding remediation and contracts commenced on 21 high rise buildings. In addition, the decision was taken to cover the cost of waking watches and not pass this cost onto leaseholders.

We have made 28 applications for funding from the Building Safety Fund with a combined value of over £69m. The government has announced an additional £3.5bn worth of funding however this still won't be enough for the whole sector.

We are doing everything to minimise costs to leaseholders and are working hard to recoup remediation bills from the original contractors where we can, and we are continuing to work with our colleagues in the G15 to lobby the government to cover the full cost of remediation works for building safety.
Our continued investment in this area is achievable with the continued and consistent support from our funders.

Development & Sales

In the financial year 2021-22, we have continued to implement the development strategy we put in place four years ago.

We are focused on:

- building new homes where it is complementary to our existing stock, where it can ultimately drive value for money in the delivery of our landlord services.
- our new business transactions and delivering quality assets that are efficient to manage and help us to grow our strong asset portfolio.

- progressing with the resident-led regeneration of our estates, including securing resident consent for regeneration for locations in Tower Hamlets
- replacing the older stock that have higher running costs with newer stock, whilst enabling us to retain the underlying asset value and leveraging value through densification; thus, negating the need for reinvestment in older stock and reducing the impact on our long-term plan.
- delivering new homes via joint ventures with private sector developers/housebuilders; enabling us to access private development and sales expertise, whilst sharing development risk.

Below is a breakdown of the development activity in the financial year 2021-22

Development Activity	Activity	Unit Detail
Units acquired	697	Acquired or achieved planning on 697 homes - Bellamy Close (achieved planning): 148; Greenwich Millennium Village: 8; Western Gateway/Royal Eden Docks: 159; Waltham Forest Town Hall: 205; Phase 4 Ladderswood; 110; Caledonian and Tollington: 5; Move-On programmes: 62.
Starts on site	504	504 Starts on site - Greenwich Millennium Village 8; Western Gateway/Royal Eden Docks 159; Waltham Forest Town Hall Phase 1: 160; Ladderswood phase 4: 110 Caledonian and Tollington: 5; Move-On programmes: 62.
Completions	104	104 completions over the period - Frederick Street: 2; Phoenix Place 63; Move-On Programmes: 39

Tonic@bankhouse

This year we, partnered with Tonic Housing to open the UK's first LGBTQ+ affirming retirement community at Bankhouse, our retirement living scheme in Lambeth. This innovative scheme was funded through the GLA and was opened by the Mayor of London.

The ongoing partnership is structured under the terms of an SLA and Community Agreement which ensure that the LGBTQ+ affirming offer is embedded into Bankhouse. This can be seen on-site, for example in its use of artwork and in optimising the use of the restaurant, community lounge and garden space. Bankhouse staff are given LGBTQ+ training and we co-create events with residents based on their interests, including collaborations with other LGBTQ+ organisations and support providers.

Move-On

We continue to partner with the Mayor of London's office to deliver this programme to help people move on from hostels and refuges.

We were the first housing association to be awarded a contract to help rough sleepers. As a part of this, we are working with Solace Women's Aid to support victims of violence against women and children. We are delivering 115 homes and residents will be provided with support including for mental health issues, financial management, help to find employment and education or training opportunities.

We have recently created an additional partnership with Camden Council, to deliver a further 20 units through this programme.

Stock Consolidation

A key part of our development strategy has been to focus new development on our core operating areas. Our aligned asset strategy has also focused on consolidation into core activities and areas to generate efficiency. This focus on investing and improving services in core areas had also generated resources to help us fund our increased financial commitments to fire and building safety.

In 2021-22 we completed a successful transfer of 322 residential units and a further 36 car parking spaces in Slough and St Albans to Paradigm Housing Association. This had a transaction value of £39m generating a surplus into OHG of over £20m, with a gross yield of 5.5%. Residents were consulted with in line with the Tenancy Involvement and Empowerment Standard and were positive about the change based on Paradigms more local offer. Our project team worked with Paradigm to ensure a smooth a transition of services for residents.

Regeneration on the Isle of Dogs

Our Island regeneration team was set up in 2018 to work with residents of the Isle of Dogs (London Borough of Tower Hamlets) to develop and implement regeneration works to benefit the community and if possible, provide additional homes for people in need. Following a period of intensive engagement with the community about proposals for regeneration, there has been positive progress across the estate's projects.

Planning permission was granted on Bellamy Close & Byng Street in April 2021 and our partners, Mount Anvil have submitted an enhanced planning application which is due to be considered a planning committee in June/July 2022 with One Housing owning all the affordable housing delivered as part of this scheme.

The resident ballot for our Tiller Road project concluded in May 2021 with 88% voting in favour of regeneration from a 94% turnout. Procurement of a partner and limited design work is now underway to submit a planning application in 2023. The Stewart Street ballot concluded in March 2022 with 82% voting in favour of regeneration. The project team have commenced the process of selecting a development partner for Stewart Street and preparing planning applications.

We are continuing to work with residents on the Kingsbridge Estate on a resident-led option appraisal process. We are currently starting to engage with residents in Kelson House and neighbouring blocks to test the appetite for regeneration.

Our People

Organisational Development

A key organisational priority is to ensure that our colleagues continue to feel happy and well supported during the transitional period of the merger. Our people plan and transition road map have been designed to ensure staff feel confident in their role in the new integrated organisation.

We will continue to pay the London Living Wage, or above it, to all staff, as it is both the right thing to do and it helps us to recruit and retain our excellent colleagues.

Equality, Diversity, and Inclusion

At One Housing, we remain committed to supporting and promoting equality, diversity, and inclusion. We work hard to create a culture that celebrates diversity, ensuring that everyone can bring their whole, true, authentic self to work. Our approach is described in our Equality, Diversity, and Inclusion (ED&I) strategy, launched in 2021. This is journey we are on as an organisation, and we are aware that much work remains to be done.

Our diversity networks for BAME, LGBTQI+ and female staff helped to shape this strategy and will continue to contribute to shaping our corporate discussions, plans and initiatives around ED&I. We continue to support our BAME colleagues internally through our BAME network which focuses on promoting diversity and inclusion at One Housing. The network has been able to host events and seminars aimed at career and personal development for our BAME colleagues.

We will continue to apply the 'Rooney Rule' guaranteed job interview scheme for female and Black, Asian, and other minority ethnic candidates who meet the essential job criteria. Reflecting our values, we are pleased our mean gender pay gap has reduced the gap by 4.57% since 2018 when the figures were first provided, and we will redouble our efforts to eliminate it and other pay inequalities within One Housing.

Look Ahead

Over the next two years we will be focused on integrating our services and then fully amalgamating into the Riverside Group. This will run alongside delivering on the service improvement as set out in our Customer Experience Strategy. The amalgamation will require substantial co-ordinated effort and focused resources to complete the planned integration of One Housing's staff and systems fully into the wider Riverside Group. That is why we have set up a group wide Merger Integration Panel to oversee and manage the transition.

Our transition will include creating a new corporate plan for the combined organisation. This process will include a research phase, extensive consultation with staff and stakeholders, the definition of high-level objectives and the creation of a final plan by February 2023. The plan will subsequently inform a range of detailed corporate strategies covering all elements of our operations. Where there is clarity on the way ahead, this process has already begun in Year One of the plan; for example, we have started the process of integrating corporate functions, including HR, communications, and our treasury teams. The integration will proceed in a planned way to ensure customer facing teams can continue to deliver services tailored to local needs, whilst we work to attract and retain excellent staff members. Colleagues will continue to be supported with fresh investment in systems and tools, including a new enterprise grade HR hub and joint website.

Financially the integration will allow us to be more financially resilient and unlock additional investment opportunities. The combined group has strong financials metrics and an excellent credit rating. Integration means substantial ongoing financial savings; we have set ourselves a target of achieving £7.5m of reoccurring savings by 2024-25. This financial strength will allow us to reinvest in our properties and services, including spending nearly £1bn improving and repairing homes over the next five years.

One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators

2022 Financial Review

This financial year was expected to be a challenging one due to the increased pressure of fire safety spend and the impact of Covid-19 on increased demand for repairs and maintenance, and on our Care Homes. Inflationary pressures primarily on materials and maintenance subcontractor prices also posed a challenging environment to operate within. Fire safety compliance and the priority of keeping our residents' safe remained one of our top priorities in the year.

We knew that there would be a few years with conflicting priorities and a demanding external environment and we have worked closely with our key stakeholders including our funders and the Regulator of Social Housing, to keep them informed of the Board's strategy. We are grateful for their support.

Our 2021-22 budgets were set with this in mind and we are pleased to report on the activities for the year.

	Year ended 31 March 2022	Year ended 31 March 2021
	Surplus / (deficit) £'000	Surplus / (deficit) £'000
Operating surplus	37,266	5,105
Net interest & financing cost	(33,422)	(35,272)
Movement in fair value of financial instruments	23,335	14,373
Movement in fair value of investment properties	1,625	-
Surplus / (Deficit) before taxation	28,804	(15,794)

This Strategic Report of the Board section reviewing the financial activities of the Association, primarily focuses on operational results. We have detailed the impact on our financial performance of some of the challenges and achievements of the year, including Covid-19 impact on costs and occupancy in our care homes, fire safety expenditure, repairs and maintenance, and property disposals.

Set out in the table below is a non-statutory presentation of the results which aids understanding of our performance. The table shows our operating activities by business streams and the performance of the business streams in the year. Please note, all of the figures stated have been directly taken from the statutory Statement of Comprehensive Income and supporting notes.

	Year ended 31 March 2022			Year ended 31 March 2021		
Summary of activity by business streams	Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*	Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*
Turnover per SOCI	178,771			175,771		
Income from Investment property, staircasing and right to buy sales	68,429			93,657		
	247,200			269,428		
Core housing (excluding fire related)	111,595	20,393	*18.3%*	111,526	23,334	*20.9%*
Other social housing activities	27,490	1,551	*5.6%*	29,157	131	*0.4%*
Property related	82,279	45,055	*54.8%*	109,634	13,275	*12.1%*
Private Care Homes - Baycroft	9,373	(12,106)	*(129.2%)*	8,365	(9,542)	*(114.1%)*
Other commercial activities	6,133	4,173	*68.0%*	9,619	6,650	*69.1%*
	236,870	59,066		268,301	33,848	
Cladding and fire related income / (costs)	10,330	(23,108)		1,127	(14,829)	
Victoria Quarter impairment	-	-		-	(13,000)	
Other impairment	-	1,308		-	(914)	
	247,200	37,266		269,428	5,105	

One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators

Core Housing

Our core housing activity comprises general needs housing including supported accommodation, shared ownership rents and charges to leaseholders. Due to the significant impact of fire safety related costs, these have been split out to make clear the underlying business performance.

	Year ended 31 March 2022			Year ended 31 March 2021		
	Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*	Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*
Core Housing						
General needs and shared ownership						
Rents, grants and other	95,964	16,447	*17.1%*	89,148	18,705	*21.0%*
less: fire safety related	(4,977)	14,046		(300)	10,548	
underlying performance excluding fire	90,987	30,493	*33.5%*	88,848	29,253	*32.9%*
Service charges	15,568	(5,861)		14,723	(4,414)	
Gift aid from social housing subsidiary	900	900		3,214	3,214	
sub-total	107,455	25,532		106,785	28,053	
Leaseholders						
Rents and service charges	9,493	(14,201)		5,568	(9,000)	
less: fire safety related	(5,353)	9,062		(827)	4,281	
underlying performance excluding fire	4,140	(5,139)		4,741	(4,719)	
Core housing (excluding fire related)	111,595	20,393	*18.3%*	111,526	23,334	*20.9%*
Cladding and fire related income / (costs)	10,330	(23,108)		1,127	(14,829)	
Core housing after all fire related costs	**121,925**	**(2,715)**		**112,653**	**8,505**	

Core housing key points to note:

- General needs and shared ownership income grew steadily reflecting increased income from the rent settlement and changes in housing stock.
- The underlying performance of general needs and shared ownership, excluding fire related costs and gift aid was a surplus of £30.5m (2021: £29.3m).
- The gift aid income from TPHA Ltd. was reduced, due to a one-off payment made last year that was not expected to continue.
- The demand for repairs and maintenance was high and continues to be higher than before Covid-19. We faced inflationary pressures on materials and subcontractor prices during the year. We have continued to invest in our properties for the long term and to improve homes for our customers.
- We continue to incur a deficit in recovery of service chargeable costs for both social housing and leaseholders. A number of improvements to service delivery and data and billing have taken place this year. We continue to invest in this area as we focus on improvements to customer experience.
- During the year we incurred £33.4m (2021: £18.3m) of costs that were expensed through the Statement of Comprehensive Income ("SOCI") relating to fire safety. The details of the fire related costs can be seen in the notes that accompany the financial statements (Note 16). We continued to prioritise urgent works on cladding and other fire remedial works, knowing there would be costs that were not recoverable as we prioritised our residents' safety. Fire remedial works completed were primarily driven by fire risk assessments for on high-risk blocks. We have continued to not pass on costs for waking watch.
- We had a substantial programme of cladding removal, of which the leasehold and shared ownership proportions were largely funded by the Building Safety Fund (BSF). During the year we have recognised income of over £10m from the BSF and recovery from a developer, with a further £6.2m deferred Building Safety Fund grant income in the SOFP. We have made a total of 28 applications for funding from the Building Safety Fund with a combined value of over £69m. We have also received income from the developer of one of our blocks who are part funding cladding replacement and other fire related works.
- Further detail on fire safety is included in Note 16.

One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators

Other Social Housing Activities

	Year ended 31 March 2022			Year ended 31 March 2021		
	Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*	Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*
Other social housing activities						
Supporting people contract income	27,490	1,689		28,589	261	
Community regeneration	-	(138)		-	(130)	
Furlough grant	-	-		568	-	
	27,490	**1,551**	*5.6%*	**29,157**	**131**	*0.4%*

Supporting people contract income business activities includes various contracts with local authorities, health partnerships and social services. We provide a range of services ranging from getting rough sleepers of the streets through to local authority funded supported housing for elderly people. Together these constitute a major part of One Housing's service offer to our Care & Support customers. These services are difficult to provide and will never generate the same level of contribution as other areas of the business and, under the Value for Money calculations, have an adverse impact upon our cost per unit since costs are included even though there are no additional housing units.

Other social housing activities key points to note:

- This year, the supporting people business stream performed well with an overall surplus of £1.7m (2021: £0.2m), which is an excellent result in a challenging environment. A number of our contracts were extended for a longer period than initially anticipated, contributing to the higher surplus achieved. During the year, we also managed our staff costs under these contracts more effectively. We continue to focus on exiting poor performing contracts and negotiating improvements to future ones.
- Community regeneration work is a vital part of supporting and sustaining viable mixed communities. As we work in some challenging and deprived parts of London, we believe in the value of these services.

Property Related

Property related activity includes everything in relation to property development, asset sales and shared ownership. It includes disposal of properties previously used in core social housing or other social housing activities but excludes rental income from properties held for investment purposes which is included in other commercial activities.

	Year ended 31 March 2022			Year ended 31 March 2021		
	Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*	Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*
Property related						
Shared ownership first tranche sales	12,304	5,222	*42.4%*	14,366	2,735	*19.0%*
Staircasing (note 11)	19,778	9,413	*47.6%*	9,179	5,119	*55.8%*
Right to Buy and other sales (note 11)	3,939	2,752	*69.9%*	29,831	8,066	*27.0%*
Investment Property Sales (note 11)	-	-		54,647	20	*0.0%*
Sale of Bankhouse (note 11)	5,412	577	*10.7%*			
Sale of Slough and St Albans (note 11)	39,300	30,466	*77.5%*	-	-	
Gift aid from property subsidiaries	1,546	1,546		1,611	1,611	
Development Costs Not Capitalised	-	(4,921)		-	(4,276)	
Result from property related activities in year - sub-total	82,279	45,055		109,634	13,275	
Impairment - Victoria Quarter	-	-		-	(13,000)	
Impairment - Investment in other subsidiaries	-	1,308		-	(914)	
	82,279	**46,363**	*56.3%*	**109,634**	**(639)**	*(0.6%)*

Note: Income arising from investment property sales, staircasing and right to buy is excluded from turnover on the SOCI

Property related key points to note:

- Property related activities performed well during the year, providing a much higher surplus for lower revenue compared to last year, and significantly exceeding our annual budget.
- Shared ownership first tranche sales have provided a higher surplus as we reduce the number of age restricted lower margin properties and provide more standard properties.
- Right to Buy and other sales were reduced as the number of individual property disposals were lower in number, as we prioritised the larger sale of Slough and St Albans units.
- We completed a successful transfer of 322 residential units and a further 36 car parking spaces in Slough and St Albans to Paradigm Housing Association. This provided income of £39m and a surplus of £30.5m as part of our asset rationalisation strategy to focus on our core operating areas.
- We also disposed of Bankhouse to Tonic Housing to open the UK's first LGBTQ+ affirming retirement community, providing income of £5.4m and a surplus of £0.6m.
- Gift aid from property subsidiaries was consistent with last year. We do expect this to reduce as the change in development strategy produces a higher level of affordable units and lower outright sale. This year's income is primarily from the disposal of investment property at our former office site.
- The development team continue to seek and develop opportunities; we take a cautious and prudent view on capitalisation of development team costs and during the year £4.9m (2020: £4.3m) of development costs were expensed to operating costs.
- We have released £1.3m of impairment this year, mostly related to a sale secured at a property in Camden, see below.

Property Related Impairment Provisions

During the year we released impairment of £1.3m, the majority of which relates to overage allowance for Bangor Wharf, a property in Camden on which we have exchanged and expect to sell early next financial year. The majority of impairments in property subsidiaries relate to expenditure incurred after all properties have been sold during the final winding up process. For Companies where there is land or properties for sale, a clear plan of action is in place and for the majority sales or offers have been secured.

One Housing Group Limited

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Impairment provision summary - site analysis	Provision 31 March 2022 Total £'000	Association Charge to SOCI in the year 2022 £'000	2021 £'000	Earlier years £'000
Included in Investment in Subsidiaries (note 19)				
Work in Progress/properties for sale				
Citystyle Living (Polo) Ltd	0	(582)	-	582
Citystyle Living (North End Farm) Ltd	2,539	26	-	2,513
Citystyle Living (Bangor Wharf) Ltd	2,659	(3,947)	(577)	7,183
Citystyle Living (Victoria Quarter) Ltd	13,000	-	13,000	-
Citystyle Living (Belmont) Ltd	8,601	(150)	(299)	9,050
Citystyle Living (Sutton Court Road) Ltd	2,218	612	853	753
	29,017	(4,041)	12,977	20,081
Completed Properties				
Citystyle (Site A Nunhead Lane) Living Ltd	6,007	2,433	-	3,574
Citystyle Living (St Anns) Ltd	280	36	160	84
Citystyle Living (Acton Town Hall) Ltd	881	132	749	-
Citystyle Living (Haringey 624 THA) Ltd	27	(1)	28	-
Citystyle Living (Goldhawk Road) Ltd	135	135	-	-
	7,330	2,735	937	3,658
Included in Housing Properties under construction (note 15)				
Suttons Wharf South	760	-	760	-
Pembury Road	232	-	232	-
	992	-	992	-
Included in Properties for sale (note 22)				
Boyn Valley Road	655	-	655	-
	37,995	**(1,306)**	**15,561**	**23,740**

Other Commercial Activities

There are three primary areas of activity included within other commercial activities: private care homes; market rent housing; and commercial lettings.

	Year ended 31 March 2022 Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*	Year ended 31 March 2021 Turnover & Sales £'000	Operating surplus / (deficit) £'000	*Margin %*
Other commercial activities						
Market rent housing	344	(193)	*(56.1%)*	653	(246)	*(37.7%)*
Gift aid from market rent subsidiaries	1,079	1,079		4,145	4,145	*100.0%*
Management Services for subsidiaries	778	379		1,009	1,009	*100.0%*
Commercial lettings and other activities	3,932	2,908	*74.0%*	3,812	1,742	*45.7%*
sub-total	6,133	4,173	*68.0%*	9,619	6,650	*69.1%*
Private Care Homes - Baycroft	9,373	(12,106)	*(129.2%)*	8,365	(9,542)	*(114.1%)*
	15,506	**(7,933)**	*(51.2%)*	**17,984**	**(2,892)**	*(16.1%)*

Other commercial activities key points to note:

Private Care Homes – "Baycroft"

- Baycroft continues to operate in a challenging environment post lock down, especially with regards to the impact of reduced occupancy due to Covid-19 and associated visiting restrictions. Costs associated with Covid-19 and recruitment challenges in a tight labour market have added to a poor result of a c.£12m loss for the year. Income has improved through receipt of Covid-19 grants and additional income generated through enhanced housing management.
- Areas for improvement include our Baycroft marketing and sales strategy and improving occupancy by reviewing our fees and external marketing. Staff costs will continue to be closely monitored.

Market Rent Housing

- Only a small number of market rent properties are owned by the Association as the majority were sold to Citystyle Living Ltd (CSL). Therefore, gift aid is included to show the overall performance. A number of market rent properties in the Association have been converted to general needs and there will be no further sales to CSL in the future.
- Covid-19 had an impact on voids during the year as demand for inner London properties reduced. We expect this to have only a short-term impact as people return to hybrid working.

Commercial Lettings and Other Activities

- Commercial lettings and other activities generated a surplus of £2.9m (2021: £1.7m), an improved position compared to prior year. As a result of Covid-19, we agreed rent reductions, put rent reviews on hold, as well as other measures on a case-by-case basis for those commercial tenants impacted by the pandemic. Some of these arrangements have now come to an end and we expect performance to continue to improve. During the year, we also completed rent reviews on a number of units and received back dated rent in the year, and we also held less voids in our larger units, both contributing to an improved performance.

Statement of Financial Position Highlights

We have maintained a robust financial position, reflecting strong asset values and liquidity. Key highlights include:

- the value of the Association's housing properties at historic cost increased to £1.79bn (2021: £1.71bn).
- the value of the Association's investment properties on an MV-T basis, increased to £56.9m (2021: £55.3m).
- the value of the Association's investment in subsidiaries fell to £166.2m from £232.7m. This is primarily due to the repayment of shares of £40m from Citystyle Living (Victoria Quarter) Ltd, plus the repayment by subsidiaries that have sold all their completed properties and are to be wound up in the future.
- we have £2.2bn of assets (2021: £2.1bn) and £389m of retained reserves (2021: £356m)
- as detailed in the treasury section which follows this section, we have drawn down loans of £882.3m (2021: £835.2m) and undrawn facilities / cash of £143.8m (2021: £155.0m)

One Housing Group Limited

Treasury Management

The One Housing Group Treasury Management Policy sets out the principles and objectives of our treasury management activities. It is reviewed annually to ensure we apply best practice. The One Housing Group Treasury Strategy sets out how we will apply the policy in the year ahead and details our approach to funding and how we mitigate and manage treasury-related risks such as liquidity risk, interest rate risk, covenant risk and counterparty risk. During the 2021-22 year, a key element of the strategy was to start a process to align funding more closely with the Association's business strategy and needs. This included:

- The intention to move to fewer funding providers to reduce risks and workload from having multiple different funding terms and conditions.
- Pro-active engagement with funders.
- Renegotiating funding terms to enable the Association to meet its commitment to fire safety.
- Negotiating lender consents to the merger with The Riverside Group; and
- Ensuring funding terms would enable the Association to take advantage of future opportunities for estate regeneration and other development opportunities.

The Association's core funders were strongly supportive of this approach and in most cases agreed multi-year amendments to the facilities.

Liquidity

During the year our Treasury Management Policy required us to maintain a minimum of £100m liquidity of which £15m must be cash. Our policy further required us to hold sufficient funds in place so as not to rely on sales income. As at 31 March 2022, the Association had £171.4m (March 2021: £199.2m) of available liquidity, comprised of unrestricted cash in current accounts of £10.0m (March 2021: £4.8m), cash on overnight money market funds of £13.5m (totalling unrestricted cash of £23.5m when combined with funds in the current accounts) and immediately available loan facilities of £147.9m (March 2021: £155.0m). These resources are sufficient to meet the Association's contractual commitments.

	2022	**2021**
	£'000	**£'000**
Unrestricted cash	25,393	39,836
Restricted cash	14,636	13,212
Cash equivalent	1,074	493
Overdraft	(1,878)	-
Total	**39,225**	**53,542**

One Housing Group Limited
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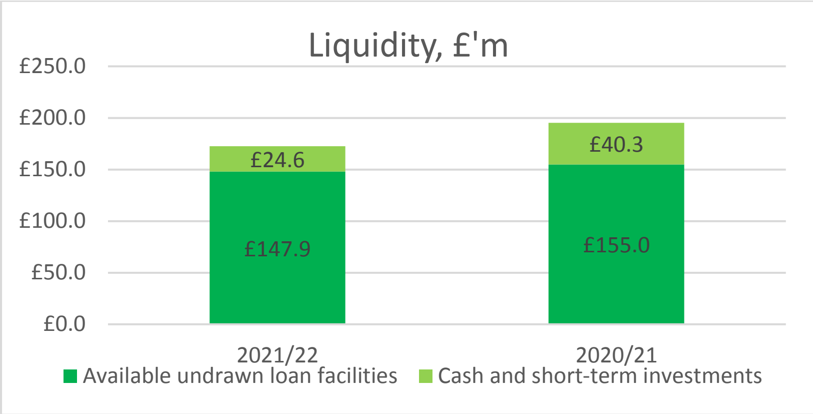
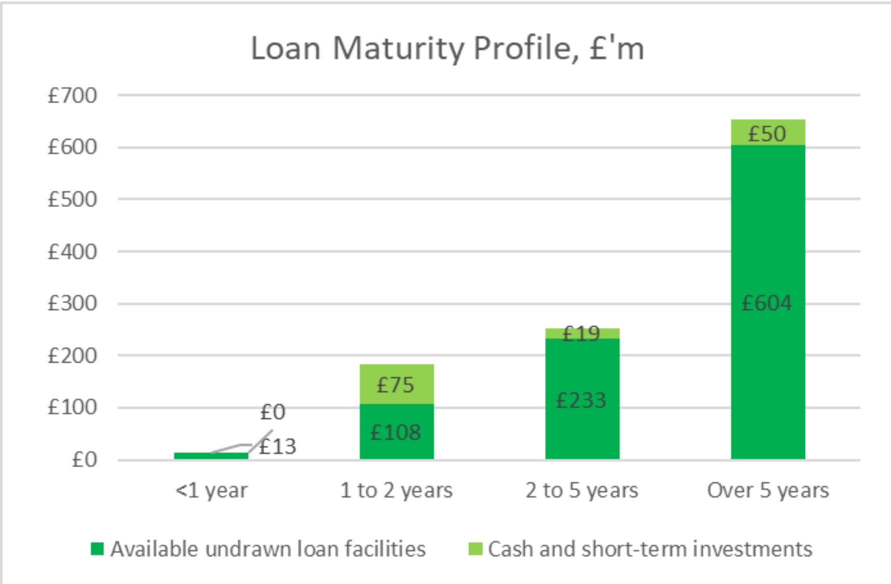


Debt Repayment Profile

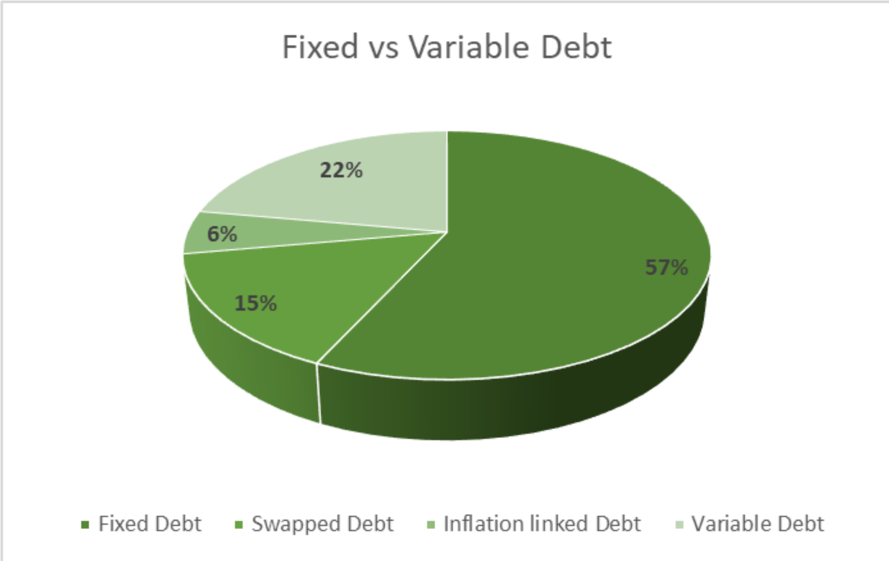
As at 31 March 2022, The Association had total facilities of £1,026.1m (2021: £990.2m) of which £882.3m (2021: £835.2m) were drawn.



Interest Rate Management

The Association manages its exposure to fluctuations in interest rates with a view to achieve an acceptable level of certainty in its net interest costs. As at 31 March 2022, 78% (March 2021: 87%) of our drawn debt was fixed or inflation linked.

One Housing Group Limited



We manage our Mark to Market (MTM) exposure risk using unsecured thresholds built into our ISDA agreements and property security collateral.

As at 31 March 2022, MTM exposure on standalone derivatives was £25.2m (March 2021: £37.9m). Both scenarios were fully covered by unsecured thresholds and property security collateral.

Covenant Compliance

Our Loan Covenants are predominantly based upon interest cover, asset cover and gearing ratios. We monitor covenant compliance monthly and report to the Board on a quarterly basis. The Association complied with all financial covenants as at 31 March 2022.

One Housing Group Limited

Overall Delivery of Value for Money

We are reporting on the Group's value for money delivery in the year.

In our 2021 Value for Money (VfM) report, we mentioned three areas of focus:

i. Customer Experience Strategy: A series of key initiatives were delivered during 2021-22 which built on the investment in the Customer Relationship Management (CRM) system which went live last year.

A key project was providing customers real-time location tracking of repairs operatives, with two-way messaging between the customer and operative. This has greatly reduced instances where the operative cannot access the property to complete maintenance work, saving significant sums. Our customers are now surveyed using SMS messaging after every request is completed. We segment customer feedback by request type, as well as customer demographics. Targeted business improvements have driven customer satisfaction higher, with repairs-related satisfaction now at over 90%.

In addition, our contact centre platform was moved to cloud-based services, removing interruptions to the customer service centre, and bringing average call waiting times to below 30 seconds for the year.

A strong focus during the year was also placed on maximising benefit advice and income for customers, as well as focusing on recovery action in line with previous repayment agreements and court judgements. This can be seen from our increase in collections.

ii. Data: Investment has also been made into our cybersecurity defences, with zero major incidents having occurred in the year. We have established proactive monitoring and protection of data for our customers and colleagues. Furthermore, automation of data retention and anonymisation across all our major platforms have been put in place, ensuring our compliance to General Data Protection Regulations (GDPR). Placing these key controls prevents further costs and time spent away from effectively servicing the needs of our customers.

iii. Fire Safety Strategy: Overall, the Group's full-year fire related spend came to £47.6m, £24.1m of which directly impacted the SOCI (net of Building Safety Fund grant & Developer income). As a result, many of the value for money metrics have been affected by our fire safety programme. Throughout the year we prioritised high risk blocks ensuring we kept our residents safe.

In addition to these areas, we have focused on our Care and Support activities. The metrics in this section have been greatly affected by two main factors, Fire Related spend mentioned above and Care and Support activities which have faced challenging times, with the prolonged effects of the Covid-19 lockdown and the operational shift following the easing of restrictions. Throughout the year, we benefitted from government grants in the form of Building Safety Fund grant income and infectious disease grants which helped mitigate some of our costs in these areas.

Within the Care and Support, many areas underwent improvements. A lean-based process review for voids management was undertaken. With subsequent new digital workflows, the Care & Support tenancy verification and sign-up process was reduced from weeks to the day of the customer visiting the scheme. Care & Support arrears management process was also improved, reducing debts with the improvement reducing the bad debt provision by £1m.

Delivery of VfM during the year is monitored and reported internally, primarily through a focus on delivery of operational budgets that were set to deliver VfM, but also through monitoring of an extensive suite of financial and non-financial KPI's some of which are aligned to VfM metrics, whilst others are reported as part of key performance indicators.

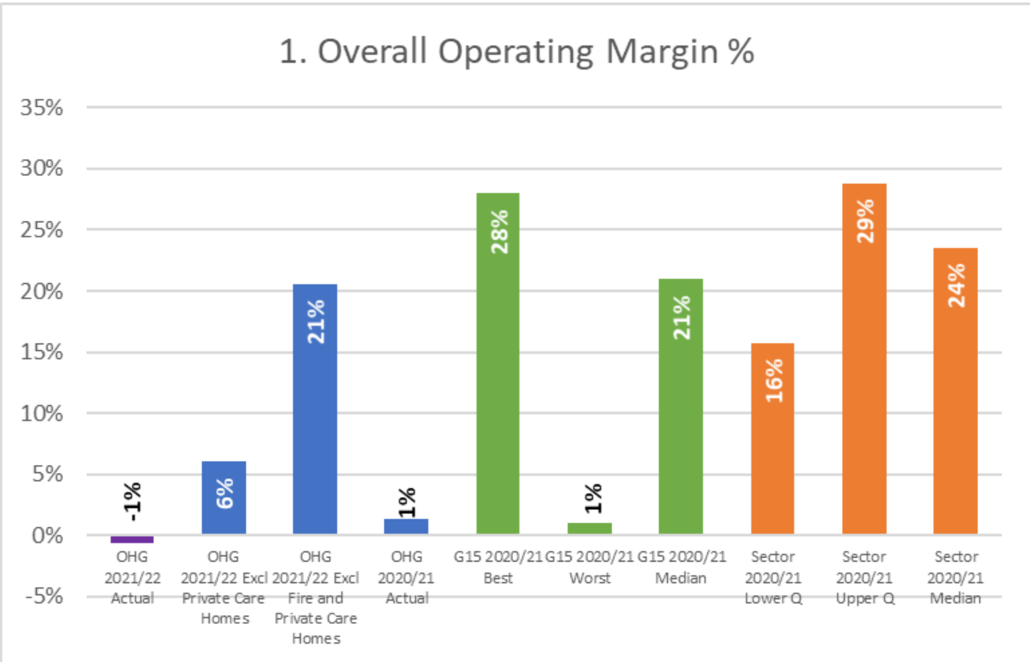
We have provided metrics against the best, worst, and median statistics within the G15 as well as against the wider sector. Benchmarking data used were taken from the 2021 G15 Benchmarking Report which contains the consolidated group financial statements of the G15 members for the year ending 31st March 2021, and the January 2022 Sector Scorecard analysis report produced by Housemark and the National Housing Federation.

We have shown additional measures to exclude the impact of the Care & Support business streams and fire related expenditure. As a result, some of the metrics within this section will have alternative results displayed, as we have excluded the impact of our fire safety related activity and our Care and Support activities, to aid better understanding of the performance of our core operations.

In line with current best practice, we have set out how we have calculated these metrics at the end of this section - Sector Scorecard calculations.

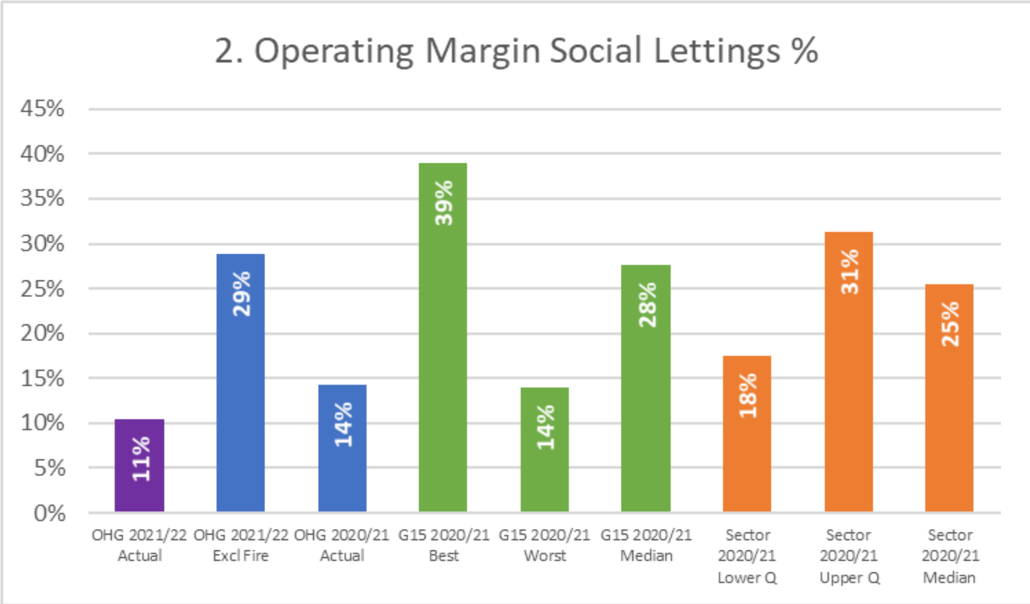
All figures have been prepared using the Group's information which provides a consistent comparative to prior year results.

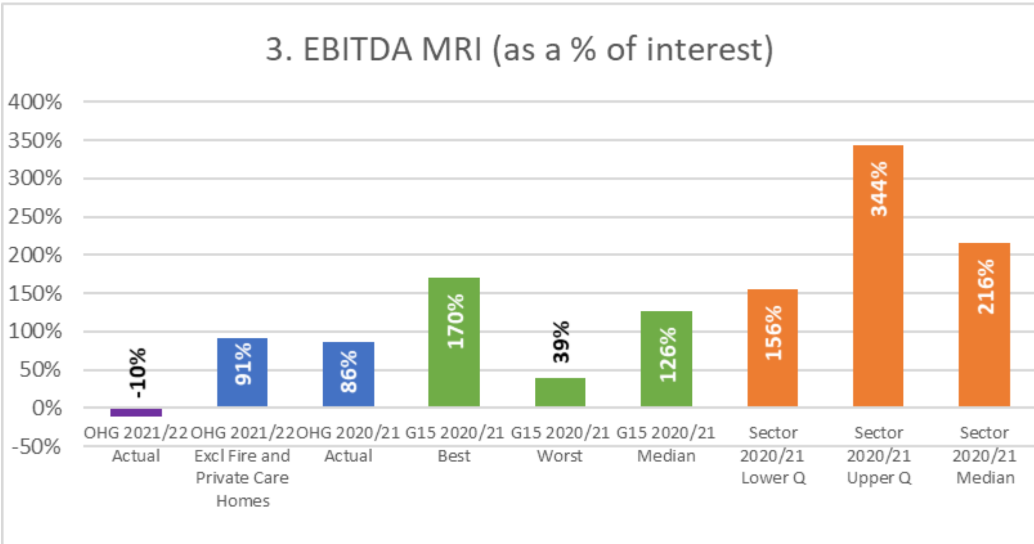
Business Health Measures (metrics 1 – 3)



One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators





Business Health Measures (Metrics 1-3)

Our overall operating margin (excluding fixed asset disposals) should be considered in the context of our significant fire related expenditure and Care & Support activities which operate in a low margin sector. This year's result of -1% is below our budgeted target of 10% and is slight reduction from what was achieved last year (1%). The lower outcome achieved against target and last year outcome reflects the significant expenditure incurred for fire safety works as we continue to keep our residents safe (£47.6m in total, £24.1m impacting the margin) and losses from Baycroft Care Homes (£12m). As the country eased out of the Covid-19 lockdowns, occupancy remained low for our Baycroft Care Homes, whilst increased as staff were impacted by the pandemic. In addition, our repairs and maintenance demand rose whilst material and subcontractor costs increased as a result of inflationary pressures. By excluding Baycroft Private Care Home and fire related expenditure, the operating margin improves to 21%, close to the G15 median and above the lower quartile for the wider sector.

Our operating margin on social housing lettings (excluding fixed asset disposals) reflects the impact of our Care & Support operations. At 11%, it is 3% below our budgeted target of 14%, impacted by higher-than-expected fire safety and maintenance costs. Excluding fire safety related expenditure, the margin increases to 29%, which is slightly above the G15 median and slightly under the sector upper quartile.

One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators

Our EBITDA MRI at -10% is lower than prior year (10%), the budgeted target (21%), the G15 median and the lower quartile for the wider sector. The position achieved in the year is primarily driven by the same reasons discussed above; Baycroft Care Homes, the increase in our fire safety costs and inflationary increases affecting repairs and maintenance. Excluding these items, the EBITDA MRI improves to 91% which is within the range of the worst and best G15 comparators.

Development Capacity and Supply Measures (Metrics 4 – 6)

Sector scorecard		OHG 2022 Actual	OHG 2021 Actual	G15 Best 2021	G15 Worst 2021	G15 Median 2021	Sector Lower Q 2021	Sector median 2021	Sector Upper Q 2021
Development - capacity and supply									
4.	New supply - social	113	142	1,918	66	946			
	New supply -social as a % of total units owned	0.7%	0.8%	2.7%	0.5%	1.4%	0.0%	0.9%	2.0%
5.	New supply - non-social	-	42	1,143	-	263			
	New supply social as a % of total units owned	0.0%	0.3%	2.0%	0.0%	0.5%	0.0%	0.0%	0.0%
6.	Gearing	58%	57%	40%	59%	48%	18%	34%	47%

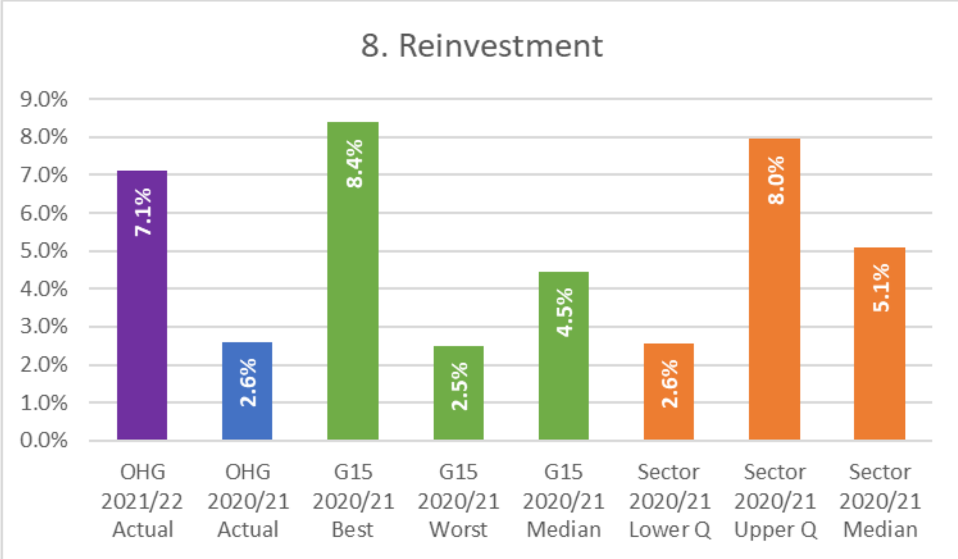
We delivered 113 new homes for social housing of which 42 were much needed affordable homes underlining our on-going commitment to increase the supply of new homes.

Gearing at 58% is 1% ahead of last year's outcome but is slightly below the budgeted target of 59%. The standard calculation for the sector scorecard gearing metric includes the fair value of some non-basic financial instruments as defined under FRS102.

Outcomes Delivered Measurements (Metrics 7 – 9)

Sector scorecard		OHG 2022 Actual	OHG 2021 Actual	G15 Best 2021	G15 Worst 2021	G15 Median 2021	Sector Lower Q 2021	Sector median 2021	Sector Upper Q 2021
Outcomes delivered									
7.	Customer satisfaction	46%	n/a	89%	0%	71%	79%	86%	91%
8.	Reinvestment	7.1%	2.6%	8.4%	2.5%	4.5%	3%	5%	8%
9.	Investment in communities (£'m)	1.4	1.6	13.7	0.3	4.0			

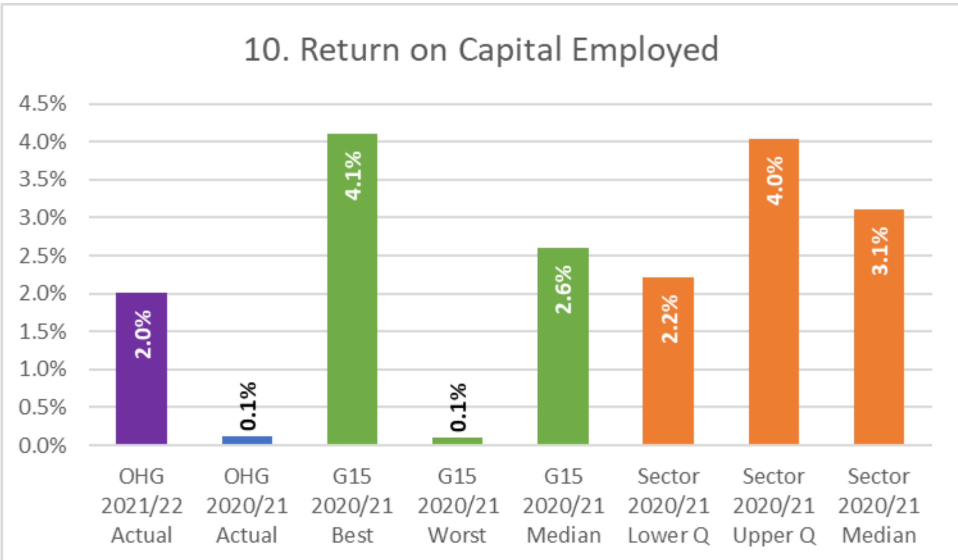
Customer transactional surveys were not undertaken during 2020-21 due to the Covid-19 pandemic, however through our new Customer Experience Strategy, we have developed a customer feedback framework to drive forward service improvements. This is now being used to collect both perception and transactional customer feedback. We have launched Customer Voice surveys by text message for all closed cases and completed repairs. Returns from these surveys are positive – with an average score of 3.43 out of 5. The recent survey carried out in September saw an increase of 3.2 points from the last survey. The general needs tenant score is 46.1%. Although there is significant work to do to improve satisfaction in this area, we are progressing positively with the Customer Experience Strategy.



Our reinvestment percentage has increased from last year as housing properties and shared ownership properties completed, and component replacement spend increased.

In 2021-22, we invested £1.4 million in community activities across the Group, a reduction of £0.2 million from last year, primarily driven by the impact of the global pandemic as we came out of lockdowns. We serve some of the most economically challenged communities in London and through this investment we continue to positively impact our residents' lives. We are committed to continued increased investment in our communities.

Effective Asset Management Measurements (Metrics 10 – 12)



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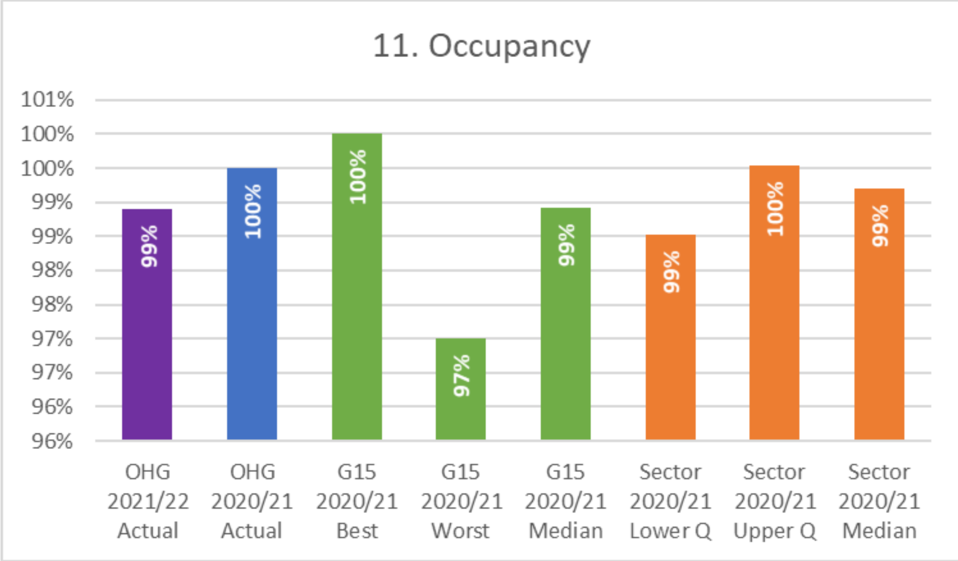
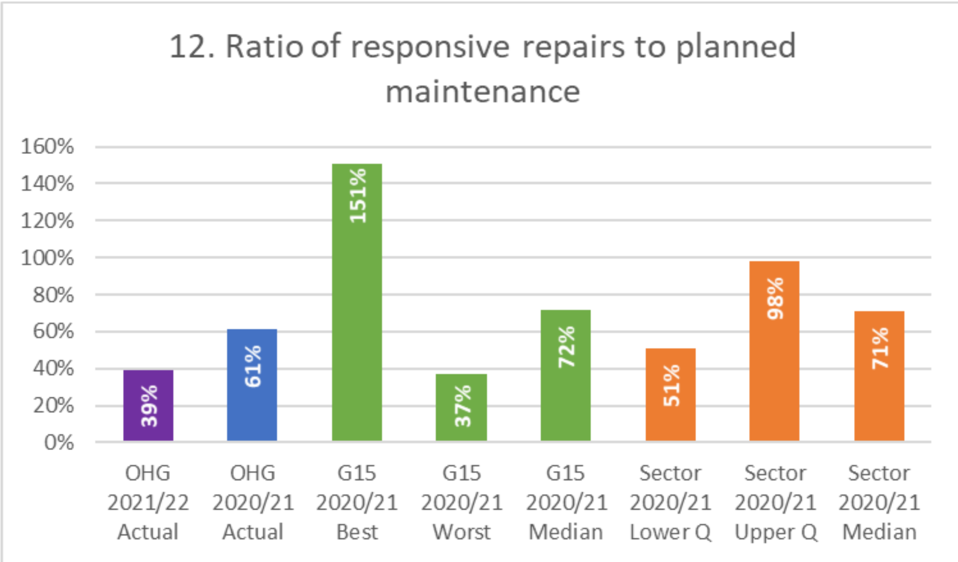
Strategic Report of the Board – Key Performance Indicators





The increased return on capital employed of 2% compared to prior year reflects our strategic disposal surpluses covering much of the additional spend on fire safety activities, and losses incurred within Care and Support. The return on capital employed of 2% is in line with the budgeted target of 2%. A bulk disposal to another housing association allowed us to concentrate on a more core regional demographic stock. Despite the disposal, our total assets less current liabilities remains strong and has increased slightly from last year.

The occupancy percentage has fallen slightly from 100% last year to 99% this year, and it is still aligned with the G15 median.

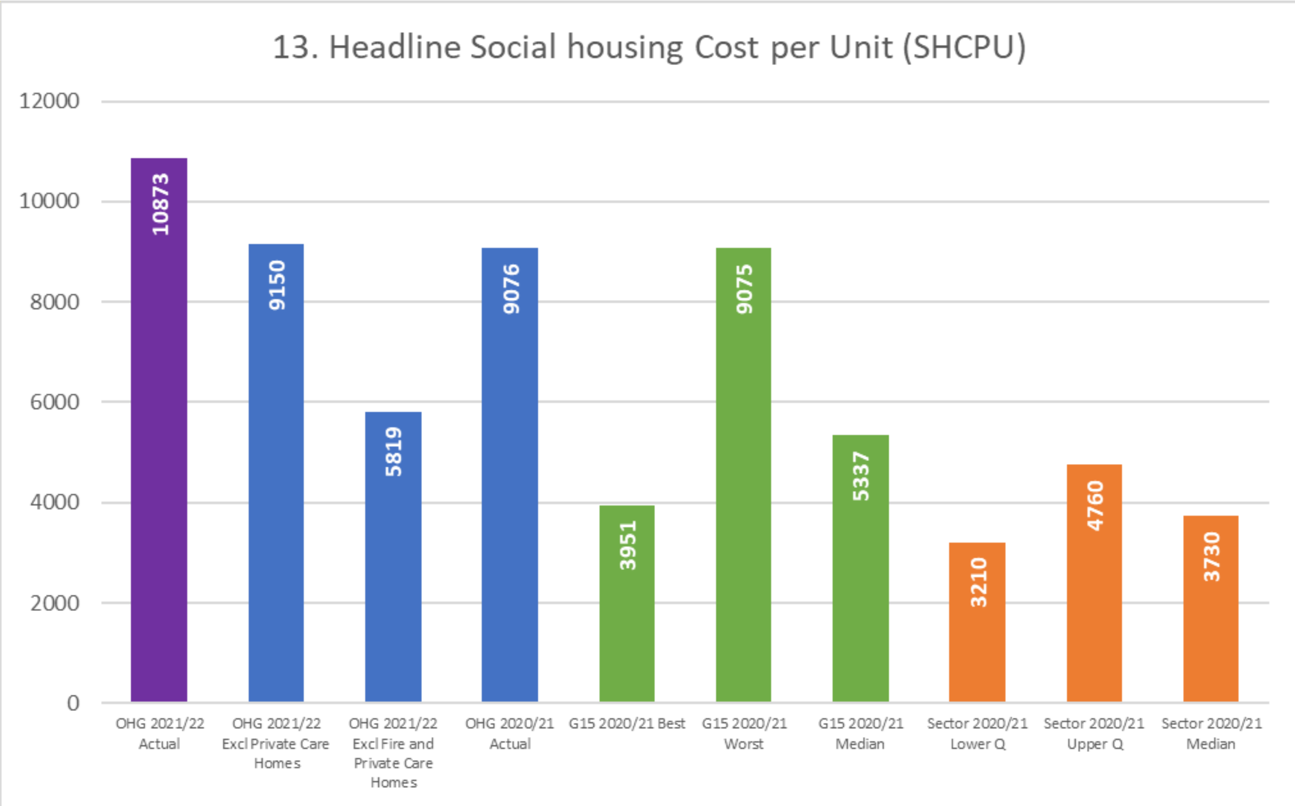
Our ratio of responsive repairs to planned maintenance of 39% has decreased from 61% last year. This is due to the fire related major works expensed in the year, which has contributed to a higher proportion of planned works. This trend is expected to continue because of our fire safety programme.

One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators

Operating Efficiencies Measurements (Metrics 13 – 15)

Sector scorecard		OHG 2022 Actual	OHG 2021 Actual	G15 Best 2021	G15 Worst 2021	G15 Median 2021	Sector Lower Q 2021	Sector median 2021	Sector Upper Q 2021
Operating efficiencies									
13.	Headline social housing £ cost per unit	10,873	9,076	3,951	9,075	5,337	3210	3730	4760
	Management cost per unit	1,394	1,155	592	1,745	1,306			
	Service charge cost per unit	1,722	1,484	539	1,484	901			
	Maintenance cost per unit	1,441	1,395	831	1,861	1,303			
	Major Repairs expediture per unit	3,752	2,321	391	2,321	1,006			
	Other costs per unit	2,565	2,720	42	2,720	823			



One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators

Headline Social Housing Cost per unit	Cost '£000	Cost per unit £
Management costs	**17,399**	**1,394**
Maintenance	**17,987**	**1,441**
Major repairs	**46,827**	**3,752**
Other (social Housing Lettings Costs)	**32,012**	**2,565**
Charges for Support Services	*25,563*	*2,048*
Development Services	*5,148*	*412*
Community / Neighbourhood Services	*1,413*	*113*
Lease Costs	*- 112*	*- 9*
Total Headline Social Housing Cost per unit	**135,713**	**10,873**
Social units	*12,482*	

Total Fire Related Costs - Social Costs	**32,591**	**2,611**
Headline Social Housing Cost per unit excluding Fire	**103,122**	**8,262**
Social units	*12,482*	

Total Care and Support - Social Costs	**30,486**	**32,261**
Headline Social Housing Cost per unit excluding Care and Support Activities	**105,226**	**9,150**
Social units - excudes Supported Property Units	*11,500*	

Combined Fire related and Care & Support Costs	**63,077**	**34,872**
Headline Social Housing Cost per unit excluding Fire and Support contracts	**72,635**	**5,819**
Social units	*12,482*	

Headline Social Housing Cost Per Unit (SHCPU)

The graph and table above show how our performance compares with the G15 peer group. Our headline social housing cost per unit of £10,873 is above the G15 average and higher than last year. It is also higher than our budgeted target of £9,476.

Our cost per unit is heavily impacted each year by our commitment to our Care & Support business, which provides much needed social care to our most vulnerable customers, including elderly support, floating support, and NHS partnership contracts. We spend £30m on these low margin activities, especially as we have committed to paying our staff a London Living Wage. The Care & Support contracts add £1,723 to our cost per unit. We are a significant provider of these services unlike many other housing associations we are compared to, wo do not offer this level of social care.

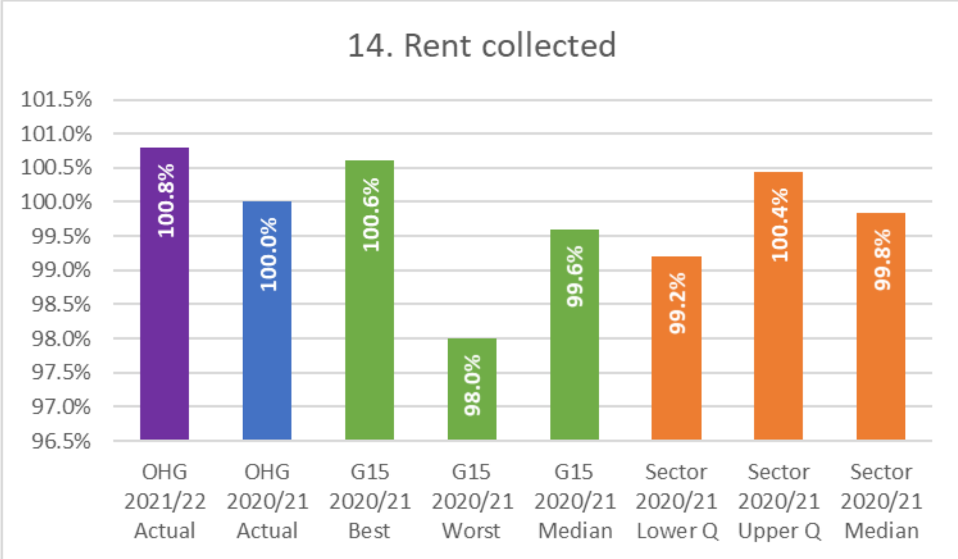
The cost per unit has also been impacted by high fire safety related costs, which adds a further £2,611 to our cost per unit.

Excluding supporting people contracts and fire safety related expenditure, our cost per unit drops to £5,819 which is much closer to the G15 median of £5,337 cost per unit.

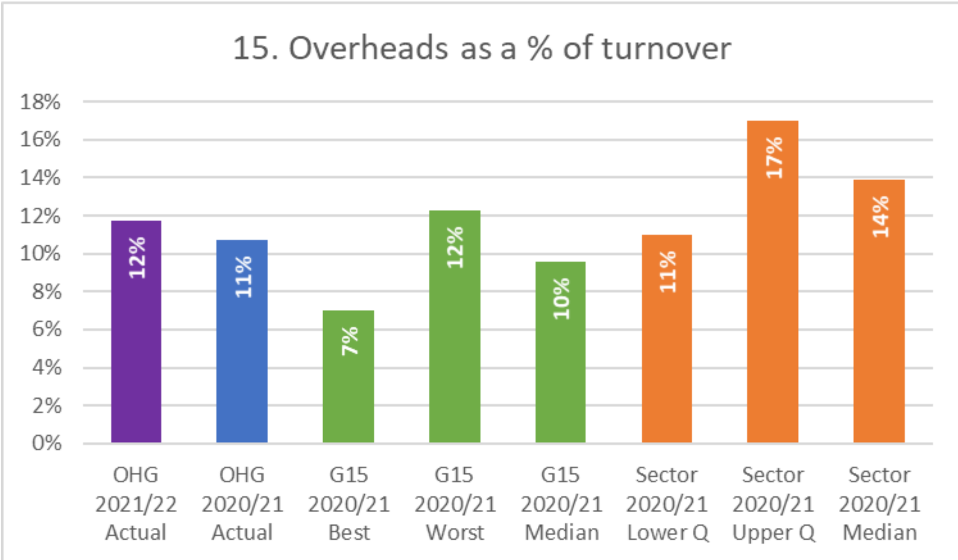
The other costs per unit category is defined by the Regulator as including development costs not capitalised, community costs and charges relating to support services. Support services charges predominantly includes our Care & Support services, impacting on the outcome of this metric.

One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators



A strong focus during the year was also placed on maximising benefit advice and income for customers, as well as focusing on recovery action in line with previous repayment agreements and court judgements.



Our overheads as a percentage of turnover are broadly in line with the G15 median and have not moved significantly from last year.

Looking Forward – Key Value for Money Metrics

Sector scorecard	OHG 2023 Budget	OHG 2022 Actual	OHG 2021 Actual	G15 Best 2021	G15 Worst 2021	G15 Median 2021	Sector Lower Q 2021	Sector median 2021	Sector Upper Q 2021
Business health									
1. Operating Margin (overall excl fixed asset disposals)	6%	-1%	1%	28%	1%	21%	16%	24%	29%
2. Operating Margin (social housing lettings excl fixed asset disposals)	9%	11%	14%	39%	14%	28%	18%	25%	31%
3. EBITDA MRI (as a percentage of interest)	4%	-10%	86%	170%	39%	126%	156%	216%	344%

In the year ahead, fire safety related expenditure will continue to be a focus and we will be working to mitigate these costs through applications for Building Safety Grant and creating greater efficiencies in our operations.

One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators

Sector Scorecard Calculations

The figures disclosed below are rounded to the nearest £m, but the actual outcome is calculated to the nearest £'000. These calculations are based on OHGL Group figures and not the Association.

Sector scorecard	One Housing 2021/22	
Operating margin (overall) calculated as operating surplus excluding any gain/(loss) on disposal of fixed assets and share of joint venture results ÷ turnover	-£1m ÷ =	£190m -1%
Operating margin (social housing lettings "SHL" only) calculated as SHL operating surplus/(loss) excluding disposal of fixed assets and share of joint venture results (per note 4) ÷ SHL turnover (per note 4)	£12m ÷ =	£114m 11%
EBITDA MRI (as % of interest) EBIT DA MRI represents earnings before interest, tax, depreciation and amortisation adding back major repair capitalised costs calculated as EBITS DA MRI ÷ Gross interest payable x100	-£4m ÷ =	£39m -10%
Gearing as prescribed in the current Sector Scorecard calculated as net debt ÷ carrying value of housing properties where net debt presents total bank and debenture loans and loan costs less cash and cash equivalents	£1,018m ÷ =	£1,770m 58%
Reinvestment % (total properties) Reinvestment looks at the investment in properties (new and existing stock) as % of the value of the total properties held calculated as development of new properties plus work to existing properties and schemes completed (per note 15) ÷ carrying value of housing properties	£124m ÷ =	£1,770m 7%
Return on capital employed calculated as operating surplus including any gain/(loss) on disposal of fixed assets and share of joint venture results ÷ total fixed assets + total current assets less current liabilities at end of year	£42m ÷ =	£2,113m 2.0%
Ratio of responsive repairs to planned maintenance spend calculated as routine maintenance as a percentage of planned maintenance + major repairs expenditure + capitalised major repairs and re-improvements	£18m ÷ =	(£4m + £21m + £22m) 39%
Overheads as a percentage of adjusted turnover calculated as overheads ÷ turnover including property sales excluding cost of sales and grant	£21m ÷ =	£180m 12%

One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators

Headline social housing cost per unit (SHCPU)		
Total social housing units		
Social units are defined as General needs, affordable, shared ownership, supported housing, rent to homebuy social units managed and social care homes (per note 6)		12,482
Management cost per unit		
Total management cost (per note 5)	£17m -	£0.1m
excluding costs from homes not managed	÷	12,482
÷ total social housing homes	=	£1,394
Service charge cost per unit		
Total service cost (per note 5)	£22m -	£0.3m
excluding costs from homes not managed	÷	12,482
÷ total social housing homes	=	£1,722
Maintenance cost per unit		
Total maintenance cost (per note 5)	£18m -	£0.3m
excluding costs from homes not managed	÷	12,482
÷ total social housing homes	=	£1,441
Major Repairs cost per unit		
Total planned and major repairs (per note 5)	£25m +	£22m
and capitalised maintenance cost	÷	12,482
÷ total social housing homes	=	£3,752
Other social housing cost per unit		
Total other social housing cost which is the sum off:		
Supporting people contract expenditure (per note 4)	£26m	
Development cost not capitalised (per note 4)	£5m	
Community regeneration (per note 4)	£1m	
Property lease costs (per note 5)	£0m	
	£32m	
	÷	12,482
÷ total social housing homes	=	£2,565
Total headline social housing cost per unit		
Sum of the above		£10,873
Further clarification:		
Headline SHPU		
Total costs excluded for homes not managed is £1m which relates to Canalside properties managed by MTVH. This cost is in our accounts but as the units are excluded from the headlines social housing homes total, the costs are also stripped out		
Other variations shown		
Where other variations of the above calculations are shown, the following adjustments are made:		
Baycroft loss		-£12m
Net Fire related expenditure impacting operating margin		-£24m

One Housing Group Limited

Strategic Report of the Board – Key Performance Indicators

Key Performance Indicators for Affordable Homes

The Group's Key Performance Indicators (KPI) are set out below against targets (where set):

KPI	Measure	2022 Actual	2022 Target	2021 Actual
1	Customer satisfaction (tenants)	46.1%	65%	n/a
2	Repairs – satisfaction with last repair	87%	90%	n/a
3	Customer satisfaction in Care & Support	88.02%	88.0%	88.0%
4	Customers who would recommend One Housing new homes	100.00%	85.00%	74.9%
5	Digital self service	45.50%	42.00%	39.2%
6	Gas safety compliance	98.92%	100%	99.1%
7	Fire risk assessments compliance	97.96%	100%	100.0%
8	Responsive repairs first time fix rate	83.50%	85.00%	79.3%
9	Engagement with training and employment programme	3,254	4,000	5,949
10	Income collection on social lettings	100.80%	99.50%	100.0%
11	Achieve an average employee engagement score of 70%	57%	70%	62%
12	BAME representation amongst senior managers	25%	32%	n/a
13	Female representation amongst senior managers	43.5%	48%	n/a

Customer Satisfaction (KPI 1-4)

Perception surveys are carried out twice a year currently by the independent Institute of Customer Service. We are progressing positively with our Customer Experience Strategy launched in April 2021 and we have seen a 3-percentage point increase in satisfaction during the year. A new operating model has been implemented, service improvement plans are in place and detailed work has been undertaken with residents to understand the areas of concerns so that our plans are tailored to make the improvements we need. Improving customer experience remains a top priority for us.

Satisfaction with last repair remains strong. The introduction of the 'On My App' has enabled increased customer confidence in service delivery. In addition, our digital service offer MyOneHousing will see greater functionality in the coming year.

Our care and support customers continue to rate our specialist services highly. We continue to strive to improve what we do in this very important area of our work.

Digital Self-Serve (KPI 5)

Digital self-service saw a month-on-month increase driven by an increase in the number of sessions on MyOneHousing. This is above target for the year.

Keeping Our Customers Safe (KPI 6-7)

Gas Safety compliance for the year-end was slightly worse than 2020/21 (0.18%) and is below our target, mainly as a result of difficulties gaining access to our customers' homes. During the year, we have continued to encourage customers to allow access for the completion of their gas safety compliance visit and avoid the necessity for us to take legal action.

One Housing Group Limited

Fire Risk Assessments are undertaken by Savills in blocks with communal areas owned by One Housing. Savills provide the Risk Hub platform where the assessments and any actions are managed and controlled. We completed circa 638 FRA's during the year. We consistently achieved full compliance with the program during the year.

Customer Safety in relation to fire risk management remains a top priority. Alongside the FRA program we continue to execute our cladding management plan. This plan remains on track both in program terms and financially within the envelope of the LTFP. This year we have mobilised 12 contracts across 21 buildings and we have reduced the number of buildings from the original 170 to 100 where compliant EWS1 forms have been obtained or we have established remediation is not required through investigative survey.

In 2021/22 a total of £46.6m was spent on fire safety works, both capital and those expensed to the Statement of Comprehensive Income and further details are set out in Note 16 to the financial statements. For 2021/22, the decision was taken to cover the cost of waking watch and not pass this cost onto tenants or leaseholders. All of this was only achievable with the fantastic support from our funders.

Where eligible, we continued to make applications for funding from the Building Safety Fund, our current pipeline (the value of applications we expect to make to the fund) is £65.3m.

We have continued our attempts through the year to minimise costs to leaseholders and are working hard to recoup remediation bills from the original contractors where we can as well as working with our colleagues in the G15 to lobby Government to cover the full cost of remediation works for building safety.

Maintaining Our Homes (KPI 8)

Our first-time fix rate has improved towards the end of the year following an improvement to our material supply contract which includes "stock and go", deliveries to the customers home when required and materials "pop up" stores.

Training and Employment Programme (KPI 9)

Covid-19 continued to impact on service delivery and team capacity during 21/22.

- The Employment & Training Team supported 3,196 customers to access training, achieving 80% of overall target
- The Employment &Training Team achieved 48% of overall target for residents into employment target
- During the year, the Employment & Training Team have forged new partnerships to create training opportunities that enable residents to progress towards employment with either guaranteed job interviews or 16 hrs employment for 3 months as a stepping stone to full-time employment.

Income Collection (KPI 10)

The target for 21/22 was exceeded with a collection rate of 100.8%. There has been a strong focus during the year on maximising benefit advice and income for customers as well as focusing on recovery action in line with previous re-payment agreements and court judgements.

Employment Engagement (KPI 11)

This year has been a challenging year for employee engagement with a large number of our colleagues at the very frontline providing essential services to our residents and employees, whether in Care & Support or in our estate management teams, and a significant number of staff having to work from home to reduce the risk of Covid-19 infection. We have looked for opportunities during the year to thank and reward staff for the additional discretionary effort needed to work through a pandemic.

Our investments, particularly in agile technology, meant that our people were able to respond effectively, and we have been able to run our Contact Centre, and other key parts of the organisation, from home. We were even able to successfully embed new systems, and new ways of working, such as our new CRM while colleagues were working remotely. In April 2021, this was reflected positively in our pulse survey scores including on questions such as 'encouraged by senior leaders to use digital tools and tech' (73%) and 'feel up to date with important matters' (67%).

However, our overall employee engagement figure, measured through an Employee Net Promoter Score, has dropped by 5% from the 2020-21 figure and is below target.

At a strategic level, we continue to focus on our aim to make One Housing a modern, flexible, and fun place to work. In 2021-22 we reviewed our People Strategy and, learning lessons from operating during Covid-19, look to focus on this important area of work.

Equality, Diversity and Inclusion (KPI 12-13)

One Housing is a values-based organisation and one of our key values is that 'we value diversity'. This has been a commitment across the organisation and 74% of our staff feel that 'One Housing is welcoming and inclusive.'

During 2021-22 our focus has been on continuing to diversify the leadership of One Housing, providing opportunities for BAME and women managers, and encouraging, and working with, a range of diversity groups.

At the end of the 2021-22 year, 71% of the Non-Executive Directors on our Board are female and 29% are BAME. We have continued to support the Leadership 2025 programme for senior BAME leaders, and our Director of Sales and Marketing was a graduate of the programme this year. We successfully launched the G15 Accelerate programme – a leadership programme for BAME managers – and this will be delivered for the G15 by One Academy. Across the organisation we support a number of groups – One for All, LGBT+, BAME and Women in Social Housing (WiSH).

We are working with Tonic – a LGTB+ organisation – to create opportunities for homes for LGTB+ seniors as part of our BankHouse scheme for over-55s in Vauxhall.

Looking forward, the Board have renewed our EDI strategy in 2021-22. We have started to work with an external consultant to develop reinvigorated strategy that responds to the changing environment and sets further stretching EDI targets for both our people and our residents.

Our progress on the gender and diversity pay gaps is set out in in the Diversity and Inclusion section of the Governance report (page 43).

The Board

The Board is collectively responsible for providing leadership for One Housing on strategy, performance, governance, and internal control.

The Rules of the Association were amended by the Financial Conduct Authority to effect the merger with Riverside. Legally, the responsibilities of the One Housing Group Board do not change materially other than in relation to Board member appointments which must be approved by The Riverside Group Board. All the appointments to the One Housing Board which took place at the point of merger received The Riverside Group Board approval. Following the merger, leadership on corporate strategy now sits primarily with the Riverside Board, working in partnership with the One Housing Board. The Standing Orders and Financial Regulations were amended at the point of merger to ensure clarity of responsibility and accountability. An Intra-Group Agreement was also approved at that time.

Board Composition

The Board consists of nine non-executive members plus the Chief Executive Officer and, from 1 April 2022, the Chief Operating Officer. During the year there were changes to Board membership as detailed below:

- Kevin Brush’s tenure as a member came to an end at the end of July 2021 in line with Code of Governance tenure requirements.
- Rommel Pereira, who was a Board Member and Chair of the Audit and Risk Committee, was appointed to The Riverside Group Board on 1 December 2021. He was also appointed on the same date as Chair of Group Audit Committee. Mr Pereira stood down from the One Housing Board as part of merger integration.
- Pauline Davis, who is a member of The Riverside Group Board and one of the Vice Chairs of that Board, was appointed to the One Housing Board on 1 December 2021 as part of merger integration.
- Ingrid Fife who is a member of The Riverside Group Board and Chair of its Care and Support Committee, was appointed to the One Housing Group Board on 1 December 2021 as part of merger integration.
- Caroline Corby, who remains Chair of the One Housing Group Board, joined The Riverside Group Board as one of the Vice-Chairs on 1 December 2021 as part of merger integration
- Stewart Davenport joined The Riverside Group Board and also took on the role of Chair of Group Development Committee on 1 December 2021 as part of merger integration. He remains a One Housing Group Board member.
- Paul Gray, CFO and Executive Board Member stood down from the Board with effect from 1 April 2022.
- Chyrel Brown, Chief Operating Officer, became an Executive Board Member from 1 April 2022.

There were also the following changes to Committee membership:

- Al Robinson stood down from Development and Investment Committee and Treasury and Finance Committee with effect from 19 July 2021 due to potential conflicts of interest arising from merger discussions
- Wendy Wallace re-joined Care and Support Committee as an independent member from 26 January 2022. She was previously (2018- April 2021) a Board member and Chair of that Committee.
- Pauline Ford, who is an independent member of the Riverside Care and Support Committee and the Group Audit Committee joined the (One Housing) Care and Support Committee on 26 January 2022.

The details of those who served on the Board and Executive Team during the year are detailed on page 99. Our Board members are recruited for their individual skills and experience. More information about each of our Board members’ backgrounds can be found on our website.

Each non-executive member of the Board holds one fully paid share of £1 in One Housing Group Limited, which is cancelled when they leave the Board.

One Housing Group Limited

Strategic Report of the Board – Governance
Board and Committee Structure

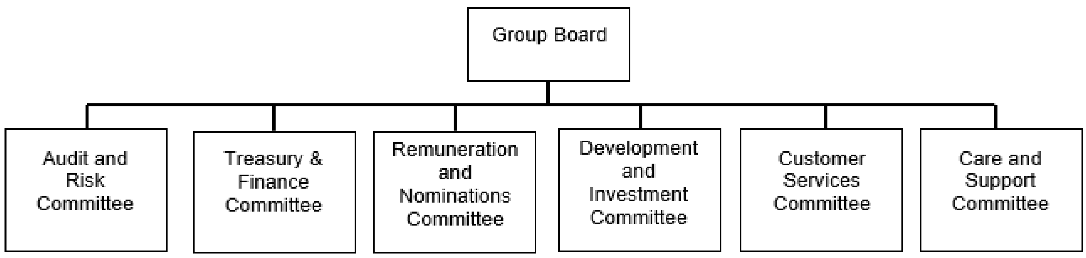
Role of the Board

The Board is ultimately responsible for promoting the long-term success of the Group. The Board leads and provides direction for management by setting strategy and overseeing its implementation by management. The Board is also responsible for oversight of the Group's systems of governance, internal controls, and risk management.

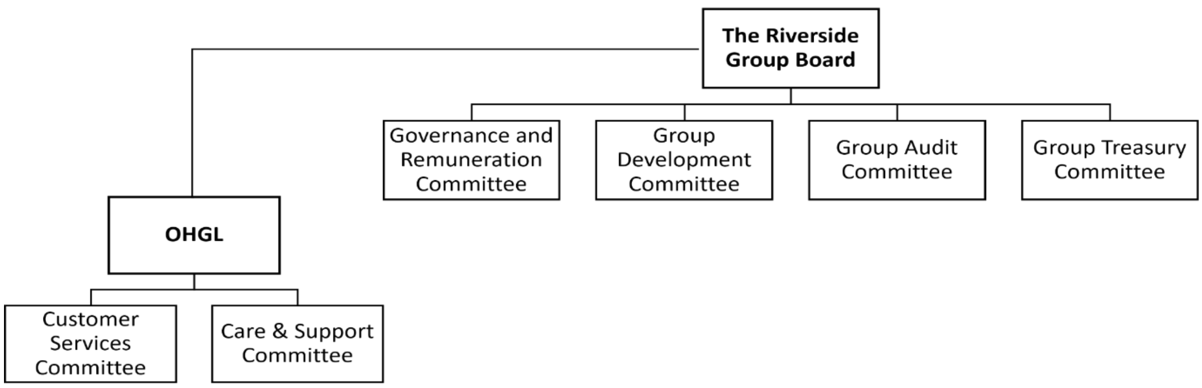
Specific key decisions and matters have been reserved for approval by the Board including, for example, annual budget approval. At the point of merger, as necessary, some changes were made to matters reserved. These are reflected in the One Housing Standing Orders and Financial Regulations.

Role of the Board Committees

The committee structure until 30 November 2021 was as follows:



From the point of merger on 1 December 2021 the Committee structure changed, with four group-wide committees sitting at The Riverside Group level only with two committees under the One Housing Group Board. The committee structure with One Housing as part of that is set out below.[1]



The role of the committees that supported the One Housing Board in its activities during the year is set out below:

[1] Note that the Riverside Group also has a Care and Support Committee and a Customer Experience Committee (not shown above). Those committees focus on Riverside (not One Housing) customers with One Housing Group customer and care matters continuing to be overseen at subsidiary level.

Audit & Risk Committee – supported the Board in its responsibilities for risk, control, governance, and compliance matters including reviewing the effectiveness of internal controls and risk management; statutory and regulatory compliance, including asset compliance; internal and external audit; annual accounts; fraud; whistleblowing and probity. From 1 December 2021, audit matters are overseen at Group Audit Committee level with reporting to the One Housing Board of matters that were previously reported to its Audit & Risk Committee.

Treasury & Finance Committee - oversaw delivery of the Group's Treasury Strategy, compliance with the Treasury Management Policy and other key financial matters. The Board delegated authority to the Committee in relation to treasury and finance activities. The Boards of the subsidiary companies of One Housing delegated responsibility for treasury management to One Housing which in turn delegated these matters to this Committee. From 1 December 2021, treasury matters are overseen at Group Treasury Committee level with reporting to One Housing Board of finance matters. Delegations were revised as needed.

Remuneration and Nominations Committee - was responsible for leading the process on board appointments, ensuring plans are in place for orderly diverse succession to both the board and executive positions. It also oversaw the remuneration of these positions. From 1 December 2021 all remuneration and nominations matters are overseen by Group Governance and Remuneration Committee.

Development and Investment Committee - assisted the Board in approving development activities and in monitoring the performance of the Group's development and sales programme. Subsidiary companies of One Housing delegated authority for development and investment activity to One Housing (in so far as aligns with their Articles of Association) which in turn delegated these matters to this Committee. From 1 December 2021, all development and investment matters are overseen by Group Development Committee.

Customer Services Committee - supports Group Board in its responsibilities for scrutinising and reviewing the policy, performance, and overall service delivery to customer.

Care & Support Committee - supports Group Board in its responsibilities for overseeing and scrutinising the strategy, performance, and operational delivery of Care & Support services.

Since the merger took place, the Group-level committees have each met at least once. Matters that relate to One Housing are reported back to the Board. Development and Treasury matters are also standing items on the One Housing Board agenda.

All One Housing committees report to the subsequent Board meeting after each committee meeting. Committee membership is drawn from non-executive Board members, independent members, and, for the Customer Services Committee, Resident Panel Chairs. All committees are chaired by a non-executive Board member. Development and Investment Committee and Treasury and Finance Committee had, respectively, two members and one member from the Executive Team. Following the merger there are no Executive members of any committees. At the beginning of 2022/23 we are recruiting three new resident members as independent members of the Customer Services Committee to further strengthen current resident-facing governance arrangements.

One Housing Group Limited

Strategic Report of the Board – Governance
Board and Committee Structure

Meetings and Attendance

The Board holds meetings at regular intervals. At these meetings, standing items such as the Group's performance against the Corporate Plan, financial and operational performance, risk, governance, and other strategic matters are reviewed and discussed. The merger was a key focus for the 2021/22 financial year with additional sessions on the merger aligned to scheduled Board meetings. There is a comprehensive Board pack and agenda which is circulated before each meeting so that Board members can consider the issues to be discussed. Detailed minutes and any actions arising out of the discussions are documented. Between meetings, the Board has an approved process to decide urgent matters by Written Resolution.

Attendance of Board members at Board and committee meetings held during the year ended 31 March 2022 is shown below:

Board and Committee Attendance

Members	Board	Audit and Risk Committee	Remuneration and Nominations Committee	Development and Investment Committee	Treasury and Finance Committee	Care and Support Committee	Customer Services Committee
Yvonne Arrowsmith	8 / 10			1 / 2		5 / 5	
Kevin Brush (pro rata)	3 / 3			2 / 2		3 / 3	1 / 1
Caroline Corby (Chair)	10 / 10		2 / 2			4 / 4	
Stewart Davenport	10 / 10		2 / 2	3 / 3			
Pauline Davis (pro rata)	2 / 3						
Ingrid Fife (pro rata)	3 / 3						
Lee Gibson (pro rata)	9 / 9	4 / 5			6 / 6		
Paul Gray	10 / 10			3 / 3	6 / 6		
Richard Hill	10 / 10						
Alexandra Jones	10 / 10				5 / 6		3 / 4
Rommel Pereira	7 / 7	5 / 5			5 / 6		
Julie Price	9 / 10	5 / 5	2 / 2				3 / 4
Sandra Skeete	7 / 10			2 / 3			4 / 4
Independent Committee Members							
Al Robinson (pro rata)				2 / 2	1 / 1		
Pauline Ford (pro rata)						1 / 1	
Alison Rose-Quirie						5 / 5	
Wendy Wallace (pro rata)	-					1 / 1	

Joint Advisory Committee

In addition to the above meetings, during merger discussions in 2021 Caroline Corby, Rommel Pereira, and Lee Gibson (Chairs of Board, Audit & Risk and Treasury & Finance) were members of the Joint Advisory Committee which was made up of One Housing and Riverside Board members. The Committee met on a monthly basis.

Conflicts of Interest

Under the NHF's Code of Conduct, Board members have a duty to avoid situations that may give rise to a conflict of interest. Formal procedures are in place to deal with any conflict of interest. Board members are responsible for notifying the Chair or Company Secretary as soon as they become aware of any actual or potential conflict of interest which is then recorded in a central register. Board and Committee members are also required to complete a declaration of interests form annually or when interests change. Declaration of interests is a standing item for all board and committee meetings. As part of merger processes the Board adopted the Riverside Code of Conduct for Board and Committee members and the Code of Conduct.

Induction, Training and Professional Development

On appointment, all new board members receive a tailored induction which is supplemented by the provision of key governance documents as reading material, including the Rules, Code of Conduct, Regulatory Standards, board meeting schedule and previous board and committee minutes.

An annual programme of training is available to all Board members, it includes topics identified through skills assessments and effectiveness review and any topical items.

Board Effectiveness Review

The Board undertakes a formal evaluation of its effectiveness on an annual basis. Each committee does likewise and the Chair also reviews individual board member performance with members.

Following an externally facilitated board and committee effectiveness review in 2020 and completion of a number of actions arising from that, the 2021 process was internal. Feedback was provided to the Board and to each of the committees. The related recommendations implemented over the course of the year include:

- Strengthening the Board's engagement with stakeholders: Board briefing sessions have been re-introduced with a focus on areas relevant to residents.
- Rebalancing Board agendas: to focus more on the customer experience and areas important to residents.
- Equality, Diversity, and Inclusion: The Board agreed a new EDI Strategy during the year and ensured that all Board reports include consideration of EDI matters.

One Housing Group Structure

The Group structure was originally set up with multiple subsidiaries intended to deliver individual development schemes. This structure has proved administratively inefficient, nor in the view of the current Board, did it adequately ring fence the Association from related risks. The Association, led by Directors of the subsidiaries and supported by the Board, has continued this year with a process of simplifying the overly complex group structure. The aim is to ensure One Housing Group is transparent to its stakeholders and resilient to external environment changes.

The subsidiaries of OHGL during the year were all limited by shares (except where stated) and were:

- **TPHA Limited** (TPHA) - manages low-cost home ownership and the sale of outright units. It is a non-charitable registered provider.
- **Citystyle Living Limited** (CSL) - owns and manages market rented properties.
- **East End Lettings (2) Limited** (EEL) - owned and managed market rented properties (this company was dissolved in January 2022).
- **CHA Ventures Limited** (CHV) - manages all development contracts on behalf of the Group.
- **One Housing Foundation** - a company limited by guarantee and is also a registered charity that provides a range of quality community support services.
- **One Direct Maintenance Limited** (ODML) - provided repairs and maintenance services on behalf of the Group (this company was dissolved in June 2021).
- **One Housing Investment Limited (OHI) –** a 50% partner in our new joint venture, Camden Development Partnership LLP.
- **Renovo Facilities & Services Limited** (REN) - a 51% owned subsidiary. It was formed to provide facility management services on behalf of the Group.

There are also another 15 subsidiary companies that developed properties for outright sale (Special Purpose Vehicles or “SPV”s). Many of these schemes are now completed and the subsidiaries are either dormant or have little remaining activity. From most of these subsidiaries any distributable profits arising are gift aided to OHGL.

Joint Ventures

One Housing has investments in the following joint ventures that have been formed to develop property:

- **New Ladderswood LLP**, formed in 2011, is a 50% joint venture between CHA Ventures Limited and Mulalley & Co Limited.
- **New Granville LLP**, formed in May 2013, is a 50% joint venture between CHA Ventures Limited and Mulalley & Co Limited.
- **Dollar Bay Developments LLP**, formed in June 2013, is a 50% joint venture between CHA Ventures Limited and Dollar Bay Developments Holdco Limited.
- **Citystyle Fairview VQ LLP**, formed in March 2019 is a 50% joint venture between Citystyle Living (Victoria Quarter) Limited and Fairview New Homes Limited.
- **Camden Development Partnership LLP**, formed in July 2021 is a 50% joint venture between One Housing Investment Limited and Countryside Properties (Joint Ventures) Limited.

Parent Company

With effect from 1 December 2021, One Housing Group Limited became a wholly owned subsidiary of The Riverside Group Limited.

One Housing Group Rationalisation

During the financial year there has been continued progress on rationalising the Group structure which is overly-complex for the size and nature of the Group. A summary status update is provided below.

SPV closures (completed)

- **Citystyle Living (White Horse Field) Limited** – dissolved 8 June 2021
- **One Direct Maintenance Limited (ODML) –** dissolved 15 June 2021
- **East End Lettings (2) Limited** – dissolved 18 January 2022
- **Central Street Developments LLP –** entered liquidation during the financial year

A number of processes are in train to further rationalise the One Housing Group and we anticipate a further reduction in group entities during 2022/23. We are also working with Riverside colleagues on the optimum structure for the combined group.

Subsidiary and Joint Venture Company Governance

Each subsidiary company has its own Board of Directors who meet quarterly. The Board receive updates on the group structure at each meeting. Joint ventures meet on a similar basis with reporting to development committee. Twice-yearly reports on joint ventures are now being provided to Board.

Diversity and Gender Pay Gap

At One Housing, we are committed to supporting and promoting equality, diversity and inclusion. We work hard to create a culture that celebrates diversity, ensuring that everyone can bring their whole, true, authentic self to work. It is one of our values to treat everyone as individuals, respecting their diverse backgrounds, characteristics and contributions. Our ambition is that our workforce diversity reflects the customers and communities we serve.

We recognise that it is important to publish and monitor pay gaps as it can help to understand the reasons for any gap and develop action plans to tackle the causes. This is different from equal pay which is where people from all gender and ethnic backgrounds working in the same job should be paid the same.

Highlights for 2022:

- Our **mean gender pay gap** is **18.6%** compared to 18.5% in 2021
- Our **median gender pay gap** is **20.9%** compared to 19.7% in 2021.
- The percentage of women in the highest paid roles now stands at **49%** compared to 48% in 2021.
- Our **mean bonus pay gap** is **-113%**. The 2022 figures reflect the payments made to this small group of staff in 2021/22 for their performance in 2020/21 and the significant majority of colleagues receiving a bonus were female. In 2021, this mean bonus pay gap was 16.7%.

Why is there a gap?

The main explanation for our gender mean and median pay gaps is because a higher proportion of our frontline Care & Support staff who are paid in the lowest quartile are female. This is not unusual as according to the World Health Organisation *"women form the beating heart of every health system and 70% of workers in the global health and social sector"*. In 2022 77% of our Care & Support staff were female and made up 81% of those paid in the lowest quartile.

If we exclude frontline Care & Support staff from our calculations our mean gender pay gap in 2022 reduces to 2.48**%** and our median gender pay gap disappears even further to -1.74**%.**

Please note: We recognise that for a small but growing number of people, gender does not simply refer to male and female. For the purposes of this report. However, our gender pay gap is calculated using the approach required by the current Government regulations.

Our Ethnicity Pay Gap

As of April 2022, our workforce consists of 58% of employees from Black, Asian and other minority ethnic groups. Although organisations are not yet required by the Government to publish their ethnicity pay gap, we have calculated that our **mean ethnicity pay gap** is **22.4%,** compared to 18.4% in 2021 and our **median ethnic pay gap** is calculated as **22.3%** compared to 13.7% in 2021.

Actions

- Continue to offer some development activities targeted at female colleagues and those from Black, Asian and other minority ethnic groups, such as the G15 Accelerate Programme.
- Continue to apply the 'Rooney Rule' guaranteed job interview scheme for female and Black, Asian and other minority ethnic candidates who meet the essential job criteria.
- Work with our active Diversity Networks representing women, Black & Asian, LGBTQ+ and disabled colleagues on tailored ways to attract, recruit, develop, promote and retain people from all diverse backgrounds.
- Implement the wider actions from our recently agreed Equality, Diversity & Inclusion Strategy to nurture the development and careers of people from all diverse groups at One Housing, to enable them to reach their potential and thrive.

Compliance with Governance and Financial Viability Standard

The Regulator of Social Housing (RSH) determines its regulatory judgement of compliance with the RSH Governance and Viability Standard at Group parent level. On 1 December 2021 One Housing Group Limited (OHGL) became a subsidiary of The Riverside Group Limited (Riverside). Prior to merger OHGL's regulatory judgement was G2/V2 and Riverside's was G1/V1. Post-merger, the interim judgement at Group parent (Riverside) level, based on the new combined entity, was G2/V2.

Throughout the financial year the OHGL Executive and Board oversaw delivery of OHGL's G2 to G1 action plan which followed on from a G2 rating in January 2021. The plan was also overseen by the OHGL Audit and Risk Committee until the point of merger. The OHGL Board agreed that the actions within the plan, other than two business as usual matters which are monitored by Board through other means, had been completed in March 2022.

At its May 2022 meeting the Board reviewed a detailed, evidence-based assessment of OHGL's compliance with the Governance and Viability Standard and supporting Code of Practice. It also reviewed OHGL's assessment of compliance with the other regulatory standards, including the resident-facing consumer standards. These assessments were shared with Riverside as they also support its statement of compliance. The OHGL Board concluded that it is fully compliant with the Governance and Viability Standard and the other standards. At its 4 July 2022 meeting the OHGL Board confirmed there was no change to its assessment.

The OHGL Board hereby certifies its compliance with the Governance and Viability Standard and the supporting Code of Practice during the year to 31 March 2021 and in the period to the date of its approval of these financial statements.

The Code of Practice is issued by the Regulator of Social Housing under section 195(1) of the *Housing & Regeneration Act 2008* (as amended) (the Act). It relates to the Governance and Financial Viability Standard set by the regulator under section 194(1) of the Act (the Standard). The Code of Practice applies to all registered providers who are subject to the Standard.

Code of Governance

OHGL is committed to high standards of corporate governance and to compliance with the National Housing Federation (NHF) Code of Governance 2020 (the Code). The Board formally adopted the new Code in May 2021. A comprehensive review against the new Code was undertaken and an action plan agreed in July 2021.

The action plan delivered a range of administrative improvements including changes to the Board's Standing Orders, the updating of key governance policies and the formalisation of joint venture oversight. The plan also saw the **strengthening the Board's focus on residents** through the re-introduction of service visits as the pandemic restrictions fell away and Board briefing sessions on resident-facing matters at the earliest opportunity. This has ensured that the Members remain cognisant of resident views and have a direct awareness the frontline of the business.

The **resident voice in decision making has also been reviewed and strengthened.** The Board is committed to increasing its focus on residents and delivering the pledges agreed during the merger. New resident members of our Customer Services Committee are currently being recruited and will have the same governance accountability and responsibilities as other Committee Members ensuring the resident view is formalised in one of our most important decision-making forums.

As the Code was adopted during the merger with The Riverside Group, the Board has not been in a position to agree or deliver objectives for the diversity of its own composition because Board composition decisions rest with Riverside as the parent of the Group. OHGL has contributed to the development of parent-level diversity objectives and is committed to supporting their delivery as the two governance communities integrate.

The Board considers compliance with the Code to be an ongoing process and recognises that further strengthening and honing of approaches will be required. To this end, a further full assessment of compliance with the Code will be undertaken early in 2022/23.

Compliance with Reporting Standards and Legislation

The Board further confirms that this report has been prepared in accordance with the applicable reporting standards and legislation.

Assessment of the Effectiveness of Internal Controls

The Board has overall responsibility for the Group's system of internal control and for monitoring its effectiveness. One Housing Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's objectives and can only provide reasonable, and not absolute, assurance that we are not exposed to material misstatement or loss.

The Audit & Risk Committee ("ARC") was in operation from 1 April to 30 November 2021 and oversaw the effectiveness of the system of internal control by considering risk reports, internal audit reports, management assurances, the external audit management letter and specialist reviews. Material risk or control matters were reported by the ARC to the Board. Following the merger with Riverside, audit matters are dealt with at a parent Group level by the Group Audit Committee. Matters which were previously reported to the One Housing Group ARC are now reported to the OHGL Board.

The Board confirms that the key processes for identifying, evaluating, and managing the significant risks faced by OHGL have been in place throughout the year under review up to and including the date of approval of the annual report and financial statements.

Some of the key policies and processes that the Board has established to provide effective internal control include:

- clearly delegated powers to board sub-committees, the subsidiary company boards and the executive team reviewed and updated on an annual basis.
- strategic and business planning processes with detailed financial budgets and forecasts.
- regular reporting to the board and appropriate committees on key business objectives, targets and outcomes.
- regular group board review of risk management processes.
- insurance policies to ensure that the group's assets and activities are properly insured in accordance with best practice.
- documented policies and procedures for key operational areas.
- a suite of probity policies designed to tackle fraud, bribery, corruption, theft, and breaches of regulations which are reviewed regularly.
- maintaining a fraud register and related processes including the review of the register at ARC meetings.
- adoption of an internal audit programme monitored by the ARC and, since 1st December 2021, the Board.

- ARC review of the external audit management letter (for the 2020/21 year). For 2021/22, Board review of the letter as well as review by Group Audit Committee; and

- a standing item at all ARC meetings (to December 2021) for members to meet privately with BPO LLP (external audit) and KPMG (internal audit) without executive or other staff members present.

The Board has received and reviewed assurance on the effectiveness of the system of internal control for One Housing Group, together with the annual report of the internal auditor. It has reported its findings to the Group Audit Committee.

Significant work has continued during the year to continue to strengthen control processes, building on the work of the previous year. These include:

- Six-monthly Directors' Assurance Statements – to identify any material control breaches and actions to resolve these.

- Bi-monthly audit and risk clinics to review progress in delivering internal audit recommendations, actions from Director's Assurance Statements, external audit actions, regulatory standards improvement actions and operational risks.

- The procurement and phased implementation of specialist software to facilitate organisation-wide management of compliance, assurance, data protection and risk.

- The appointment of KPMG to facilitate a cross organisational self-assessment of controls and risk management. Management responses to recommendations have been agreed and implementation is overseen by the Board.

- The continued implementation of Foundations for a Sustainable Business methodology – to facilitate a range of reviews of business areas to determine policy and procedural coverage, the adequacy of data management of risk and compliance requirements. Continuing this work remains a priority for the Board.

In addition to the above, substantial due diligence work and risk work was undertaken to support and assure the One Housing Group Board in making its decision in November 2021 to proceed with the merger with Riverside.

The Board confirms that there are no material weaknesses which require disclosure in these financial statements.

Donations

The Group made no political donations during the year (2021: £nil).

Risk Management

We recognise that an effective risk management framework, embedded in practices and behaviours across the Group, is fundamental to achieving our strategic objectives.

The Group Board has overall responsibility for risk management. Up until 1 December 2021 it was supported in this by ARC and risk was a standing item at all ARC and Board meetings. Strategic risks are identified, evaluated, managed, and reported to Board by Executive.

Operational risks are largely the responsibility of senior leadership team directors, with Executive Team, bi-monthly audit clinics, and then Board (previously ARC), providing oversight and challenge. Risks identified in board committees' discussions are reported to Board to ensure a clear line of sight across all areas of operation and activity.

Emerging risks are reported to Executive and Board for consideration and discussion. The Board and the committees have continued to provide robust challenge to the Executive across all aspects of risk management.

Our Risk Management Framework

Our risk management framework – which includes our risk management strategy and policy, our risk appetite approach, and an annual review of the Regulator of Social Housing's sector risk profile - forms part of our wider risk, control, and assurance framework. A strategic risk register is maintained and in addition all directorates have operational risk registers. A risk newsletter is circulated to the Senior Leadership Team quarterly with a summary of all strategic risks and the highest operational risks to ensure visibility across teams. Risk registers are discussed and reviewed at bi-monthly Audit and Risk Clinics attending by CEO, Group Directors and Directors. Risk workshops are held with leadership and management teams to continue to embed good risk management practices, particularly focussing on those below Director level.

In the lead up to the merger a separate risk register was maintained to manage risks associated with delivering or not delivering the merger. These were routinely reviewed by the Board in conjunction with the strategic risk register.

Our programme and project management approach also encompasses risk registers and red/amber/green (RAG) ratings for key performance indicators. Throughout last year, as the impact of Covid-19 and restrictions on activity continued, our business continuity processes were maintained and dynamically adjusted as the inherent risk due to Covid-19 fluctuated throughout the course of the year. In our Care & Support business, key risks were also monitored at an individual care scheme level.

Two separate and externally facilitated business continuity exercises were delivered in May and then November 2021. This tested the refreshed corporate business continuity plan and exercised the Corporate Incident Management Team's ability to respond effectively to major fire and cyber incidents.

The approach we take to all aspects of how we work with our customers, stakeholders and colleagues is that we expect risk management to be at the heart of how colleagues interact, engage, and work together. Through a range of wider activities across our business such as our change management processes and our audit and risk clinics, we focus on a holistic approach to risk, control, and assurance.

We assess inherent risk levels (i.e., without mitigations) and re-assess those risks with mitigations in place to ensure that risks are being adequately managed. We also set a target risk score for each risk so that we can, over time, introduce additional controls to bring the management of risks to an optimum level taking account of what we can control and, in the macro sense, what we can only influence.

In January 2022, following the merger, the Board completed a thorough review of the Strategic Risk Register, aligning risks to the new corporate position as well as the continually and rapidly evolving external risk environment. The Executive and Board have put in place the necessary measures to ensure all risks continue to be effectively managed.

Risk Appetite

We use risk appetite, or put more simply risk tolerance levels, to set out the level of risk the Board is prepared to accept in given scenarios or specified areas of our activity. Our risk appetite statement was last reviewed and revised by the Board in November 2020 and is made up of two types of measurement:

- quantitative measures that are specific and measurable (e.g., approved financial indicators, hurdle rates for scheme development and contractual loan covenant measures); and

- qualitative indicators which are applied to each of our corporate objectives.

Tolerances for qualitative indicators vary within set criteria depending on the risk area. In November 2020 the Board adopted, overall, a more risk averse stance than previously held including in relation to expansion of the Care & Support business, operating margin, aspects of development, and major change projects.

Strengthening Internal controls

We have a proactive approach to the use of Internal Audit. As well as providing assurance to the Board, internal audits are a key tool in our continuous improvement drive. We also fully embedded and broadened the remit of bi-monthly audit and risk clinic. The clinics, which now also include risk management are held for each directorate and check progress to internal and external audit recommendations, actions arising from our directors' assurance statement process and any regulatory actions arising from our assessment of compliance with the RSH's regulatory standards. We have seen a clear improvement with actions completed leading to a stronger control framework and better understanding of the importance of a strong control framework.

Following recommendations from the KPMG facilitated cross organisation control and risk self-assessment, training has been provided to report authors on writing for assurance and key controls and procedures across the organisation are being catalogued. This will in turn feed into reporting to Board and assurance provided via Director's Assurance Statements.

Cladding & Fire Safety

The safety of our residents remains the highest priority for our Board and Executive. A cross-departmental group on cladding remains in place, and we introduced a similar group on fire which also includes external experts.

Cladding and fire safety continued being regularly reported to Audit & Risk Committee and Board as well as to our Executive team. Our Customer Services Committee had oversight on communications to residents, leaseholders, and shared owners.

Covid-19

Throughout 2021-22 we still faced the impact of Covid-19 global pandemic. Our focus has been on managing risks and ensuring our customers and staff safety, particularly in our care homes. Board level oversight of the delivery of our corporate pandemic preparedness plan and management of strategic and operational Covid-19 risks continued in 2021-22 although at a reduced rate compared to prior year. The impact on our costs and the income of our Care & Support business as a consequence of Covid-19 has continued in 2021-22.

Key Strategic Risks

Our key risks, causes and risk mitigations are summarised below.

Risk	Causes	Key Mitigations
Financial underperformance leads to breach of covenant(s) and/or pressures on delivery of business plan.	Fire/cladding costs Softening housing market further impacted by Covid-19 and Brexit External environment/market uncertainty	Income maximisation plans. Active management of costs. Set operating margin by business stream in place and reported to the Executive, Committees and Board. Proactive engagement with lenders by CFO Reprofiling/repurposing of development schemes to manage cashflow. Special external advice on approach to lender engagement. Monthly monitoring of budget performance. Treasury reporting to Board
Failure to meet Health & Safety obligations in relation to asset management and compliance.	Changes to legal/government requirements and obligations, in particular for cladding. One Housing stock condition and asset profile. External environment impedes the ability to sufficiently plan long term. Poor or incomplete property data.	Removal of cladding and commencement of works to remediate. Monthly Asset Compliance meeting chaired by the COO covering performance across all key areas. Board compliance reports to each meeting. Externally conducted Fire Risk Assessments completed with risk-based actions approach in place and reported to Board. Specialist Assistant Director of Fire employed to provide corporate leadership on Fire Safety across the Group. Proactive engagement with London Fire Brigade as part of Primary Authority arrangement Asset Management Strategy. Data reconciliation projects and systems to ensure asset attribute data is in place (e.g., Asbestos, Electrical Safety, Playgrounds and Play Equipment, Door Entry and Security Systems)
Service delivery demands, combined with staff, labour and materials shortages compromises our ability to meet customer expectations.	Rising costs of materials & labour Insufficient supply of contracted services Substantial increase in demand for repairs	Re-tender of material supply contract to drive efficiencies and improved ways of working e.g.: to door material delivery, pop up stores, efficiencies in the supply chain Repairs 2021/2 project - end to end review of processes, systems and procedures assisted by PML Re-tender of sub-contractors to support service delivery - this will enable far greater resilience to OHG and offer VFM in comparison to current sub-contractors

Risk	Causes	Key Mitigations
Our communications to residents do not clearly or on a timely basis set out actions we have made or are making following feedback from consultations on the Customer Experience strategy and the merger	Insufficient government funding made available for cladding	Regular cladding meetings with up to 33 resident groups Building Safety newsletter, ongoing Communications monthly to identified schemes, letters, and updates to stakeholders Overall delivery of the cladding management plan including developer redress, managing agent responsibility and bids in to and funds received from the Building Safety Fund to cover leaseholder costs for buildings that need cladding replacement
Key area internal control failure results in failure to deliver to corporate objective(s).	Control and assurance framework insufficiently robust. Processes and procedures not in place. Inaccurate Forecasting not accurate. Data inaccurate and/or incomplete.	Data anomaly reports and data improvement plans reviewed at Information Governance Group. Externally facilitated control and risk self-assessment in conjunction with programme for strengthening internal controls frameworks and assurance. Bi-monthly audit clinics chaired by CEO and Group Director Governance and Compliance to oversee and drive delivery of identified improvements actions.

Going Concern

The Board has made enquiries and examined significant areas that could give rise to financial exposure and are satisfied that no material or significant exposures exist other than as reflected in these financial statements. The Board has reasonable expectation that the business has adequate resources to continue its operations for at least twelve months from the date of approval of the financial statements.

A 30-year business plan has been produced which was approved on 20 May 2022. The Board has considered an extensive range of stress testing. The stress testing includes “matrix testing” a broad range of single variate tests. These test cover reductions in income and increases in overheads, both revenue and capital repairs and development costs.

The base plan includes the following material items:

Repairs and Maintenance - We have carried out a stock condition survey which informs our repairs and maintenance programme and the data is constantly under improvement. It is expected that significant increased expenditure will be required in the short term to address issues post Covid-19 and improve customer service. This is not expected to continue long term.

Fire Safety costs - Substantial costs are included in the LTFP for cladding removal, other fire remediation and waking watch costs. These costs are partly offset by applications to the Building Safety Fund and other recoveries. The costs included are much more robust than previous years as we have increased knowledge of the work required.

Private Care Homes - This area has been challenging in recent time, occupancy has been reduced due to Covid19. It is expected that occupancy will increase over the next five years. A reduction in occupancy has been modelled as part of the stress testing.

Development - Included in the plan are a number of large development schemes where there is uncertainty around the timing of planning being achieved. As is usual in this area, changes to the phasing, tenure mix and profit margin would have an impact on the profit or cashflow in future years. We have included cautious and prudent estimates.

Riverside Partnership - The going concern assessment has been carried out on the basis of One Housing Group remaining a separate subsidiary of The Riverside Group. However, merger savings have been included from 2024 and the cashflow includes an assumption that Riverside will provide funding to OHGL.

The base plan has been assessed for the following:

Liquidity - One Housing's liquidity position remains strong. The cashflow includes an assumption that TRGL will provide intra-group funding (as it does with other group members).

Covenants - We expect to remain compliant with all financial and non-financial covenants. The headroom varies by year and under some sensitivities this is challenged. Various reasonable mitigations have been considered in response to this. One Housing will continue to be vigilant in reviewing the performance monitoring triggers and actual financial performance to ensure that we have sufficient time to react in a timely manner. The Association will also continue to negotiate improvements to covenant definitions with lenders to provide further capacity to cope with any adverse performance.

Approval

This strategic report was approved by order of the Board.

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Caroline Corby	**Richard Hill**	**Sara Shanab**
Chair	Chief Executive	Secretary

Date: 12 September 2022

Board Members' Responsibilities

The board members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the association's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Annual General Meeting

The Annual General Meeting is expected to be held in September 2022.

Auditors

All of the current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

During the year, the Board, ARC and TRGL Group Audit Committee reviewed the effectiveness of both the external and internal audit process.

The Board and TRGL Group Audit Committee are satisfied that BDO LLP continues to meet the Association's requirements for external audit services.

BDO LLP has expressed its willingness to continue in office and a resolution for the re-appointment of BDO LLP as auditors of the Association is to be proposed at the forthcoming annual general meeting.

By Order of the Board

DocuSigned by:
Caroline Corby
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Caroline Corby
Chair of Board

DocuSigned by:
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Richard Hill
Chief Executive

DocuSigned by:
Sara Shanab
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Sara Shanab
Secretary

Date: 12 September 2022

One Housing Group Limited
Audit Report
for the year ended 31 March 2022

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

Opinion on the Financial Statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 and of the Association's surplus for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements of One Housing Group Limited ("the Association") for the year ended 31 March 2022 which comprise the Association statement of comprehensive income, the Association statement of financial position, the Association statement of changes in equity, the cash flow statement, and notes to the financial statements, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Association 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.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the board members' 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 Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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.

One Housing Group Limited
Audit Report
for the year ended 31 March 2022

Other Information

The board 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 we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Strategic Report, Statement of Corporate Governance, and Internal Controls 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

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements.
- adequate accounting records have not been kept by the Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the board members' responsibilities statement, the board is 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 members 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 are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Association 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.

Extent To Which the Audit Was Capable of Detecting Irregularities, Including Fraud

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:

Based on our understanding of the Association and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Association's Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation.

In addition, the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Reading minutes of meeting of those charged with governance, reviewing correspondence with HMRC and the other regulators.
- Reviewing items included in the fraud register.
- In addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management, privileged users or with unusual account combinations.
- Challenging assumptions made by management in their significant accounting estimates and judgements in particular in relation to the following:
    - Whether indicators of impairment exist
    - Recoverable amount of housing properties
    - Capitalisation of development costs
    - Appropriate allocation of costs between tenure types and between first and subsequent shared ownership tranches
    - UELs of housing property components
    - Assumptions used in investment property valuations
    - Assumptions used in pension valuations
    - Assumptions used in derivative valuations.
- We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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 by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our Report

This report is made solely to the members of the Association, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association'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 Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Phil Cliftlands
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BDO LLP
Statutory Auditor
Gatwick

Date: 15 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

One Housing Group Limited
Statement of Comprehensive Income
for the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Turnover	4, 5	**178,771**	175,771
Cost of sales	4, 5	**(7,080)**	(11,631)
Operating costs	4, 5	**(177,633)**	(172,240)
Surplus on disposal of fixed assets	11	**43,208**	13,205
Operating surplus	7	**37,266**	5,105
Other interest receivable and similar income	12	**25**	370
Interest and financing costs	13	**(33,447)**	(35,642)
Movement in fair value of financial instruments	30	**23,335**	14,373
Movement in fair value of investment properties	18	**1,625**	-
Surplus/(deficit) before taxation		**28,804**	(15,794)
Taxation on surplus / (deficit)	14	**2**	-
(Deficit)/surplus for the financial year		**28,806**	(15,794)
Actuarial gain / (loss) on defined benefit pension schemes	32	**3,909**	(7,548)
Total comprehensive income / (loss) for year		**32,715**	(23,342)

All activities relate to continuing operations.

The notes on pages 62 to 99 form part of these financial statements.

One Housing Group Limited
Statement of Financial Position
as at 31 March 2022

	Notes	**2022 £'000**	2021 £'000
Tangible fixed assets			
Housing properties	15	**1,785,324**	1,713,494
Other tangible fixed assets	17	**31,970**	33,584
Investment properties	18	**56,892**	55,267
Investment in subsidiaries	19	**166,225**	232,711
Other Investments	21	**30**	30
		2,040,441	2,035,086
Current assets			
Properties for sale	22	**26,320**	10,947
Debtors	23	**53,940**	39,744
Cash and cash equivalents		**41,102**	53,542
		121,362	104,233
Creditors: amounts falling due within one year	24	**(118,979)**	(154,854)
Net current assets		**2,383**	(50,621)
Total assets less current liabilities		**2,042,824**	1,984,465
Creditors: amounts falling due after more than one year	25	**(1,645,455)**	(1,615,066)
Provision for liabilities	31	**(2,171)**	(1,246)
Net assets excluding pension liability		**395,198**	368,153
Pension liability	32	**(6,556)**	(12,226)
Net assets		**388,642**	355,927
Capital and reserves			
Called up share capital	33	**-**	-
Income and expenditure reserve		**388,642**	355,922
Restricted reserves		**-**	5
Total equity		**388,642**	355,927

The notes on pages 62 to 99 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board on 12 September 2022 and signed on its behalf by:

DocuSigned by:
Caroline Corby
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Caroline Corby
Chair

DocuSigned by:
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Richard Hill
Chief Executive

DocuSigned by:
Sara Shanab
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Sara Shanab
Secretary

One Housing Group Limited
Statement of Changes in Reserves
for the year ended 31 March 2022

Year ended 31 March 2022	Income and expenditure reserve £'000	Restricted reserve £'000	Total £'000
Balance at 1 April 2021	355,922	5	355,927
Surplus for the year	28,806	-	28,806
Other comprehensive income:			
Actuarial loss on pensions	3,909	-	3,909
Reserves transfers:			
Restricted reserve to income and expenditure reserve	5	(5)	-
Balance at 31 March 2022	**388,642**	**-**	**388,642**

Year ended 31 March 2021	Income and expenditure reserve £'000	Restricted reserve £'000	Total £'000
Balance at 1 April 2020	379,263	5	379,268
Deficit for the year	(15,793)	-	(15,793)
Other comprehensive income:			
Actuarial loss on pensions	(7,548)	-	(7,548)
Balance at 31 March 2021	355,922	5	355,927

One Housing Group Limited
Notes Forming Part of the Financial Statements
for the year ended 31 March 2022

1. Legal Status

The association is registered in the UK with the Financial Conduct Authority under the *Co-operative and Community Benefits Societies Act 2014* and is registered with the Regulator of Social Housing as a registered provider of social housing. One Housing Group Limited is considered to be a Public Benefit Entity and applies the relevant parts of FRS102 for Public Benefit Entities.

OHGL is a wholly owned subsidiary of The Riverside Group Limited (TRGL). TRGL is the ultimate parent and ultimate controlling entity.

2. Accounting Policies

The Financial Statements have been prepared on a going concern basis in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for One Housing Group Limited includes the *Co-operative and Community Benefit Societies Act 2014* (and related group accounts regulations), the *Housing and Regeneration Act 2008*, FRS 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying The Association's accounting policies.

In preparing the separate financial statements, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Publication of a statement of cashflows.
- Financial instrument disclosures; and
- Related party transactions entered into with other wholly owned members of the group.

The following principal accounting policies have been applied:

Going Concern

The Board has made enquiries and examined significant areas that could give rise to financial exposure and are satisfied that no material or significant exposures exist other than as reflected in these financial statements. The Board has reasonable expectation that the business has adequate resources to continue its operations for at least twelve months from the date of approval of the financial statements.

A 30-year business plan has been produced which was approved on 20 May 2022. The Board has considered an extensive range of stress testing.

The stress testing includes “matrix testing” a broad range of single variate tests. These test cover reductions in income and increases in overheads, both revenue and capital repairs and development costs.

The base plan includes the following material items:

Repairs and Maintenance - We have carried out a stock condition survey which informs our repairs and maintenance programme, the data is constantly under improvement. It is expected that significant increased expenditure will be required in the short term to address issues post Covid-19 and improve customer service. This is not expected to continue long term.

Fire Safety costs - Substantial costs are included in the LTFP for cladding removal, other fire remediation and waking watch costs. These are offset by applications to the Building Safety Fund and other recoveries. The costs included are much more robust than previous years as we have increased knowledge of the work required.

One Housing Group Limited
Notes Forming Part of the Financial Statements
for the year ended 31 March 2022

2. Accounting Policies (continued)

Going Concern (continued)

Private Care Homes - This area has been challenging in recent time, occupancy has been reduced due to Covid-19. It is expected that occupancy will increase over the next five years. A reduction in occupancy has been modelled as part of the stress testing.

Development - Included in the plan are a number of large development schemes where there is uncertainty around the timing of planning being achieved. As is usual in this area, changes to the phasing, tenure mix and profit margin would have an impact on the profit or cashflow in future years. We have included cautious and prudent estimates.

Riverside Partnership - The going concern assessment has been carried out on the basis of One Housing Group remaining a separate subsidiary of The Riverside Group. However, merger savings have been included from 2024 and the cashflow includes an assumption that Riverside will provide funding to OHGL.

The base plan has been assessed for the following:

Liquidity - OHGL's liquidity position remains strong. The cashflow includes an assumption that TRGL will provide intra-group funding in a format to be agreed.

Covenants - We expect to remain compliant with all financial and non-financial covenants. The headroom varies by year and under some sensitivities. Various reasonable mitigations have been considered in response to this. The Association will continue to be vigilant in reviewing the performance monitoring triggers and actual financial performance to ensure that we have sufficient time to react in a timely manner. The Association will also continue to negotiate improvements to its covenant definitions to provide capacity to cope with any adverse performance.

Currency

The Association financial statements are presented in pounds sterling and rounded to thousands.

Income

Income is measured at the fair value of the consideration received or receivable. OHGL generates the following material income streams:

- rental income receivable (after deducting lost rent from void properties available for letting)
- first tranche sales of low-cost home ownership housing properties developed for sale
- service charges receivable
- revenue grants
- proceeds from the sale of land and property.

Rental income is recognised from the point when properties under development reach practical completion and are available for letting.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Revenue grant is recognised when the conditions for receipt of grant funding have been met.

Service charges

The Association adopts either the fixed method or the variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable. Variable adjustments are included in income when charged to the resident.

2. Accounting policies (continued)

Supported Housing Schemes
The Association receives Supporting People grants from a number of London Boroughs and County Councils. The grants received in the period, as well as costs incurred by The Association in the provision of support services have been included in the statement of comprehensive income. Any excess of cost over the grant received is borne by The Association where it is not recoverable from tenants.

Management of Units Owned by Others
Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

Schemes Managed by Agents
Income is shown as rent receivable and management fees payable to agents are included in operating costs.

Holiday Pay Accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Value Added Tax
The Association charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT on expenditure to the extent that it is borne by The Association and not recoverable from HM Revenue & Customs. Recoverable VAT arises from partially exempt activities and is credited to the income and expenditure account.

Finance Costs
Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension Costs
Contributions to OHGL's defined contribution pension scheme are charged to the statement of comprehensive income in the year in which they become payable.

OHGL participates in two Local Government Pension Schemes (LGPS). There is a stated policy for charging the net defined benefit scheme between those group companies that are a party to the scheme and hence a proportion of the defined benefit scheme assets, liabilities, income, and costs are recognised by individual group companies in accordance with that policy.

The difference between the fair value of the assets held in The Association's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in The Association's statement of financial position as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that The Association is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

2. Accounting policies (continued)

Pension Costs (continued)
Under defined benefit accounting, the schemes' assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Tangible Fixed Assets - Housing Properties
Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development. Directly attributable costs of acquisition include capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn to finance the relevant construction or acquisition. Where housing properties are under construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the statement of comprehensive income.

Mixed developments are held within Property Plant and Equipment (PPE) and accounted for at cost less depreciation. Commercial elements of mixed developments are held as investment properties.

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in PPE, and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Completed housing properties acquired from subsidiaries are valued at existing use value for social housing at the date of acquisition.

Depreciation of Housing Property
Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

Assets in the course of construction are not depreciated until the year after they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed. The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets.

Freehold land is not depreciated.

2. Accounting policies (continued)

Depreciation of Housing Property (continued)

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Component	Years
Main structure	125
Roof structure	80
Envelope (including roof covering and cladding)	50
Common parts (internal and external)	50
External windows and doors	40
Heating and cold-water services	40
Central boilers	40
Bathrooms	30
Electrics	30
Lifts	30
Kitchens	20
Individual boilers	15
Cladding	30

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease, when the lease and building elements are depreciated separately over their expected useful economic lives.

Any difference between the historical annual depreciation charge and the annual depreciation charge on assets carried at deemed cost is transferred to the revaluation reserve for the asset concerned until that reserve is depleted.

Shared Ownership Properties and Staircasing

Under low-cost home ownership arrangements, OHGL disposes of a long lease on low-cost home ownership housing units for a share ranging between 25% and 75% of value. The buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low-cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as current asset and related sales proceeds are included in turnover. The remaining element (staircasing element) is classed as property, plant and equipment and included in completed housing property at cost and any provision for impairment. Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grants being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Low-cost home ownership properties are not depreciated on the expectation that the recoverable amount of the properties at the time of disposal is expected to be more than the historical cost.

For shared ownership accommodation that The Association is responsible for, it is our policy to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the statement of comprehensive income.

2. Accounting policies (continued)

Allocation of Costs for Mixed Tenure and Shared Ownership Developments
Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure, costs are allocated on a floor area basis.

Tangible Fixed Assets – Other
Other tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Association adds to the carrying amount of an item of fixed asset the cost of replacing a part of that item when that cost is incurred, and if the replacement part is expected to provide incremental future benefits to The Association. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of Other Tangible Fixed Assets
Land is not depreciated. Depreciation on other assets is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives (in years) range as follows:

Description	Years
Freehold offices	50
Leasehold office property	Life of lease
Furniture and equipment	5
Motor vehicles	4
Computer equipment	5
Information system	5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Government Grants
Grants received in relation to assets that are presented at deemed cost at the date of transition have been accounted for using the performance model as required by Housing SORP 2018. In applying this model, such grant has been presented as if it were originally recognised as income within the statement of comprehensive income in the year it was receivable and is therefore included within brought forward reserves.

Grant received since the transition date in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the statement of financial position and released to the statement of comprehensive income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected (see table of useful economic lives above).

Where Social Housing Grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the statement of comprehensive income.

Grants relating to revenue are recognised in the statement of comprehensive income over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

One Housing Group Limited
Notes Forming Part of the Financial Statements
for the year ended 31 March 2022

2. Accounting policies (continued)

Recycled Capital Grant Fund
When certain relevant events happen, primarily the sale of dwellings, Homes England, and the Greater London Authority (GLA) can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Association adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, it will be repayable to Homes England or the GLA with interest. Any unused recycled capital grant held within the recycled capital grant fund, when it is anticipated it will not be used within one year is disclosed in the statement of financial position under 'creditors due after more than one year'. The remainder is disclosed under 'creditors due within one year'.

Disposal Proceeds Fund
As a result of changes made by the Housing and Planning Act 2016, from 6 April 2017 the Association is no longer required to recycle any further proceeds to the DPF. The existing fund has been moved to creditors due within one year and will be repaid to the GLA with interest.

Investment Properties
Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by qualified valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location, or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in income or expenditure.

Valuation of Investments
Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Impairment of Fixed Assets and Goodwill
The housing property portfolio for The Association is assessed for indicators of impairment at each statement of financial position date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. We carry out an option appraisal to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Association looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

The Association defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to statement of comprehensive income.

Stock
Stock represents work in progress and completed properties, including housing properties developed for transfer to other registered providers; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour, and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

One Housing Group Limited
Notes Forming Part of the Financial Statements
for the year ended 31 March 2022

2. Accounting policies (continued)

Debtors and Creditors
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Recoverable Amount of Rental and Other Trade Receivables
The Association estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Rent and Service Charge Agreements
The Association has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and Short-Term Deposits
All loans, investments and short-term deposits held by The Association are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however we have calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated in the statement of financial position at transaction value. Loans and investments that are payable or receivable within one year are not discounted.

Financial Liabilities and Equity
Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and Cash Equivalents
Cash and cash equivalents in The Association’s consolidated statement of financial position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Derivative Instruments and Hedge Accounting
The Association holds floating rate loans which expose The Association to interest rate risk, to mitigate against this risk we use interest rate swaps. These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The Association has not chosen to adopt Hedge Accounting.

Interest Rate Swap Derivatives
The derivative contract sets the basic information required to be able to calculate the fair value of the derivatives. e.g., the term to maturity, the fixed leg rate, and the variable leg basis. Derivative fair value is based on the known fixed leg rate and variable rate derived from the forward curve.

2. Accounting policies (continued)

Building Safety Fund

Government Grant from the Building Safety Fund is received in respect of cladding remediation expenditure carried out on behalf of leaseholders (including shared owners). This is held in short term creditors as it is repayable if expenditure is not incurred. It is released to Turnover in the Statement of Comprehensive Income as a government grant over the same time period as expenditure incurred.

Grants are accrued to Turnover when the grant has passed the technical and lease review stage with the Department for Levelling Up, Housing and Communities (DLUHC). The income is accrued for over the same time period as the underlying expenditure and OHGL has evidence to support the expenditure has been incurred in line with the requirements of the grant fund. Technical and Lease review stages have been passed when DLUHC confirms to us that our grant application has passed all the technical and legal requirements, which are the grant eligibility assessment checks.

In both cases, income will only be recognised when the conditions of the grant agreement are fulfilled.

Leased Assets: Lessee
Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

The Association has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 April 2014) to continue to be charged over the period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 April 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Leasehold Sinking Funds
Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

Provision for Liabilities
The Association has recognised provisions for liabilities of uncertain timing or amounts including those for disrepair, dilapidations, and staff costs.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the statement of financial position date.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as finance cost in the statement of comprehensive income in the period it arises.

2. Accounting Policies (continued)

Onerous Leases
Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

Contingent Liabilities
A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

Reserves
Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

3. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

In preparing these financial statements, key judgements and estimates have been made in respect of the following:

Tangible Fixed Assets
Tangible fixed assets, other than investment properties, are depreciated over their useful economic lives. The actual lives of the assets and residual values are assessed annually based on information such as surveys, historic data, benchmarking, and current performance. For housing property assets, the assets are broken down into components based on management’s assessment of the properties. Individual useful economic lives are assigned to these components.

Government grant is amortised over the useful economic life of the asset.

Impairment of Tangible Fixed Assets
Tangible fixed assets are assessed for indicators of impairment at each reporting date. Indicators of impairment include the economic viability and future financial performance of the asset. The calculation of impairment is on the basis of EUV-SH or depreciated replacement cost. Estimates of future financial performance includes assumptions for inflation, voids, and future costs. A judgement will be made as to the expected costs to complete including an estimation of construction and other costs.

Investment Properties
Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate. The professional valuers will use current rents, voids, leases alongside assumptions regarding discount rates, inflation and rent increases, this is a judgement based on their professional experience.

Net Realisable Value of Property Developed for Sale
The anticipated costs to complete on a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs, and other costs. Based on the costs to complete, the recoverability of the cost of properties developed for outright sale and/or land held for sale is then determined by an estimate of sales value based on economic conditions within the area of development.

3. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty (continued)

New Developments
There are a number of tenure types of housing property where it is a matter of judgement whether they should be categorised as investment property or property, plant, and equipment. The intended use of the property needs to be determined when categorising different tenure types of housing property providing due consideration to the level of rent charged and with regard to objectives of The Association.

When properties are under construction interest is capitalised on the cumulative cost to date of the scheme, based on the estimated weighted average cost of capital. The calculation of the weighted average cost of capital is revisited on an annual basis.

Costs are between different tenures in the case of a mixed tenure development based on square meterage. In the same way costs are apportioned to individual properties. The cost remains with the property throughout its life and is used in estimating surplus on disposal.

The expected percentage of shared ownership properties to be sold at first tranche and thus to be included in properties for sale for properties under development is estimated based on the percentage expected to sell. Scheme costs are apportioned to individual properties based on square footage.

Recoverability of Investments in Subsidiaries and Intercompany Debts
A large number of OHGL’s subsidiaries are special purpose vehicles created for a single mixed tenure development scheme that includes outright sale. These are funded by equity investment. An estimation of the net realisable value of the development scheme is carried out and any impairment will be reflected as impairment of OHGL’s investment.

The recovery of investment in other subsidiaries is on the basis of future cash forecasts.

Leases
A number of leases have been entered into for a number of care homes and the head office. The judgement regarding their classification as operating or finance leases are based on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis. Considerations include landlords' covenants, break clauses, length of lease and repair and replacement responsibilities. The leases have been designated as operating on this basis.

Bad Debt Provisions
To calculate appropriate provisions, historic collection rates are reviewed alongside external information such as the current benefit rules, the impact of Covid-19 and other economic impacts.

Pensions
The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases are determined using actuarial valuations. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to considerable uncertainty and the Association relies on the expert input of actuaries.

Interest Rate Swap Derivatives
The derivative contract sets the basic information required to be able to calculate the fair value of the derivatives, e.g., the term to maturity, the fixed leg rate, and the variable leg basis. Derivative fair value is based on the known fixed leg rate and variable rate derived from the forward curve.

3. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty (continued)

Building Safety Fund
Government Grant from the Building Safety Fund is recognised in turnover as a government grant once it is highly probable that it will be received and the conditions of the grant have been complied with.

Highly probable is judged to be when the grant has passed the technical and lease review stage with the Department for Levelling Up, Housing and Communities (DLUHC). Beyond this it is only necessary to agree total costs and have the final grant agreement approved and signed. It is considered that the possibility of the grants being rejected at this stage is remote.

The main conditions of the grant are as follows:
- That funding will only be used for qualifying expenditure; the reasonable costs which relate to the removal and replacement of the unsafe cladding at each building.
- Works will comply with quality and standards of work, including procurement.
- Steps have been taken to recover the amount of funding from potentially liable parties such as the original contractors or insurers.

These must be fulfilled before the grant is recognised as income. The income recognised in the accounts only relates to qualifying expenditure.

If Building Safety Fund Grant is rejected then, at all properties, it is legally possible to recover all monies from other third parties such as developers or leaseholders. We however anticipate that the bulk of our costs will be successfully funded by the Building Safety Fund Grant income.

One Housing Group Limited
Notes Forming Part of the Financial Statements
for the year ended 31 March 2022

4. Turnover, Cost of Sales, Operating Costs and Operating Surplus

Particulars of turnover, cost of sales, operating costs, and operating surplus

	2022				
	Turnover £'000	**Cost of sales £'000**	**Operating costs £'000**	**Surplus on disposal of fixed assets £'000**	**Operating surplus / (deficit) £'000**
Social Housing Lettings (Note 5)	**111,532**	**-**	**(100,946)**	**-**	**10,586**
Other Social Housing Activities					
Supporting people contract income	27,490	-	(25,801)	-	1,689
Development income and costs not capitalised	-	-	(4,923)	-	(4,923)
Shared ownership first tranche sales	12,304	(7,082)	-	-	5,222
Leaseholder	4,687	-	(15,595)	-	(10,908)
Leaseholder cladding costs	4,806	-	(8,099)	-	(3,293)
Staircasing activity on low-cost home ownership	-	-	-	9,413	9,413
Right to Buy sales	-	-	-	2,752	2,752
Sales to other Registered Providers	-	-	-	31,043	31,043
Community regeneration	-	-	(138)	-	(138)
	49,287	**(7,082)**	**(54,556)**	**43,208**	**30,857**
Non-Social Housing Activities					
Impairment of investment in subsidiaries	-	-	1,308	-	1,308
Sales of properties developed for outright sale	-	2	-	-	2
Care home	9,373	-	(21,479)	-	(12,106)
Lettings	344	-	(537)	-	(193)
Commercial properties	3,300	-	(1,024)	-	2,276
Gift Aid receipts	3,525	-	-	-	3,525
Management services for group undertakings	778	-	(399)	-	379
Other	632	-	-	-	632
	17,952	**2**	**(22,131)**	**-**	**(4,177)**
Total	**178,771**	**(7,080)**	**(177,633)**	**43,208**	**37,266**

One Housing Group Limited
Notes Forming Part of the Financial Statements
for the year ended 31 March 2022

4. Turnover, Cost of Sales, Operating Costs and Operating Surplus (continued)

Particulars of turnover, cost of sales, operating costs, and operating surplus

			2021		
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on disposal of fixed assets £'000	Operating surplus / (deficit) £'000
Social Housing Lettings	103,871	-	(89,580)	-	14,291
Other Social Housing Activities					
Supporting people contract income	28,589	-	(28,328)	-	261
Development income and costs not capitalised	-	-	(4,276)	-	(4,276)
Shared ownership first tranche sales	14,366	(11,631)	-	-	2,735
Leaseholder	4,741	-	(9,460)	-	(4,719)
Leaseholder cladding costs	827	-	(5,108)	-	(4,281)
Staircasing activity on low-cost home ownership	-	-	-	5,119	5,119
Right to Buy sales	-	-	-	8,086	8,086
Community regeneration	-	-	(130)	-	(130)
Furlough grant	568	-	(568)	-	-
	49,091	(11,631)	(47,870)	13,205	2,795
Non-Social Housing Activities					
Impairment of investment in subsidiary	-	-	(13,914)	-	(13,914)
Private care homes	8,365	-	(17,907)	-	(9,542)
Lettings	653	-	(899)	-	(246)
Commercial properties	2,821	-	(1,865)	-	956
Gift Aid receipts	8,970	-	-	-	8,970
Management services for group undertakings	1,009	-	-	-	1,009
Furlough grant	205	-	(205)	-	-
Other	786	-	-	-	786
	22,809	-	(34,790)	-	(11,981)
Total	175,771	(11,631)	(172,240)	13,205	5,105

Gift aid receipts are from the following wholly owned subsidiaries of OHGL:

Subsidiary	**2022 £'000**	2021 £'000
TPHA Limited	**900**	3,214
CHA Ventures Limited (donation repaid from prior year)	**(854)**	884
Citystyle Living Limited	**1,079**	4,139
East End Lettings (2) Limited	**-**	6
Citystyle Living (Goldhawk Road) Limited	**-**	288
Citystyle Living (Wenlock Road) Limited	**-**	141
Citystyle Living (Acton Town Hall) Limited	**-**	11
Citystyle Living (Close) Limited	**-**	115
Citystyle Living (Polo) Limited	**2,391**	22
Citystyle Living (Shakespeare Orchard) Limited	**-**	150
Citystyle Living (Victoria Quarter) Limited	**9**	-
Total	**3,525**	8,970

One Housing Group Limited
Notes Forming Part of the Financial Statements
for the year ended 31 March 2022

5. Statement of Comprehensive Income from Social Housing Lettings

Association - particulars of income and expenditure from social housing lettings

	General Housing £'000	Shared Ownership £'000	2022 £'000	2021 £'000
Income				
Rents receivable net of identifiable service charges	73,474	11,460	**84,934**	83,232
Service charge income	12,758	2,810	**15,568**	14,723
Net Rental Income	**86,232**	**14,270**	**100,502**	97,955
Amortised government grants	5,110	398	**5,508**	5,625
Government grants taken to income	-	5,522	**5,522**	291
Turnover from Social Housing Lettings	**91,342**	**20,190**	**111,532**	103,871
Expenditure				
Management	(15,732)	(1,072)	**(16,804)**	(14,899)
Service charge costs	(18,614)	(2,815)	**(21,429)**	(19,137)
Routine maintenance	(16,680)	(1,497)	**(18,177)**	(18,306)
Planned maintenance	(3,736)	(177)	**(3,913)**	(4,349)
Major repairs expenditure	(9,880)	(10,802)	**(20,682)**	(10,607)
Bad debts	(1,271)	(246)	**(1,517)**	(2,198)
Depreciation of housing properties	(17,674)	-	**(17,674)**	(16,798)
Accelerated depreciation on component write-offs	(531)	-	**(531)**	(1,395)
Depreciation of other fixed assets	(313)	-	**(313)**	(330)
Property lease charge	123	(29)	**94**	(1,561)
Operating Costs on Social Housing Lettings	**(84,308)**	**(16,638)**	**(100,946)**	(89,580)
Operating Surplus on Social Housing Lettings	**7,034**	**3,552**	**10,586**	14,291
Void Losses	**4,148**	**(7)**	**4,141**	2,566

6. Housing Stock

Homes managed:

	2022	2021
	No.	No.
Social Housing		
General needs housing		
Social	**7,583**	7,853
Affordable	**1,212**	1,159
Leaseholder	**3,233**	3,126
Shared ownership	**1,829**	1,935
Supported housing	**945**	1,133
Rent to HomeBuy	**1**	1
Care homes	**37**	48
Total Social Housing	**14,840**	15,255
Non-Social Housing		
Market rent	**18**	39
Private care homes	**481**	470
London living rent		
Total Non-Social Housing	**499**	509
Total Homes Under Management	**15,339**	15,764
Homes Owned but Not Managed	**560**	527
Total Homes	**15,899**	16,291

The Association has 824 units under construction at year end (2021:514 units).

Movement in stock:

	2021	**Additions**	**Disposals**	**Other movements**	**2022**
Total managed accommodation	15,764	152	(541)	(36)	15,339
Units managed by other associations	527	-	(3)	36	560
Total	16,291	152	(544)	-	15,899

One Housing Group Limited
Notes Forming Part of the Financial Statements
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7. Operating Surplus

The surplus for the year is stated after charging:

	2022 £'000	2021 £'000
Depreciation on housing properties - annual charge	**17,674**	16,798
Depreciation on other tangible fixed assets	**6,769**	5,009
Impairment of properties for sale	**-**	655
Impairment of investment in subsidiary	**(1,307)**	12,792
Operating lease charges	**6,637**	5,580
Auditors' remuneration (excluding VAT):		
fees payable to the Association's auditor for the audit of the Association's annual accounts	**88**	89
Defined contribution pension costs	**2,599**	2,743

8. Employee Information

The aggregate staff cost and average full-time equivalent number of employees, including executive officers, during the year was:

	2022 £'000	2021 £'000
Wages and salaries	**48,789**	51,410
Social security costs	**4,586**	4,826
Cost of defined contribution schemes	**2,599**	2,743
Other benefits	**4**	5
	55,978	58,984

The average number of employees (including Executive Team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours) during the year was as follows:

	2022 Number	2021 Number
Administration	**170**	186
Care and support	**749**	822
Developing or selling housing stock	**62**	64
Managing or maintaining housing stock	**397**	421
Social mobility	**-**	7
	1,378	1,500

9. Board Members and Executive Officers

The executive officers are defined as the members of the Board of management, the Chief Executive, and the executive team, and are disclosed on page 99.

Aggregate emoluments in respect of the executive officers, including the Chief Executive, were as follows:

	2022	2021
	£'000	£'000
Executive directors' emoluments	**1,430**	1,640
Compensation for loss of office	**169**	30
Contributions to money purchase schemes	**112**	131
	1,711	1,801

Emoluments paid to the Chief Executive were £262k (2021: £226k).
The emoluments of the highest paid director, including provisions for compensation for loss of office were £342k (2021: £226k).
There were no directors in the Association's defined benefits pension scheme (2021: nil). The scheme was closed in June 2018.

Remuneration paid to staff (including Executive Team) earning over £60,000:

	2022	2021
	Number	Number
£60,000 - £70,000	**44**	48
£70,001 - £80,000	**27**	28
£80,001 - £90,000	**8**	8
£90,001 - £100,000	**7**	6
£100,001 - £110,000	**4**	7
£110,001 - £120,000	**5**	2
£120,001 - £130,000	**3**	2
£130,001 - £140,000	**1**	1
£140,001 - £150,000	**1**	2
£150,001 - £160,000	**2**	1
£160,001 - £170,000	**1**	2
£170,001 - £180,000	**1**	2
£180,001 - £190,000	**1**	-
£190,001 - £200,000	**-**	1
£210,001 - £220,000	**1**	-
£220,001 - £230,000	**-**	1
	106	111

One Housing Group Limited
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10. Non-Executive Board and Independent Committee Members

Board Member	Remuneration	Expenses
Stewart Davenport	16,000	-
Lee Gibson	14,000	768
Kevin Brush	4,000	-
Sandra Skeete	15,000	190
Caroline Corby	20,833	-
Julie Price	14,000	126
Rommel Pereira	10,041	-
Yvonne Arrowsmith	15,000	-
Alexandra Jones	12,000	-

Remuneration for Ingrid Fife and Pauline Davis is funded by the parent TRGL.

Independent Committee Member	Remuneration
Alison Rose-Quirie	7,750
Albert Robinson	3,333

11. Surplus on Sale of Fixed Assets

	Shared ownership staircasing 2022 £'000	Other housing properties 2022 £'000	Sales to other Registered Providers 2022 £'000	Total 2022 £'000	Total 2021 £'000
Housing Properties:					
Disposal proceeds	**19,778**	**3,939**	**44,712**	**68,429**	93,657
Cost of disposal	**(10,280)**	**(1,187)**	**(22,134)**	**(33,601)**	(80,342)
Grant (recycled)/recognised on disposal	**(85)**	**-**	**8,465**	**8,380**	(110)
Surplus on Disposal of Housing Properties	**9,413**	**2,752**	**31,043**	**43,208**	13,205

12. Interest Receivable and Income from Investments

	2022 £'000	2021 £'000
Bank and other interest	**24**	96
Interest received from joint arrangement	**1**	(103)
Interest receivable from group undertakings	**-**	377
	25	370

One Housing Group Limited
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13. Interest Payable and Similar Charges

	2022	2021
	£'000	£'000
Bank loans and overdrafts	**28,186**	27,819
Loan set up cost amortised	**1,249**	2,065
Derivatives	**4,963**	5,544
Interest payable to group undertakings	**28**	6
Other interest payable	**102**	90
Non-utilisation and other loan fees	**788**	1,452
Net interest on defined benefit liability	**243**	113
	35,559	37,089
Interest capitalised on construction of housing properties	**(2,112)**	(1,447)
	33,447	35,642
Capitalisation rate used to determine the finance costs capitalised during the period	**3.56%**	3.95%

14. Taxation

The tax assessed for the year differs to the standard rate of Corporation Tax in the UK applied to surplus/ (deficit) before tax. The differences are explained below.

	2022	2021
	£'000	£'000
Surplus/(Deficit) on Ordinary Activities Before Tax	**28,804**	(15,794)
Surplus/(deficit) multiplied by 19% (2021: 19%) standard rate of UK Corporation Tax	**5,474**	(3,001)
Effects of:		
Exemption of charitable activities	**(731)**	270
Movement in fair value of financial instruments	**(4,434)**	2,730
Movement in investment properties	**(309)**	-
Under provision for prior year	**(2)**	1
Tax Provision for the Year	**(2)**	-

One Housing Group Limited
Notes Forming Part of the Financial Statements
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15. Tangible Fixed Assets: Housing Properties

	Housing Property		Shared Ownership		
	Under Construction £'000	Completed and Available For Letting £'000	Under Construction £'000	Completed and Available For Letting £'000	2022 Total £'000
Cost/Valuation					
At 1 April 2021	42,481	1,574,455	4,836	268,893	**1,890,665**
Adjustment to completed schemes	5,922	(2,092)	12,228	(16,058)	**-**
Adjustment to depreciation		5,377			**5,377**
At 1 April 2021 (Restated)	**48,403**	**1,577,740**	**17,064**	**252,835**	**1,896,042**
Additions: construction	53,579	-	43,407	18	**97,004**
Additions: components	-	21,908	-	-	**21,908**
Completions in year	(22,138)	22,138	(3,016)	3,016	**-**
Disposals	-	(1,337)	-	(10,108)	**(11,445)**
Eliminated on component replacement	-	(2,013)	-	-	**(2,013)**
Transfers (to)/from group undertakings	-	-	-	2,060	**2,060**
Adjustment to first tranche percentage	-	-	-	1,843	**1,843**
Transfer to other Registered Providers	-	(20,269)	-	(4,822)	**(25,091)**
At 31 March 2022	**79,844**	**1,598,167**	**57,455**	**244,842**	**1,980,308**
Depreciation					
At 1 April 2021	-	(177,171)	-	-	**(177,171)**
Adjustment to depreciation	-	(5,377)	-	-	**(5,377)**
At 1 April 2021 (Restated)	**-**	**(182,548)**			**(182,548)**
Charged in the year	-	(17,674)	-	-	**(17,674)**
Eliminated on component replacement	-	1,482	-	-	**1,482**
Disposals	-	276	-	-	**276**
Transfer to other Registered Providers		3,480			**3,480**
At 31 March 2022	**-**	**(194,984)**	**-**	**-**	**(194,984)**
Net Book Value					
As at 31 March 2022	**79,844**	**1,403,183**	**57,455**	**244,842**	**1,785,324**
As at 31 March 2021	42,481	1,397,284	4,836	268,893	1,713,494

Included in Housing Properties under construction is impairment of £991k (2021: £991k).

Housing properties comprise:

	2022 £'000	2021 £'000
Freeholds	**1,552,306**	1,592,933
Long leaseholds	**233,018**	120,561
	1,785,324	1,713,494

One Housing Group Limited
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15. Tangible Fixed Assets: Housing Properties (Continued)

	2022 £'000	2021 £'000
Works to Properties:		
Improvements to existing properties capitalised	**21,907**	14,802
Major repairs expenditure to income and expenditure account	**3,913**	4,349
	25,820	19,151

Finance Leases
The net book value of housing properties includes an amount of £nil (2021: £nil).

Properties Held for Security
One Housing Group Limited – Registered social housing provider had property with a net book value of £1,126m (2021: £961m) pledged as security at 31 March 2022.

16. Fire Related Income and Expenditure

	2022 £'000	**2021** £'000
Grant income	**9,783**	1,109
Developer income for cladding	**403**	-
Developer income for waking watch and other fire costs	**144**	-
Total fire related income	**10,330**	1,109
Fire related revenue expenditure	**(3,658)**	(6,405)
Leaseholders/shared owner cladding and fire	**(24,445)**	(6,848)
Waking watch	**(5,335)**	(4,661)
Total fire related revenue expenditure	**(33,438)**	(17,914)
Fire related capital expenditure	**(13,133)**	(8,946)
Total fire related expenditure	**(46,571)**	(26,860)
Net expenditure after grant income	**(36,241)**	(25,751)

Summary breakdown for notes 4, 5 and Social Housing Cost per unit (SHCPU)

	2022 £'000	**2021** £'000
Core social - cladding and fire related income	**4,977**	1,109
Other social (leaseholder) - cladding and fire related income	**5,353**	-
Total fire related revenue income	**10,330**	1,109
Core social - cladding and fire related expenditure	**(19,023)**	(11,044)
Other social (leaseholder) - cladding and fire related expenditure	**(14,415)**	(6,870)
Total fire related revenue expenditure	**(33,438)**	(17,914)
Fire related capital expenditure	**(13,133)**	(8,946)
Net cost after grant income	**(36,241)**	(25,751)

The expenditure relates to fire safety and building cladding works. Spend on building cladding are works required on our high-rise blocks as we continue works on fire safety compliance. The grant income received was funding for the removal of cladding for leaseholders and shared owners. Waking watch costs relate to costs for our in-house team and services provided by sub-contractors.

One Housing Group Limited
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17. Other Tangible Fixed Assets

	Freehold Offices £'000	Leasehold Offices £'000	Furniture & Equipment £'000	Computer Equipment £'000	Information Systems £'000	Motor Vehicles £'000	2022 Total £'000
Cost							
At 31 March 2021	2,319	1,840	9,852	2,293	29,406	30	**45,740**
Additions	(1)	-	(17)	-	5,383	-	**5,365**
Transfer to housing properties under construction	-	(211)	(84)	(7)	-	-	**(302)**
At 31 March 2022	**2,318**	**1,629**	**9,751**	**2,286**	**34,789**	**30**	**50,803**
Depreciation							
At 31 March 2021	(1,465)	(811)	(3,249)	(1,134)	(5,467)	(30)	**(12,156)**
Charge for year	(169)	811	(2,203)	(1,024)	(4,184)	-	**(6,769)**
Disposals	47	-	-	39	6	-	**92**
At 31 March 2022	**(1,587)**	**-**	**(5,452)**	**(2,119)**	**(9,645)**	**(30)**	**(18,833)**
Net Book Value							
As at 31 March 2022	**731**	**1,629**	**4,299**	**167**	**25,144**	**-**	**31,970**
As at 31 March 2021	854	1,029	6,603	1,159	23,939	-	33,584

18. Investment Properties

	Market Rented £’000	Commercial £’000	Total £’000
At 1 April 2021	6,564	48,703	**55,267**
Revaluations	675	950	**1,625**
At 31 March 2022	**7,239**	**49,653**	**56,893**

The Association's investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3. In valuing investment properties, a discounted cash flow methodology was adopted with the following key assumptions:

Discount rate	6.5%-7.0%
Exit yield	4.25%
Level of long-term annual rent increase	4.0% (Yr 1); 3.0% (Yr 2); 2.5% (Yr 3+)

The surplus on revaluation of investment property arising of £1,625k (2021: £nil) has been credited to the statement of comprehensive income for the year.

The historic cost of investment properties is shown in the table below:

	2022 £'000	2021 £'000
Historic cost	**27,286**	27,530
Revaluation	**29,607**	27,737
	56,893	55,267

19. Investment in Subsidiaries

Association investments in subsidiaries:	**2022**	2021
	£'000	£'000
At 1 April	**232,711**	212,817
Additions	**1,026**	115,169
Return of capital	**(66,470)**	(81,262)
Impairment	**1,308**	(12,762)
Repayment of investment via qualifying donation	**(2,350)**	(1,251)
At 31 March	**166,225**	232,711

Total impairment included in investment in subsidiaries is £36,346k (2021: £37,653k).

The principal undertakings in which the Association has an interest in are as follows:

Name	**Ordinary Share Capital Held**	**Nature Of Business**	**Nature Of Entity**
TPHA Limited	100%	Provision of low-cost home ownership	Registered provider of social housing
One Housing Foundation	n/a	Provision of community support services	Registered charity
CHA Ventures Limited	100%	Property development	Incorporated company
Citystyle Living Limited	100%	Rental of properties at market rent	Incorporated company
Renovo Facilities & Services Limited	51%	Property maintenance services	Incorporated company
Citystyle Living (Acton Town Hall) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Bangor Wharf) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Belmont) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Close) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Goldhawk Road) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (High Road Haringey 624 THA) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Kidwells THA) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Polo) Limited	100%	Property development for outright sale	Incorporated company
Citystyle (Site A Nunhead Lane) Living Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (St Ann's) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Victoria Quarter) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Wenlock Road) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (North End Farm) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Shakespeare Orchard) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Sutton Court Road) Limited	100%	Property development for outright sale	Incorporated company
One Housing Investments Limited	100%	SPV Holding Company	Incorporated company

All subsidiaries are incorporated or registered in England.

One Housing Group Limited
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21. Other Investments

	31 March 2022 Cost £'000	31 March 2022 Fair Value £'000	31 March 2021 Cost £'000	31 March 2021 Fair Value £'000
Share subscription	**30**	**30**	30	30
	30	**30**	30	30

22. Properties for Sale

	First Tranche Shared Ownership 2022 £'000	Outright Sale 2022 £'000	Total 2022 £'000	Total 2021 £'000
Work in progress	25,074	-	**25,074**	4,078
Impairment	(190)	-	**(190)**	(655)
	24,884	-	**24,884**	3,423
Completed properties	1,436	-	**1,436**	7,524
Impairment	-	-	**-**	-
	1,436	-	**-**	-
Total properties for sale	26,320	-	**26,320**	10,947
Capitalised interest included in properties for sale			**654**	378

Impairment is charged as follows:

	2022 £'000	2021 £'000
At 1 April	**655**	23,864
Charge for the year	**-**	655
Released on disposal	**(465)**	(23,864)
At 31 March	**190**	**655**

23. Debtors

	2022 £'000	2021 £'000
Rent arrears	**13,623**	14,093
Less provision for bad and doubtful debts	**(8,006)**	(6,021)
	5,617	8,072
Amounts due from group companies	**21,276**	16,900
Other debtors	**8,978**	8,216
Prepayments and accrued income	**17,941**	6,362
Amounts due from leaseholders	**128**	194
	53,940	39,744

One Housing Group Limited
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24. Creditors: Amounts Falling Due Within One Year

	2022 £'000	2021 £'000
Bank overdraft (note 28)	**1,878**	-
Housing and short-term loans (note 28)	**11,579**	16,064
	13,457	16,064
Trade creditors	**10,412**	3,088
Social Housing Grant repayable	**14,322**	19,326
Amounts due to group undertakings	**19,978**	65,788
Other taxation and social security	**1,246**	1,325
Other creditors	**10,967**	10,548
Cladding remediation grant	**6,593**	-
Accruals and deferred income	**30,624**	28,392
Rent and service charges paid in advance	**9,549**	8,438
Property deposits and sinking fund	**1,831**	1,885
	118,979	154,854

Cladding remediation grant includes £6.2m, being Building Safety Fund (BSF) grant not yet released against expenditure and £400k refund due to the BSF.

25. Creditors: Amounts Falling Due After More Than One Year

	2022 £'000	2021 £'000
Bank loans (note 29)	**972,636**	946,222
Deferred capital grant (note 26)	**647,130**	643,144
RCGF (note 27)	**11,520**	10,872
DPF (note 28)	**-**	1,006
Sinking fund balances	**14,169**	13,822
	1,645,455	1,615,066

26. Deferred Capital Grant

	2022 £'000	2021 £'000
Total grant at start of period	**714,760**	714,905
Received during the period	**21,005**	4,052
Disposals (transfer to RCGF)	**(3,193)**	(3,080)
Transfer to another Registered Provider	**(9,872)**	-
Transfer to revenue grants (fire safety grant received on behalf of leaseholders)	**-**	(1,117)
Total grant at end of period	**722,700**	714,760
Total amortisation at start of period	**(71,615)**	(66,326)
Released to income in the period	**(5,667)**	(5,623)
Released on disposal	**262**	334
Released on transfer to another Registered Provider	**1,406**	-
Released on disposal (transfer to RCGF)	**44**	-
Total amortisation at end of period	**(75,570)**	(71,615)
Net book value at end of period	**647,130**	643,145

27. Recycled Capital Grant Fund

	2022			2021		
Funds Pertaining to Activities Within Areas Covered By	**Homes England**	**GLA**	**Total**	Homes England	GLA	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
At 1 April	**69**	**10,803**	**10,872**	69	10,399	10,468
Inputs to fund:						
Grants recycled from deferred capital grant	**-**	**3,216**	**3,216**	-	3,149	3,149
Interest accrued	**-**	**94**	**94**	-	82	82
Recycling of grant:						
New build	**-**	**42**	**42**	-	-	-
Repayment of grant to Homes England/GLA	**-**	**(2,704)**	**(2,704)**	-	(2,827)	(2,827)
At the end of the year	**69**	**11,451**	**11,520**	69	10,803	10,872
Amounts three years or older where payment may be required		2,704	2,704		2,827	2,827

28. Disposal Proceeds Fund

	GLA 2022 £'000	GLA 2021 £'000
At 1 April	**1,006**	998
Interest accrued	**8**	8
Repayment of grant to the GLA	**(1,014)**	-
At 31 March	**-**	1,006

Repayment of the disposal proceeds fund will be made within 12 months.

29. Loans and Borrowings

Loans repayable

	2022 £'000	2021 £'000
Within one year	**13,457**	16,064
One to two years	**107,806**	11,579
Two to five years	**156,902**	109,751
In more than five years	**604,085**	697,853
	882,250	835,247

One Housing Group Limited
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29. Loans and Borrowings (continued)

Loan Repayable

	2022	2021
	£'000	£'000
Bank loans	**513,750**	466,992
Bond	**88,000**	88,000
Private placement	**235,000**	235,000
Other loans	**43,622**	45,255
Bank overdraft	**1,878**	-
Total Loans and Borrowings	**882,250**	**835,247**
Bond discounts	**(2,524)**	(2,644)
Bond premiums	**204**	267
Loan issue costs	**(9,810)**	(9,892)
Sub Total	**870,120**	**822,978**
Loans previously measured at fair value	**90,742**	94,027
Derivative fair value	**25,231**	45,281
	986,093	962,286

Loans are secured by specific charges on the housing properties of the Association.

The Association has £130m of unsecured loans, £70m secured under numerical apportionment basis and £682.3m secured by specific charges on the housing properties of the association.

Derivatives Fair Value includes the value of the standalone derivatives and the FV of an £18m embedded option.
The mark to market values of free-standing SWAPs as at 31 March 2022 was £25.2m out of the money (2021 - £39.7m).

30. Financial Instruments

	2022	2021
	£'000	£'000
Financial liabilities measured at amortised cost		
Loans payable	**882,250**	835,246
Derivative financial instruments designated as hedges of variable interest rate risk	**25,231**	45,281
Total Financial Liabilities	**907,481**	880,527

To hedge the potential volatility in future cash flows arising from variable interest rates (now calculated using SONIA as the reference rate), the Association has entered into standalone floating to fixed interest rate swaps. As at 31 March 2022, these standalone swaps had a nominal value of £165.3m. The Association also has an £18m cancellable embedded swap.

The standalone swaps have a mark-to-market valuation of £25.2m and the embedded swap has a mark to market of £0.1m.

31. Provision for Liabilities

	Total £'000
At 1 April 2021	**1,246**
Charged to statement of comprehensive income	
Additions	**1,874**
Released	**(114)**
Utilised in year	**(835)**
At 31 March 2022	**2,171**

Other provisions consist of amounts provided in respect of disrepair, dilapidations, and staff costs.

32. Pension Obligations

The Association participates in a defined benefit pension scheme; LGPS (Tower Hamlets). The employees were transferred under the Transfer of Undertakings (Protection of Employment) Regulations from the local authority and the scheme is closed to new members. The defined benefit SHPS scheme closed to future accrual in 2019. The termination payment for the LGPS (Lewisham) scheme has now been calculated and is included within current liabilities.

Statement Of Comprehensive Income	**SHPS £'000**	**LGPS £'000**	**2022 Total £'000**	2021 Total £'000
Actuarial gain/(loss) on defined benefit pension scheme	3,311	598	**3,909**	(7,548)
Expenses	(35)	-	**(35)**	(35)
Net interest expense	(261)	18	**(243)**	(139)
	3,015	**616**	**3,631**	(7,374)

Net Pension Scheme Liability	**SHPS £'000**	**LGPS £'000**	**2022 Total £'000**	**2021 Total £'000**
Fair value of plan assets	52,091	9,970	**62,061**	61,856
Present value of plan liabilities	(60,246)	(8,371)	**(68,617)**	(73,697)
Provision for cessation debt		-	**-**	(385)
Total	(8,155)	1,599	**(6,556)**	(12,226)

Defined Contribution Scheme
A defined contribution scheme is operated by The Association on behalf of employees. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension charge represents contributions payable by The Association to the fund and amounted to £2,599k (2021: £2,743k). Contributions totalling £512k (2021: £468k) were payable to the fund at the year-end and are included in creditors.

One Housing Group Limited
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32. Pension Obligations (continued)

Social Housing Pension Scheme (SHPS)

The company 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 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.

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

Financial Assumptions

	2022	2021
	%	%
Discount rate	**2.70**	2.19
Salary increase rate	**3.17**	3.87
Inflation - RPI	**3.50**	3.26
Inflation - CPI	**3.20**	2.87
Allowance for commutation of pension for cash at retirement	**75%**	75%

Mortality Assumptions

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

	2022	2021
	years	years
Retiring in 2022		
- Male	**21.1**	21.6
- Female	**23.7**	23.5
Retiring in 2042		
- Male	**22.4**	22.9
- Female	**25.2**	25.1

32. Pension Obligations (continued)

Social Housing Pension Scheme (SHPS) (continued)

Reconciliation Of Present Value Of Plan Liabilities	2022 £'000	2021 £'000
At 1 April	62,600	50,084
Expenses	35	35
Interest cost	1,356	1,171
Benefits paid	(1,362)	(1,325)
Re-measurements - change in financial assumptions	(3,728)	12,571
Re-measurements - experience	2,289	(162)
Re-measurements - demographic assumptions	(944)	226
At 31 March	**60,246**	**62,600**

Reconciliation Of Fair Value Of Plan Assets	2022 £'000	2021 £'000
At 1 April	49,968	44,054
Interest income on plan assets	1,095	1,045
Employer contributions	1,462	1,436
Benefits paid	(1,362)	(1,325)
Experience on plan assets - gain	928	4,758
At 31 March	**52,091**	**49,968**

Net Pension Scheme Liability	2022 £'000	2021 £'000
Fair value of plan assets	52,091	49,968
Present value of plan liabilities	(60,246)	(62,600)
	(8,155)	(12,632)

Amounts Recognised In Comprehensive Income	2022 £'000	2021 £'000
Included in administrative expenses:		
Expenses	35	35
Interest	261	126
	296	161

Analysis Of Actuarial Loss Recognised In Other Comprehensive Income	2022 £’000	2021 £'000
Re-measurements - change in financial assumptions	3,728	(12,571)
Re-measurements - experience	(2,289)	162
Re-measurements - demographic assumptions	944	(226)
Experience on plan assets	928	4,758
	3,311	(7,877)

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32. Pension Obligations (continued)

Social Housing Pension Scheme (SHPS) (continued)

Composition of Plan Assets	2022 £'000	2021 £'000
Equities	**9,997**	7,964
Property	**1,407**	1,038
Cash	**177**	1
Absolute return	**2,090**	2,758
Distressed opportunities	**1,864**	1,443
Credit relative value	**1,731**	1,572
Alternative risk premia	**1,718**	1,882
Fund of hedge funds	**-**	6
Emerging markets debt	**1,516**	2,017
Risk sharing	**1,715**	1,819
Insurance linked securities	**1,214**	1,200
Infrastructure	**3,711**	3,332
Private debt	**1,335**	1,192
Corporate bond fund	**3,475**	2,952
Long lease property	**1,340**	979
Secured income	**1,941**	2,078
Liability driven investment	**14,535**	12,699
Opportunistic Illiquid credit	**1,750**	1,270
Liquid credit	**-**	596
Currency hedging	**(204)**	-
Net current assets	**145**	304
High Yield	**449**	1,496
Opportunistic credit	**185**	1,370
Total Plan Assets	**52,091**	49,968

33. Share Capital

	2022 £	2021 £
Allotted, issued, and fully paid shares of £1 each		
At 1 April	**9**	9
Issued in year	**4**	1
Redeemed/cancelled in the year	**(3)**	(1)
At 31 March	**10**	9

The share capital of the association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled and the amount paid thereon becomes the property of the association. Therefore, all shareholdings relate to non-equity interests.

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34. Contingent Liabilities

At 31 March 2022, the Association had contingent liabilities of £533k in respect of disrepair claims arising in the ordinary course of business (2021: £nil).

SORP 2014, S17.30-32 states that where there are exchanges of housing properties between social landlords for non-monetary or monetary values or a combination of both, then the value of the transaction must be the fair value.

Where there is government grant associated with the housing properties, then the obligation to recycle or repay the grant is transferred and assumed to be in the fair value of the properties. This accounting treatment gives rise to a contingent liability as the liability to recycle or to repay the grant crystallises on the future sale or staircasing of properties that were included in the stock transaction between the social landlords.

As a result, the sale of housing properties to the Association from its subsidiary TPHA Limited (which is a social landlord) in November 2015 has given rise to a contingent liability of £12.7m (2021: £11.0m). Subsequent sales and staircasing will result in any grants attached to the properties being recycled and the total surplus/deficit from these properties being decreased or increased respectively. An annual impairment review will have to be done on these properties.

Grants received in relation to assets that are presented at deemed cost at the date of transition to FRS 102 have been accounted for using the performance model as required by SORP 2014 and is therefore included in brought forward reserves.

As at 31 March 2022, grant which has been written off to reserves represents a contingent liability of £110.5m (2021 £35.9m). This contingent liability will be realised if the assets to which the written off grant relates are disposed.

35. Operating Leases

The association had minimum lease payments under non-cancellable operating leases as set out below:

	2022 **£’000**	2021 £’000
Amounts Payable As Lessee		
Not later than one year	**7,858**	7,871
Later than one year and not later than five years	**28,974**	29,141
Later than five years	**166,056**	173,514
	202,888	210,526

	2022 **£’000**	2021 £’000
Amounts Receivable As Lessor		
Not later than one year	**11,000**	10,329
Later than one year and not later than five years	**47,694**	44,783
Later than five years	**234,194**	219,900
	292,888	275,012

Amounts receivable as a lessor are in respect of leases from rental incomes due on shared ownership and commercial properties. The average lease is assumed to be 40 years with rent increases at RPI + 0.5% per annum

36. Capital Commitments

	2022 **£'000**	2021 £'000
Development Commitments Contracted But Not Provided For		
Construction	**259,775**	148,895
Acquisition	**9,652**	23,806
Development Commitments Approved By The Board But Not Contracted For		
Construction	**191,290**	284,951
Acquisition	**34,844**	61,231
	495,561	518,883

Development capital commitments will be funded as follows:

	2022 **£'000**	2021 £'000
Social housing grant	**46,240**	56,896
New loans	**235,604**	332,399
Sales of properties	**213,717**	129,588
	495,561	518,883

Construction includes obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements for all investment property accounted for at fair value through the statement of comprehensive income.

The figures above include the Group's share of the capital commitments of joint ventures.

	2022 **£'000**	2021 £'000
Other Commitments Contracted For But Not Provided For		
Building safety (cladding)	**28,718**	-
Other fire safety expenditure	**2,043**	-
Other capital programme	**12,763**	-
Other Commitments Approved By The Board But Not Contracted For		
Building safety (cladding)	**140,682**	35,502
Other fire safety expenditure	**107,457**	3,913
Other capital programme	**-**	13,369
	291,663	52,784

37. Ultimate Parent Undertaking

OHGL is a wholly owned subsidiary of The Riverside Group Limited (TRGL). TRGL is the ultimate parent and ultimate controlling entity. TRGL is the only entity in the Group that produces Consolidated Financial Statements, which can be obtained from the Group's website: https://www.riverside.org.uk

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38. Related Party Disclosures

The ultimate controlling party of One Housing Group Limited is The Riverside Group Limited.

All transactions in respect of the tenant board member and other related public and commercial entities are carried out at arm's length and under normal commercial terms. Rent and service charges charged to the resident board member during the year totalled £3,034 (2021: £4,573) and the balance at year end was £nil (2021: £115 in credit). The resident board member staircased to 100% during the year, paying £129,000 for 20% of the property.

Transactions
The Association provides management services and other services working capital to its subsidiaries. The Association also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

Payable to the Association:

2022	**Management Fees £'000**	**Interest £'000**	**Gift Aid £'000**	**Other £'000**	**Total £'000**
By Regulated Entities					
TPHA Limited	138	-	900	-	1,038
The Riverside Group Limited	-	-	-	15	15
Social Housing Total	**138**	**-**	**900**	**15**	**1,053**
By Non-Regulated Entities					
CHA Ventures Limited	100	-	-	-	100
Citystyle Living (Polo) Limited	-	-	2,391	-	2,391
Citystyle Living Limited	231	-	1,079	76	1,386
Renovo Facilities & Services Limited	309	-	-	-	309
Citystyle Living (Bangor Wharf) Limited	-	-	2,350	-	2,350
Citystyle Living (Shakespeare Orchard)	-	-	9	-	9
Camden Development Partnership LLP	-	-	-	983	983
Non-Social Housing Total	**640**	**-**	**5,829**	**1,059**	**7,528**
Grand Total	**778**	**-**	**6,729**	**1,074**	**8,581**

2021	**Management Fees £'000**	**Interest £'000**	**Gift Aid £'000**	**Other £'000**	**Total £'000**
By Regulated Entities					
TPHA Limited	134	-	3,214	-	3,348
Social Housing Total	**134**	**-**	**3,214**	**-**	3,348
By Non-Regulated Entities					
CHA Ventures Limited	100	-	884	-	984
Citystyle Living (Close) Limited	-	-	115	-	115
Citystyle Living (Goldhawk Road) Limited	-	-	288	-	288
Citystyle Living (Polo) Limited	-	-	22	-	22
Citystyle Living (Wenlock Road) Limited	-	-	141	-	141
Citystyle Living Limited	529	377	4,139	76	5,121
East End Lettings (2) Limited	-	-	6	-	6
Renovo Facilities & Services Limited	246	-	-	-	246
Citystyle Living (Acton Town Hall) Limited	-	-	11	-	11
Citystyle Living (Shakespeare Orchard)	-	-	150	-	150
Non-Social Housing Total	**875**	**377**	**5,756**	**76**	**7,084**
Grand Total	**1,009**	**377**	**8,970**	**76**	**10,432**

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38. Related Party Disclosures (continued)

Payable by the Association:

2022	Sales	Interest	Other	Total
	£'000	£'000	£'000	£'000
To Regulated Entities				
TPHA Limited		1	-	1
To Non-Regulated Entities				
One Housing Foundation	-	2	229	231
CHA Ventures Limited	2,890	3	-	2,893
Citystyle Living Limited	-	6	-	6
Citystyle Living (Haringey) Limited	-	1	-	1
Citystyle Living (Victoria Quarter) Limited	-	9	-	9
Citystyle Living (Belmont) Limited	4,295	5	-	4,300
Citystyle Living (Bangor Wharf) Limited	-	1		1
Non-Social Housing Total	**7,185**	**27**	**229**	**7,441**
Grand Total	**7,185**	**28**	**229**	**7,442**

2021	Sales	Interest	Other	Total
	£'000	£'000	£'000	£'000
To Non-Regulated Entities				
One Housing Foundation	-	-	146	146
CHA Ventures Limited	8,295	1		8,296
Citystyle Living	-	1	-	1
East End Lettings (2) Limited	-	2		2
Citystyle Living (Shakespeare Orchard) Limited	3,557	-	-	3,557
Non-Social Housing Total	**11,852**	**4**	**146**	**12,002**
Grand Total	**11,852**	**4**	**146**	**12,002**

Transactions with subsidiaries use the following basis of allocation:

Property Development Fees:
CHA Ventures Limited applies a mark-up of 2.0% (2020: 2.0%) on development administrative services supplied to the Association.

Management Fees:
The Association provides management and administrative services to subsidiaries. The most significant element of this is staff costs, as the subsidiaries do not have their own employees.

Interest:
Interest is charged by the Association to subsidiaries at agreed rates of interest on loan balances. Interest is paid by the Association to subsidiaries on balances held on their behalf.

Gift Aid:
Distributable profits of subsidiaries are Gift Aided to the Association.

One Housing Group Limited
Notes Forming Part of the Financial Statements
for the year ended 31 March 2022

38. Related Party Disclosures (continued)

Balances

At the year-end, balances between regulated and non-regulated entities were:

31 March 2022	Assets £'000	Liabilities £'000	Total £'000
Social Housing			
One Housing Group Limited	-	-	**-**
TPHA Limited	5,058	(296)	**4,762**
Social Housing Total	**5,058**	**(296)**	**4,762**
Non-Social Housing			
One Housing Foundation	13	-	**13**
Cha Ventures Limited	-	(5,693)	**(5,693)**
Citystyle (Site A Nunhead Lane) Living Limited	-	(570)	**(570)**
Citystyle Living (Acton Town Hall) Limited	300	(116)	**184**
Citystyle Living (Bangor Wharf) Ltd	2,359	(38)	**2,321**
Citystyle Living (Belmont) Limited	3,296	(4,057)	**(761)**
Citystyle Living (Close) Limited	1	-	**1**
Citystyle Living (Goldhawk Road) Limited	-	(14)	**(14)**
Citystyle Living (High Road Haringey 624 Tha) Limited	572	(572)	**-**
Citystyle Living (Kidwells Tha) Limited	1	-	**1**
Citystyle Living (North End Farm) Limited	10	(281)	**(271)**
Citystyle Living (Polo) Limited	2,413	(80)	**2,333**
Citystyle Living (St Ann's) Limited	101	-	**101**
Citystyle Living (Sutton Court Road) Limited	1,882	-	**1,882**
Citystyle Living (Victoria Quarter) Limited	11	(2,818)	**(2,807)**
Citystyle Living (Wenlock Road) Limited	-	-	**-**
Citystyle Living (Shakespeare Orchard) Limited	2	-	**2**
Citystyle Living Limited	4,857	(4,783)	**74**
Renovo Facilities & Services Limited	401	-	**401**
Camden Development Partnership LLP	197	-	**197**
Non-Social Housing Total	**16,416**	**(19,022)**	**(2,606)**
Grand Total	**21,474**	**(19,318)**	**2,156**

One Housing Group Limited
Notes Forming Part of the Financial Statements
for the year ended 31 March 2022

38. Related Party Disclosures (continued)

At the year-end, balances between regulated and non-regulated entities were:

31 March 2021	Assets £'000	Liabilities £'000	Total £'000
Social Housing			
TPHA Limited	4,792	-	**4,792**
Social Housing Total	**4,792**	**-**	**4,792**
Non-Social Housing			
One Housing Foundation	122	(1,263)	**(1,141)**
CHA Ventures Limited	-	(4,863)	**(4,863)**
Citystyle (Site A Nunhead Lane) Living Limited	160	-	**160**
Citystyle Living (Acton Town Hall) Limited	-	(1,731)	**(1,731)**
Citystyle Living (Bangor Wharf) Ltd	1,254	(6,619)	**(5,365)**
Citystyle Living (Belmont) Limited	-	(2,512)	**(2,512)**
Citystyle Living (Goldhawk Road) Limited	135	(899)	**(764)**
Citystyle Living (High Road Haringey 624 THA) Limited	32	(401)	**(369)**
Citystyle Living (Kidwells THA) Limited	1	-	**1**
Citystyle Living (North End Farm) Limited	-	(302)	**(302)**
Citystyle Living (Polo) Limited	4	(584)	**(580)**
Citystyle Living (St Ann's) Limited	45	-	**45**
Citystyle Living (Sutton Court Road) Limited	1,730	-	**1,730**
Citystyle Living (Victoria Quarter) Limited	2	(42,802)	**(42,800)**
Citystyle Living (Wenlock Road) Limited	18	(17)	**1**
Citystyle Living (Shakespeare Orchard) Limited	147	(147)	**-**
Citystyle Living Limited	7,499	(3,203)	**4,296**
East End Lettings (2) Limited	-	(1)	**(1)**
Renovo Limited	542	-	**542**
Non-Social Housing Total	**11,691**	**(65,344)**	**(53,653)**
Grand Total	**16,483**	**(65,344)**	**(48,861)**

39. Capital and Reserves

The Association's statement of comprehensive income reserve includes £59.3m (2021: £57.7m) in respect of investment properties that have been revalued and were previously disclosed separately in a revaluation reserve.

40. Events After the Reporting Period

Citystyle Living (Victoria Quarter) Limited (SVQ), a wholly owned subsidiary of One Housing Group Limited, has a 50% share in a joint venture partnership with Fairview New Homes Limited to develop a site at Victoria Quarter in New Barnet. Victoria Quarter is an old gasworks site which was acquired prior to 2017 and required substantial remediation of contaminated land. The site has yet to achieve planning and was rejected by London Borough of Barnet against the advice of officers. The joint venture partnership had appealed this planning decision through the Planning Inspectorate (PINS). On 19 August 2022, the appeal was rejected by the Planning Inspectorate. The joint venture partners have carefully considered the judgement and are considering seeking judicial review of this decision; the view of the joint venture's Planning QC is that there are substantive grounds for this approach. The first stage of the process, which has to be completed within six weeks from the 19 August 2022 decision date, is to submit a pre-action protocol letter to PINS. The pre-action protocol letter has been agreed and submitted on 08 September 2022. We do not consider the planning process to be over and therefore the scheme does not require further impairment. Our investment in SVQ is £46.3m at 31 March 2022.

One Housing Group Limited
Board members, executive directors, advisers, and bankers

Chair:

Ordinary Members:

Yvonne Arrowsmith	Chair Care & Support Committee (co-opted 1 February 2021; appointed 26 April 2021)
Chyrel Brown	Chief Operating Officer (appointed 1 April 2022)
Kevin Brush	(resigned 31 July 2021)
Stewart Davenport	Chair Development and Investment Committee (until Committee disbanded on 1 December 2021)
Pauline Davis	(appointed 1 December 2021)
Ingrid Fife	(appointed 1 December 2021)
Lee Gibson	Chair Treasury and Finance Committee (until Committee disbanded on 1 December 2021)
Paul Gray	Chief Financial Officer (resigned 31 March 2022)
Richard Hill	Chief Executive
Alexandra Jones	
Rommel Pereira	Chair Audit & Risk Committee (until Committee disbanded on 1 December 2021) (resigned 1 December 2021)
Julie Price	Chair Remuneration and Nominations Committee (until Committee disbanded on 1 December 2021)
Sandra Skeete	Chair Customer Services Committee
Wendy Wallace	Chair Care & Support Committee (resigned 12 April 2021)

Executive Team:

OHG Chief Executive	Richard Hill	
OHG Chief Operating Officer	Chyrel Brown	
OHG Director Care & Support	Martin D'Mello	
Chief Financial Officer	Paul Gray	(resigned 15 April 2022)
OHG Director Development	Mike Johnson	(resigned 31 March 2022)
OHG Director Development (Interim)	Robert Marcantoni	(appointed 31 March 2022)
Chief Financial Officer	Paul Gray	(resigned 15 April 2022)
Group Director of Governance & Compliance	Hilary Milne	(resigned 31 May 2022)
Chief Information Officer	Tony Blows	(moved to TRGL role April 2022)

The roles of OHG Chief Financial Officer, OHG Director of Governance and Compliance and OHG Chief Information Officer have been removed and the responsibilities moved to TRGL's Chief Financial Officer (Cris McGuinness), Director of Governance and General Counsel (Sara Shanab) and Chief Information Officer (Tony Blows).

Company Secretary:	Hilary Milne	(resigned 31 May 2022)
	Sara Shanab	(appointed 31 May 2022)

Registered office:
Atelier House
64 Pratt Street
London NW1 0DL

Principal bankers:
Barclays Bank PLC
1 Churchill Place
London E14 5HP

Auditors:
BDO LLP
2 City Place
Beehive Ring Road
Gatwick, West Sussex RH6 0PA

Principal solicitors:

Trowers & Hamlins LLP	Devonshires Solicitors	Penningtons Manches LLP
3 Bunhill Row	Salisbury House	125 Wood Street
London EC1Y 8YZ	London Wall	London
	London EC2M 5QY	EC2V 7AW