



**FINANCIAL
STATEMENTS
FOR THE YEAR
ENDED 31 MARCH 2019**

One Housing Group Limited

Registered under the Co-operative and
Community Benefit Societies Act (20453R)

Registered with the Regulator of Social
Housing (number LH0171)

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Financial statements for the year ended 31 March 2019

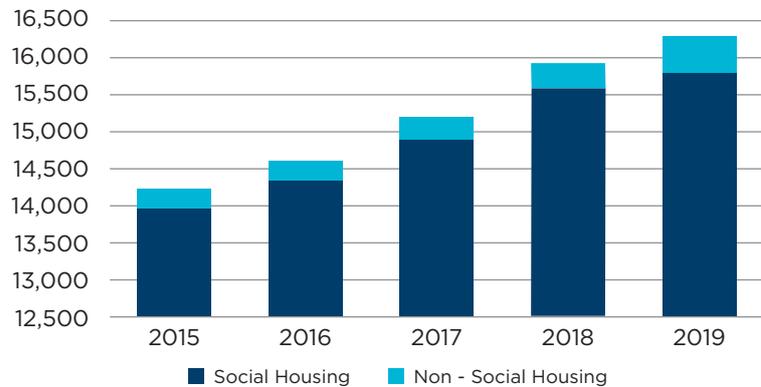
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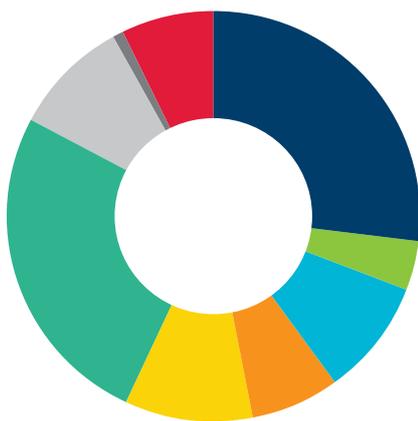
One Housing Group Limited

Our results at a glance

Unit growth

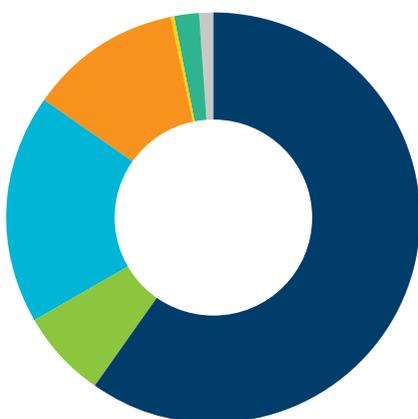


Units under management



Social housing lettings	£98,347	27%
Market rent and commercial lettings	£15,683	4%
Supporting people contracts	£31,902	9%
Shared ownership first tranche sales	£24,787	7%
Sales of properties developed for outright sale	£34,832	10%
New bank loans	£92,875	26%
Sale of housing properties	£30,984	9%
Leasehold	£5,523	1%
Other	£25,278	7%

Cash income

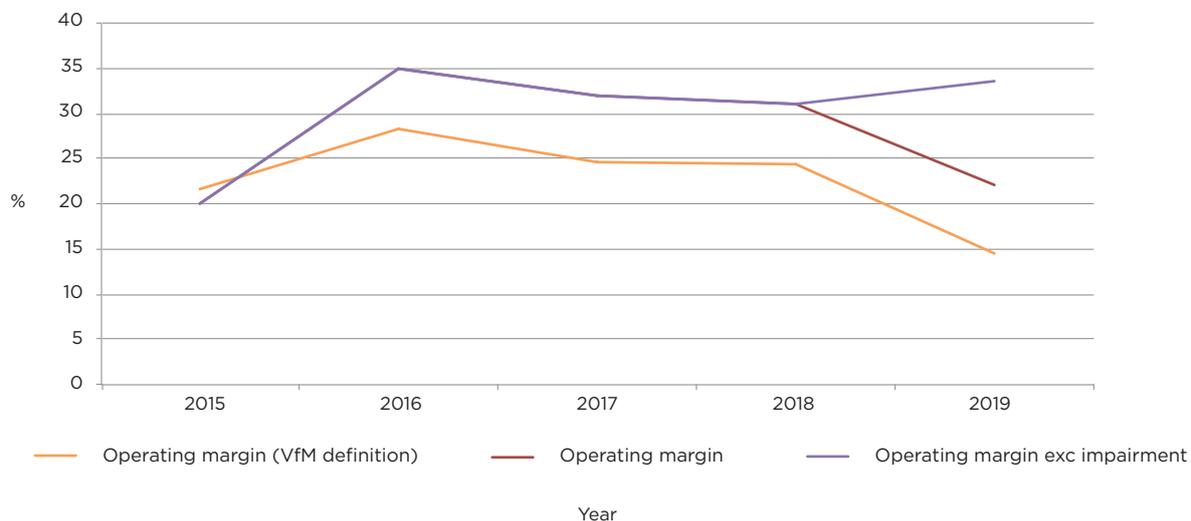


Social
Affordable
Leaseholder
Shared ownership
Supported housing
Market rent
Care homes

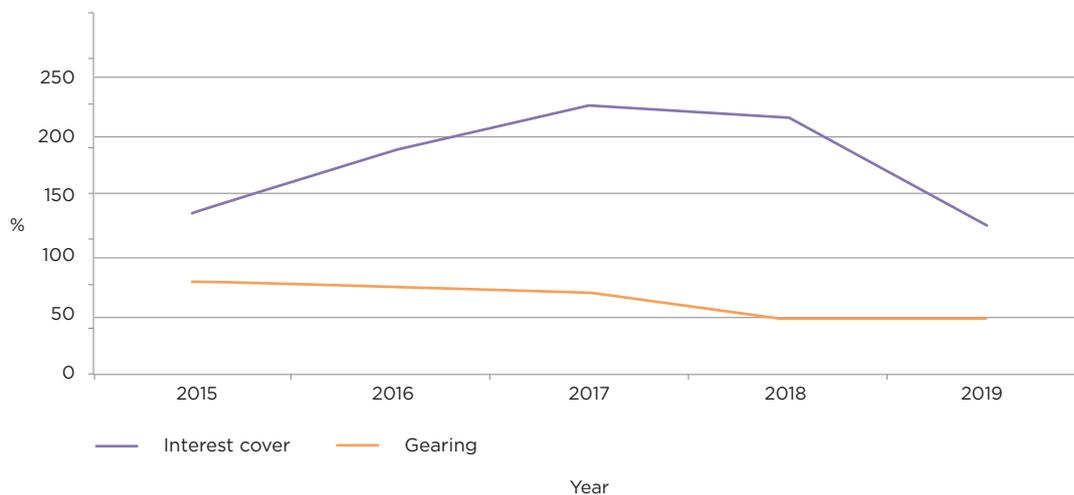
One Housing Group Limited

Our results at a glance

Operating and net margins (%)



Interest Cover and Gearing (%)



One Housing Group Limited

Introduction from the Chair

As at 31 March 2019

A year ago we launched our new Corporate Plan for 2018-23. That plan was based on a strong vision – that we create places for people to call home and support them to live well – and a clear set of values that we developed with our staff and with our residents. It recognised that building on a strong foundation there was work to do to create a modern, forward thinking organisation.

I am pleased that, during 2018-19, One Housing has continued its journey of transformation and modernisation towards delivering that vision and living up to its values.

During the year we have made progress on a number of fronts:

As a housing association with a strong social purpose, we continue to help some of the most vulnerable in society. Our commitment to tackling rough sleeping and homelessness remains and we are well placed with our services at Arlington, Clarence House and Whites Row to make a difference. Even though housing associations are not part of the Homelessness Reduction Act, we have signed up to the Commitment to Refer. This means, as an organisation, we will refer those at risk of homelessness to a local authority.

We continue to focus on ensuring the safety of our homes and rejuvenating our existing estates so they meet the needs and aspirations of our residents. This includes our resident-led regeneration work on the Isle of Dogs and in Camden.

Every single working day, through our employment and training service, we support a customer into paid work. This means people are gaining the right skills to find suitable employment, which is something we are very proud of. Our One Academy offer also provides a range of professional qualifications to inspire, support and enable people to develop their personal and professional lives.

We recognise the significance of the integrated care agenda and expanding our health partnerships work is important to us. This year we opened Thrale Road, a Mental Health Supported Housing Scheme, in collaboration with South West London and St George's NHS Trust. Our senior living work, which provides much-needed homes for our ageing population through Baycroft and Season, continues to flourish, enabling independent living with essential support and care.

Through our One Future programme, we continue to modernise the Group to help us work better and harder for our customers. We have also signed up as an early adopter of the National Housing Federation's Together with Tenants initiative to further strengthen our essential relationship with our residents and to jointly develop a stronger accountability framework for the work that we do.

This March, we were pleased to achieve G1 rating for governance from the Regulator of Social Housing. Our starting point has always been that good governance is central to making sure that One Housing is well-run, innovative and successful. We will continue to put all our energies into improving our governance and delivering consistent and high standards for our residents, and we are pleased to have appointed three new board members during the year with strong finance, governance, care and housing experience, as well as a real commitment to our vision and values. It has resulted in a genuinely diverse board. We are sad to lose our current tenant Board member after nine years of great service, but we are confident that we will be able to recruit a talented resident to replace her.

In delivering on our Corporate Plan, we continue to want to work in partnership with others.

In June 2018, we were invited to join the G15 and became a member of this group of London's largest housing associations. As part of the G15, we can play a full part in working together to help address the housing crisis in London by delivering good quality, affordable homes. We were also delighted to join the Placeshapers group of housing associations, which is committed to investing in communities.

The Government's Social Housing Green Paper was launched in August 2018 and, working with our Resident Panels, we could put residents and staff at the heart of our response.

We signed a strategic partnership agreement with the Greater London Authority (GLA) in December 2018 which together will help us to deliver more affordable homes for Londoners.

One Housing Group Limited

Introduction from the Chair

As at 31 March 2019

The year has not been without its challenges. The ongoing uncertainty around Brexit has had an impact on consumer confidence and we are now seeing a slowing down of the housing market. The tragedy of Grenfell reminds us that the safety of our residents is paramount and that as an organisation we have to continue to respond quickly to the changing economic and political landscape.

However, together with our staff and our residents, we will continue to strive to be the best housing association that we can possibly be.

Steve Douglas

Chair

One Housing Group Limited

Board members, executive directors, advisers, and bankers

As at 31 March 2019

Board members:

Chair	Steve Douglas Anthony Meyer	(appointed 1 May 2018) (resigned 18 April 2018)
Ordinary members	Carol Yarde Caroline Corby Ebele Akojie Kevin Brush Julie Price Nigel Fee Paul Rickard Richard Hill Rommel Pereira Sandra Skeete Stewart Davenport Vijay Sodiwala Wendy Wallace	(resigned 12 July 2019) (Chief Financial Officer) (appointed 11 January 2019) (resigned 8 July 2018) (Chief Financial Officer) (resigned 31 December 2018) (Chief Executive) (appointed 21 September 2018) (appointed 21 September 2018) (Senior Independent Director) (resigned 12 July 2019) (appointed 21 September 2018)

Executive Team:

Chief Executive	Richard Hill	
Chief Financial Officer	Ebele Akojie Paul Rickard	(appointed 8 January 2019) (resigned 31 December 2018)
Group Director Development	Mike Johnson	
Group Director of Governance & Compliance	Hilary Milne	(appointed 1 August 2018)
Group Director Housing Services	Matthew Saye	(resigned 11 January 2019)
Group Director Housing Care & Support	Martin D'Mello	
Group Director People and Change	Ria Bailes	
Chief Information Officer	Tony Blows	

Company Secretary

Hilary Milne	(appointed 24 October 2018)
Hannah Taylor	(resigned 24 October 2018)

Registered office	100 Chalk Farm Road, London, NW1 8EH
Principle bankers:	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP
Auditors:	BDO LLP, 2 City Place, Beehive Ring Road Gatwick, West Sussex, RH6 OPA

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

One Housing Group Limited

Report of the Board of Management for the year ended 31 March 2019

The Board presents its report and the Group's audited financial statements for the year ended 31 March 2019.

Review of the business

One Housing Group Limited (OHGL, 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 Group inclusive of all subsidiaries. Our subsidiaries and joint ventures are listed in notes 18 and 19.

We are regulated by the Regulator of Social Housing.

The Association is the parent company responsible for the strategic planning and direction of the Group, along with central and development services. For clarity and simplicity in this report (as in our day-to-day communication) we refer to the Group as simply One Housing.

Subsidiaries of OHGL are all limited by shares except where stated and are:

- **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) - owns and manages market-rented properties.
- **CHA Ventures Limited** (CHV) - manages all development contracts on behalf of the Group.
- **Arlington Futures** (AF) - a company limited by guarantee and a registered charity that provides a range of quality community support services.
- **One Direct Maintenance Limited** (ODML) - provides repairs and maintenance services on behalf of the Group.
- **Pembury Road Care Limited** (PRC) - provides private care homes and facilities for older people.
- **Renovo Facilities & Services Limited** (REN) - a 51% owned subsidiary with Chequers Limited. It was formed to provide facility management services on behalf of the Group.

There are also another 19 subsidiary companies that develop properties for outright sale. Distributable profits from most schemes are gift aided to OHGL.

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 CHV and Mulalley and Company Limited.
- **New Granville LLP**, formed in May 2013, is a 50% joint venture between CHV and Mulalley and Company Limited.
- **Dollar Bay Developments LLP**, formed in June 2013, is a 50% joint venture between CHV and Mount Anvil Group Limited.

One Housing Group Limited

Report of the Board of Management

for the year ended 31 March 2019

Who we are and what we do

One Housing builds, manages and maintains homes across London and the South East. We currently own and manage over 17,000 properties, providing homes to more than 35,000 customers. 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 are one of London's largest care providers to people with complex needs, giving care and support to approximately 9,500 people in the community, and helping them to live independently. We work hard to make a positive difference to our residents' lives by promoting aspiration, independence and well-being through a range of training, support and advice services.

We have an ambitious development programme and are committed to adding 5,000 new homes over the ten years from 2018 to the 17,000 properties that we currently own and manage.

Where we operate

We own and manage more than 17,000 homes in almost 50 local authority areas, including:

5,085

in

Tower Hamlets

2,970

in

Camden

2,203

in

Islington

810

in

Newham

783

in

Hackney

614

in

Westminster

Our vision and values

Vision

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

Our values

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

One Housing Group Limited

Report of the Board of Management for the year ended 31 March 2019

Qualifying third party indemnity provisions

The company has no qualifying third-party indemnity provisions in place for the board members of OHGL and TPHA Ltd – registered providers of social housing.

Value for money

The Regulator of Social Housing (“RSH”) recently published an updated technical note guidance for Value for Money (VfM) metrics in June 2019. The technical note guidance update does not change the VfM metrics chosen by the RSH in 2018 and they remain the set of measures to capture performance across the sector. The VfM metrics methodology for determining the metrics also remains unchanged from the 2018 guidance, but the current guidance requires more information to be disclosed as separate line items in the headline social housing cost per unit metric. The additional information will enable stakeholders to have clear visibility of costs incurred for certain activities, such as development and community services, whilst maintaining a comparable headline social housing cost per unit metric.

We continue to report on our performance against the standard set of VfM metrics, which enables comparison of our performance with other housing associations. The Sector Scorecard reports on our performance against the G15 group of large London-based housing associations, measuring how we perform in a similar environment as other London-based housing associations, as well as against our prior year metrics. This helps us identify where we need to improve, and we can concentrate our efforts and resources to deliver improvements for our stakeholders.

Corporate strategy and VfM objectives

We have completed one year of our five-year Corporate Plan, which sets out the changes that we want to make as an organisation to 2023. One of our priorities for the next five years is to grow responsibly and sustainably over the long term. As we make progress with our growth strategy, we are aware of the degree of risk that we are prepared to accept and are continuously working towards balancing long-term stability with our growth commitment.

We continue to measure our performance against set financial standards, which helps to ensure that our organisation is financially secure and robust. Although we had a challenging year and operated in a difficult external environment, we are pleased to report that the Regulator for Social Housing retained our V2 rating for financial viability. Maintaining this rating will help us to optimise the use of our balance sheet to secure new funding to support our corporate plan priority of building new homes.

At the end of 2018, we had our In-Depth Assessment by the Regulator of Social Housing, which led to an upgrade in our regulatory rating from a G2 to a G1. This was an achievement for the organisation and a reflection of the work we put in.

Our Corporate Plan has challenging targets to grow our operating margin and we continue to work towards this. We have set up an Operating Margin Efficiency Panel which will support our delivery of in-year and long terms savings, so we are better placed to achieve our operating margin targets. Achieving the targets will enable us to invest more in building new affordable housing, whilst continuing to maintain and invest in our existing properties. To support delivery of these targets, we have improved our budgeting process and we continue work on improving our budget management and forecasting process, which will effectively underpin work across the organisation to reduce our cost base and deliver efficiencies which will support the delivery of our value for money strategy and improve operating surplus. Through the One Future Programme we are

One Housing Group Limited

Report of the Board of Management for the year ended 31 March 2019

changing our offer to our people and adopting agile working, which will deliver efficiency savings and help increase staff satisfaction over time. Transformational changes are continuing to take place across existing work structures and core processes (including customer services, rent and asset management). New technology is being introduced to modernise our ways of working and effectively support all of the structural and process changes made. In the year under review we continued to pursue operational, systems and cultural improvements for the organisation, as part of the One Future Programme we launched an Information Governance Strategy to support robust delivery of data cleansing across the organisation, to ensure we are better placed to take appropriate data driven decisions. A Data Management Strategy was also launched to enhance reporting capability. The focus on data quality and reporting capability underpins better insight and more timely and informed decision making which supports organisational efficiency and growth.

Our procurement team continue to deliver savings and introduce new ways to improve our relationship with our suppliers. They generated £1.7m of savings on revenue and capital, delivering VfM for the organisation across multiple years. A lot of work has also been completed on standardisation of services and contract management and this has greatly improved efficiency in these areas.

Our Development Strategy sets out a clear strategic change of direction with a focus on “in-London projects”, which will lead to reduced operating costs as we move away from areas less accessible to our organisation.

The vast majority of repairs on our properties continue to be delivered by our in-house repairs and maintenance service, One Direct Maintenance Limited (ODML) which is currently a subsidiary of One Housing Group Limited “OHGL:”. The in-house service helps to ensure consistency in delivering a quality based repairs service, ensures we have control over our property data, and we continue to drive for better value for money when we engage external contractors. Plans are underway to further improve the efficiency of the repairs and maintenance service by collapsing ODML into OHGL and streamlining and integrating systems and governance processes. Our facilities management company, Renovo, is a joint venture with Chequers and is in its second year of operation. Renovo takes the lead in ensuring a high-quality environment in our care and support schemes by providing facility maintenance services and repair activities.

Our corporate plan includes two key priorities which are centred around our customers: putting customers at the heart of everything we do, and ensuring that the homes our residents live in are safe and well-maintained. We have invested and will continue to invest significant sums on fire safety and compliance works, which is at the heart of helping to keep our residents safe and secure in their homes.

One Housing Group Limited

Report of the Board of Management

for the year ended 31 March 2019

Performance monitoring

The Board monitors actual performance against fifteen Key Performance Indicators (KPIs) which supports delivery of the objectives in the Corporate Plan. The key focus remains resident satisfaction – with our new homes, our resident services and repairs, and with our care and support services.

Our committees now receive detailed performance information on specific areas, including customer satisfaction and operational performance (to Customer Services Committee) and health, care and support activities (to Care and Support Committee).

The Executive Team monitor and review a more detailed set of KPIs monthly, together with a report on financial performance for the month. Our performance against a set of financial standards are also reviewed as part of the monthly monitoring of performance. The Executive Team review performance against both financial and non-financial KPIs, challenge performance and make informed decisions to improve performance in line with targets.

Directorates report, monitor and review a detailed set of operational KPIs on a weekly basis, as part of their weekly information centre's review and discussion process. Significant areas of concern are escalated to the Senior Leadership and Executive Teams.

We regularly monitor a range of KPIs at different levels in the organisation. These are set annually with agreed targets which performance is measured against. The Board or Executive Team have the flexibility to change the suite of KPIs that are reviewed during the year, if operational or strategic issues arise.

One Housing Group Limited

Report of the Board of Management

for the year ended 31 March 2019

Value for money metrics

The sector scorecard table below shows measures that assess business health, development capacity and supply, outcomes delivered, effective asset management and operating efficiencies in line with the Regulator for Social Housing measures.

2018/19 Sector scorecard and Vfm metrics

		OHG Consolidated		G15 - 12 members	
				2017/18	
		2017/18	2018/19	Best	Worst
Business Health	1. Operating Margin (overall excl fixed asset disposals)	24%	14.4%	33.3%	24.4%
	2. Operating Margin (social housing lettings excluding disposal of fixed assets)	27%	25.8%	45.6%	24.6%
	3. EBIT DA MRI (as a percentage of interest)	213%	82.9%	244%	57.8%
Development - capacity and supply	4. New supply - social	483	226	1241	180
	4a. New supply -social as a % of total units owned	3%	1.4%	4.50%	0.66%
	5. New supply - non-social	173	92	679	0
	5a. New supply social as a % of total units owned	1.10%	0.56%	1.03%	0.00%
	6. Gearing	49%	48.6%	29%	55%
Outcomes delivered	7. Customers satisfaction	75.2%	81.4%	96.7%	59.0%
	8. Reinvestment	11.5%	5.4%	0.12	0.05
	9. Investment in communities (£'000)	1,145	1,495	10,843	0
Effective asset management	10. Return on capital employed (ROCE)	4%	2.4%	4.8%	2.4%
	11. Occupancy	99%	96.6%	100%	99%
	12. Ratio of responsive repairs to planned maintenance	0.70	0.69	0.49	0.91
Operating efficiencies	13. Headline Social Housing Cost Per Unit (SHCPU, £'000)**	£6.41	£7.22	£3.91	£7.80
	14. Rent collected	101%	100.3%	101.6%	98.8%
	15. Overheads as a percentage of adjusted turnover	8.50%	7.99%	8.50%	18.10%

* Prior year metric stated 90% for Customer Service relating to repairs and maintenance only. Metric now restated to reflect overall Customer Satisfaction measure.

** Prior year SHCPU included both Shared Owner and Leasehold costs (£7.04). Restated removing Leasehold costs Metrics based on OHG Consolidated Accounts

One Housing Group Limited

Report of the Board of Management for the year ended 31 March 2019

Value for money metrics (cont.)

The VfM industry sector scorecard shows our actual operating margin at 14.4%, as the RSH VfM metrics specifically requires us to remove sales from disposal as it seeks to measure only the social housing part of the business. Disposals excluded from the VfM operating margin metric are staircasing, sales to other housing associations and right to buy sales.

Based on the Regulator's Value for Money metrics definition our budgeted operating margin for 18/19 was 25.8%, we achieved 14.4% (24.0% 2018). Key drivers of the lower operating margin are lower margins achieved on first tranche sales, fewer outright sales compared to budget, higher spend on fire related compliance costs and reduced margins in HCS, mostly due to lower occupancy daily rates and higher staff related expenditure.

Whilst the overall operating margin (1. In table opposite) is down compared to the previous year, the social housing lettings operating margin (2. opposite) is only marginally down. Highlighting the strong performance of the core revenue stream of OHG.

We are aiming to improve the business health metrics across the Group through improved efficiency and savings from our One Future Programme, organisational restructure and cross functional work process reviews led by a recently established the Operating Margin Efficiency Panel.

It is worth noting though that OHG's operating margin would increase from 14% to 26% if the Health Care and Support Business (HCS) is excluded. We recognise and accept the fact that the Care and Support operations will not deliver significant levels of profitability, even when run as efficiently as possible. As a Charity and social business, we are committed to continuing to provide the much-needed good quality services required by the communities we work in, in a financially sustainable manner.

EBITDA MRI has reduced this year compared to prior year, mainly as a result of the decline in the UK property market, the attendant start-up costs associated to the previous year, with new schemes in HCS, increased financing costs to accommodate loan portfolio restructuring undertaken and fire prevention compliance costs. The adverse property sales climate has led to a reduction in number of units sold, lower sales margins and impairment losses from a small number of schemes. In line with our corporate priorities, we have increased spend on fire related compliance work, ensuring we keep our residents safe. Overall, the resultant impact has materialised in lower metrics compared to the previous year.

In terms of operating efficiencies, our Headline Social Housing Cost Per Unit has increased from the previous year, partly due to reasons covered off above as well as cost classification changes we have made in year.

One Housing Group Limited

Report of the Board of Management

for the year ended 31 March 2019

G15 - Cost per unit comparison

	2018/19		2017/18										
	One Housing	Rank	HA1 £	HA2 £	HA3 £	HA4 £	HA5 £	HA6 £	HA7 £	HA8 £	HA9 £	HA10 £	HA11 £
Management	1,026	12	752	650	1,813	1,111	1,617	1,413	1,376	1,132	1,790	1,036	2,012
Maintenance	1,160	12	1,561	1,264	1,463	861	1,518	958	1,025	1,332	1,277	1,128	921
Major Repairs	1,076	12	1,320	831	1,350	610	572	921	414	705	802	1,248	1,319
Service Charge	1,304	12	531	646	556	481	545	1,006	883	779	662	831	716
Other	2,040	12	339	618	560	849	35	570	453	664	191	250	115
Total: OHG 18/19 calculated on a consistent basis to G15 to 17/18	6,606	12	4,502	4,009	5,741	3,911	4,288	4,868	4,150	4,613	4,723	4,492	5,084

* Service Charge Includes both Leasehold and Shared ownership costs worth £7.0m. ** Other Costs made up of:

			Other Costs	Cost Per Unit	Total Cost (£'000)
Total excluding Leasehold per RSH VfM standard June 2019	7,221	12	Supporting people contract costs	1,731	28,253
			Development costs not capitalised	74	1,203
			Investment in Communities	92	1,495
			Lease costs	144	2,343
			Total Other	2,040	33,294
Total excluding Health Care & Support & Leasehold	4,249	5			

Headline Social Housing Cost Per Unit

The table above shows how our performance compares with the G15. Our social housing cost per unit at £6,606 is high compared with the G15. We are focusing our efforts on reducing our cost base and continuing the drive towards efficiency and improved performance in our overall social housing cost base.

Our supported housing activities include elderly support, floating support and NHS partnership contracts. Our cost base includes £28m from supporting housing contracts.

The Social Housing Cost per unit excluding Health Care and Support (HCS) seeks to show our cost per unit without the impact of the HCS part of our business. There is an understanding that housing associations with a larger supported housing arm, will usually have a higher social housing cost per unit. We are one of the largest housing associations providers of care and support in London and the South East.

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Report of the Board of Management

for the year ended 31 March 2019

Headline Social Housing Cost Per Unit (cont.)

The 'Other' category is defined by the RSH as including development costs not capitalised, community costs and charges relating to support services. Support services predominantly includes our Health Care and Support activities.

The Other Costs table shows the new disclosure requirements where development costs, community costs and lease costs are shown as standalone line items, as required by the VfM technical guidance note published in June 2019. Investment in communities' costs relate to spend on apprenticeships, provision of training for residents and other community engagement activities.

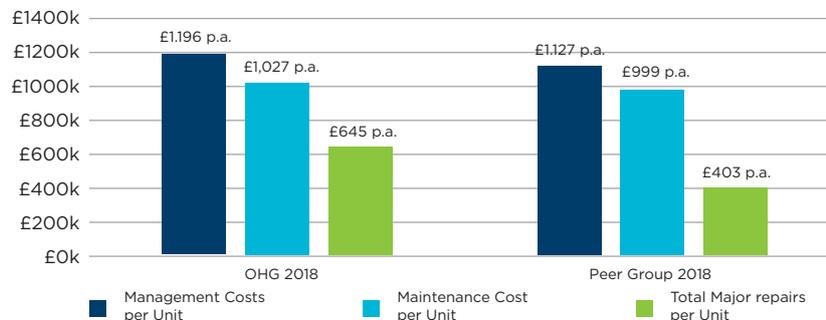
Whilst we have benchmarked ourselves against other G15 members, most G15 member's activities are not an exact match to our diverse range of activities. We have therefore worked with Savills to benchmark key elements of our costs, which have more in common with One Housing, with Care and Support activity representing between 2% - 58% of their turnover (based on 17/18 audited accounts).

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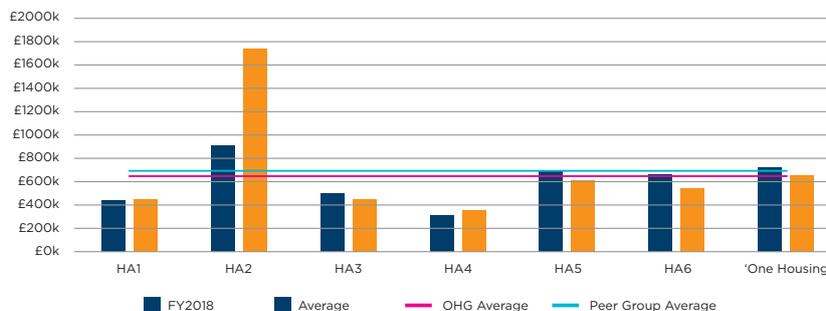
Report of the Board of Management

for the year ended 31 March 2019

Cost per Unit (Breakdown)



Cost per Unit



The table above demonstrates that whilst One Housing comes up with higher costs per unit in this select RP benchmark group as well, there is not as wide a disparity as when compared to the G15 members.

Savills' benchmarking analysis of the select RP group highlights the two most significant drivers of cost per unit as the size of the Association with larger associations benefiting from economies of scale and revenue mix – associations with a higher proportion of Care & Support revenue tend to have a higher cost per unit.

OHG's higher cost per unit across both benchmarks reinforces the need for the current focus on reducing our cost base and driving through efficiency savings over the 5-year Corporate Plan timeline. In 2019/20 we have set an ambitious budget to deliver over £5m efficiency savings. There is clearly headroom for savings in all three major cost categories; management, maintenance and major repairs.

Despite the property sales downturn, we continue to develop and provide additional social housing units. The number of units developed has reduced compared to the previous year through a more prudent development appetite given market conditions as we work to effectively manage our cash flow and debt positions, keeping our gearing on target. Although our gearing has remained the same across financial years, we have secured long term loans at more favourable rates, the benefits of which will be realised from reduced interest costs in 2019/20.

We continue to invest in our communities with an increase in spending across resident training, apprenticeships, work placements and other activities associated with community engagement. Our Social Mobility Team plays a critical role in ensuring we invest in our communities.

This year's financial performance has been diminished by factors that are well understood and a lot of attention is being paid to addressing the attendant areas as robustly as possible. The core revenue stream of One Housing (social housing lettings) has performed well.

One Housing Group Limited

Report of the Board of Management

for the year ended 31 March 2019

Compliance with Governance and Financial Viability Standard

At their July 2019 meeting the Board reviewed a detailed, evidence-based assessment of the Group's compliance with the Regulator of Social Housing's Governance and Viability Standard and the supporting Code of Practice. On the basis of that review, the Board hereby certifies its compliance with the Standard and the supporting Code.

This Code 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 applies to all registered providers who are subject to the Standard (i.e. registered providers and not local authority providers of social housing).

One Housing Group underwent an In-Depth Assessment ("IDA") by the Regulator at the end of 2018 and was upgraded from a G2 to a G1 regulatory rating. This was an extremely positive achievement for the organisation. The Regulator stated in the regulatory judgement that in the period since the previous narrative judgement in May 2018.

"OHG has continued to make a series of improvements to its governance arrangements. Our previous judgement highlighted that OHG's risk management and internal control assurance framework required improvement, including its procurement and probity arrangements. The IDA found OHG has enhanced its risk management and internal control arrangements. The board and management are appropriately skilled to deliver its objectives and have delivered a governance improvement plan. The board has revised the governance framework allowing sufficient oversight and control across the group whilst ensuring appropriate procurement and probity arrangements are in place. An enhanced internal control framework is in place. The board has evidenced delivery of the governance improvement plan and compliance with its chosen code of governance. We are assured that controls are embedded throughout the group and operating effectively."

OHG retained its V2 rating for viability, which recognises we are an active, successful and developing housing association.

One Housing Group Limited

Report of the Board of Management

for the year ended 31 March 2019

Code of governance

The Board took the decision to adopt the NHF Code of Governance in the summer of 2018 and, following a detailed assessment against the provisions of the Code, has confirmed its compliance. The Board also considers the provisions of the UK Corporate Governance Code and reports on its performance against those as part of its annual assessment. There are some aspects of the UK Corporate Code that the Group will continue to apply in recognition of their importance to developing the organisation. These include:

- engaging with a wide range of stakeholders (e.g. customers, local authorities, funders and partners) and our workforce (through union recognition, a staff council and engagement surveys);
- defining and monitoring our culture through the Corporate Plan, standing orders and codes of conduct;
- disclosing how diversity supports us in our Corporate Plan and demonstrating our approach to diversity through emphasising it in our open recruitment processes, the diversity of our Board and Executive and established succession plans and
- ensuring that staff and board remuneration is appropriate and rewards performance through external reviews of board pay, effectiveness reviews and by setting market appropriate staff salaries.

Compliance with reporting standards and legislation

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

Going concern

The Board has made enquiries and examined significant areas that could give rise to financial exposure and is satisfied that no material or significant exposures exist other than as reflected in these financial statements and that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, the going concern principle has been applied in preparing these financial statements.

One Housing Group Limited

Report of the Board of Management

for the year ended 31 March 2019

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. The 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") (and its predecessor Committees) has been in operation throughout the relevant period and overseen 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 are reported by the ARC to the Board.

The Board confirms that the key processes for identifying, evaluating and managing the significant risks faced by the Group 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;
- robust 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;
- documented policies and procedures for all key operational areas;
- 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;
- Board review of the external audit management letter, and ARC members' interview with BDO LLP (external audit) and KPMG (internal audit) without board members present;
- review of all regulatory reports; and
- staff being fully conversant with key controls and procedures relating to financial operational systems.

We have a suite of probity policies designed to tackle fraud, bribery, corruption, theft and breaches of regulations. These are reviewed regularly.

The ARC has received and reviewed assurance on the effectiveness of the system of internal control for the Group, together with the annual report of the internal auditor. It has reported its findings to the Board through an annual report to the Board and the minutes of its meetings.

Significant work was undertaken during the year to improve control processes building on the work of the previous year. Strengthening the risk, control and assurance framework remains a priority for ARC and the Board.

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

One Housing Group Limited

Report of the Board of Management for the year ended 31 March 2019

Donations

The Group made no political donations during the year (2018: £nil).

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 for the Group and association 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', update 2014 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 Group and association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps to prevent and detect 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 2014. Financial statements are published on the Group and 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 Group and 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.

One Housing Group Limited

Report of the Board of Management for the year ended 31 March 2019

Annual general meeting

The Annual General Meeting was held on 12 July 2019.

Auditors

- All 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 and ARC reviewed the effectiveness of both the external and internal audit process and invited firms to tender for the appointment as the Group's external and internal auditors. ARC, supported by senior management, conducted a rigorous tender process focusing on quality, resources and value.
- After careful consideration, it was concluded that BDO LLP was the best overall in terms of quality, resources and value and would better meet the Group's requirements for external audit services going forward. It was further concluded that KPMG LLP was best placed to meet the Group's requirements for internal 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



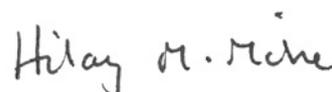
Steve Douglas

Chair



Caroline Corby

Board member



Hilary Milne

Secretary

Date: 12 July 2019

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Objectives and strategies to achieve those objectives

In September 2018, we launched our new five-year Corporate Plan which reflects our commitment to focusing our efforts on helping to tackle the housing crisis - a crisis that is not just about supply, but also about affordability, quality and delivering the right services and support to our customers, whatever their circumstances. The plan includes our vision and values, listed on page 8, which were developed with our employees and our residents.

We are now on a journey to deliver on those commitments and have been working hard to put in place the building blocks to achieve our ambition. Two key priorities in the plan are putting customers at the heart of everything we do, and ensuring that the homes our residents live in are safe and well-maintained. With that in mind, in May 2018 our Board approved a new Customer Service Strategy which provides the detail on how we will create a 'customer first' culture. We have also restructured our building and maintenance services, investing new resources which place greater emphasis on our work related to safety and compliance.

Finally, through the plan, we are committed to strengthening our care and support services. A five-year plan to grow in this area was also recently approved by Board. We are one of the largest housing association providers of care and support in London and the South East, and we continually look for innovative and new ways to provide the right services based on need, through strategic partnerships with the NHS and councils.

Our strategic priorities

Creating places to call home

Our primary role as a landlord and a core part of our vision is to create places for people to call home. This year, for example, Saodat moved into her flat in Forest gate, having shared with a friend for several years. Employed in the casino industry, her work pattern involves unsociable hours, with night shifts the norm. Having her own peaceful space, where she can relax and sleep well, was a major factor as she looked for a new home. As a single person with sole responsibility for paying the rent, she was also keen to secure a place that would be affordable, something that the housing shortage in London has made increasingly challenging. She was therefore delighted to secure her one-bedroom apartment, with its own private balcony, on an intermediate rent basis.

"I'm so happy in my new home. The whole process from start to finish was easy, from viewing the property and undergoing credit checks, to signing the contract and moving in. The rent is reasonably priced which means I can afford to live by myself and not have to share. The flat itself is homely and warm and had been refurbished just before I moved in. It's also a really easy commute to work as I have two train stations within a few minutes walking distance so I can be in central London in half an hour."

Supporting people to live well

Providing care and support to those who are vulnerable, and ensuring they live as independently as possible, is a key part of our mission. Our integrated approach to providing support that suits individual customer needs is particularly effective when it comes to supporting them to maintain their tenancies and manage their money efficiently. Our income advisors work with some of our most vulnerable customers who face increasingly complex challenges around managing their income, offering welfare reviews and financial health checks. As well as reducing rent arrears by almost £150,000, this year, one of our advisors reached a remarkable milestone by surpassing the million-pound mark in the amount of benefits rightfully

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

claimed on behalf of our customers. At our Roseberry Mansions extra care scheme, a customer in her nineties, who had been wrongly advised by HMRC that she wasn't entitled to a state pension, is now in receipt of a full pension of £155 per week and received a backdated payment of almost £10,000.

Building homes and communities

We have an ambitious development plan and are committed to building hundreds of new homes each year. Whether we're looking at new sites or existing estates, keeping local residents on board is key.

In the last year we have continued to work closely with residents in Gilbeys Yard and Juniper Crescent in Camden to make sure they are at the heart of discussions around delivering the best future for their neighbourhood. Our collaborative approach to engaging with Juniper Crescent and Gilbeys Yard residents was recently acknowledged at this year's Planning Awards, where we were 'highly commended' for our work.

As well as holding a number of resident drop-in events and publishing regular project updates and estate newsletters, we recently reached a key milestone when we launched our first Residents' Charter. The Charter, which was drawn up together with the Resident Steering Group, clearly sets out our commitments to residents if they vote in favour of the proposals to regenerate their local area.

Growing responsibly and sustainably

We are aiming to improve the operating margin delivered by our organisation to 35% by 2022/23 through improved efficiency and savings from the One Future Programme, organisational restructure and Operating Margin Efficiency Panel, which will impact on our business health metrics.

The One Future Programme encapsulates our strategy to modernise One Housing and deliver efficiency savings. The Programme was started in September 2017 and we are making good progress with delivering targeted outcomes.

In the year under review we have worked tirelessly to continue to embed robust Governance processes across the Group. Effective governance is exceptionally important in underpinning the work that we do. It enables us to manage risk effectively and take informed decisions based on evidence.

At the start of this year a target to bring in procurement savings of £1.4million was set. This target was achieved. Established relatively recently in 2017, our procurement team continues to deliver significant improvements to the way One Housing purchases goods and services. In the last year the team has completed 35 procurement projects in total, ensuring that teams across the organisation are procuring in an efficient, value adding manner.

A modern, flexible and fun place to work

We care for our residents and our customers, and we care for our employees, too. We believe if you are happy at work, then you will make your customers happy and support them to live well, which is why we promised we would improve our offer to colleagues.

Our employees told us through our 'Best Companies' surveys and other feedback that annual pay rises, better pensions, healthcare, learning opportunities, recognition for a great job and flexible annual leave were really important to them. This year we launched Life@One, our benefits, recognition and wellbeing offer, which includes all of the above. Life@One is contributing to making One Housing a modern, flexible and fun place to work.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

2019 financial review and highlights

This year's Group turnover stands at £213.3m (2018: £215.9m) generating a surplus before tax of £20.0m (2018: £52.1m). The reduced surplus was largely driven by taking an impairment of £11.5m (2018: £0.7m), reduced sales of £9.5m (2018: £21.0m) and additional spend on fire safety compliance. The impairment has led to a loss on properties developed for outright sale of £9.6m (2018: profit £6.6m). Our operating surplus of £46.2m produced an operating margin of 21.7% (2018: £66.5m and 30.8%).

Revenue and cost highlights

We must generate sufficient income to meet our operating costs, loan interest payments and investment in our homes. We have continued to generate sufficient surpluses before sales to cover interest costs.

Other key highlights include:

- surplus on first tranche sales of £7.6m (2018: £13.0m)
- surplus on staircasing sales of shared ownership properties, right to buy's and sales to other HAs of £15.4m (2018: £13.8m).
- surplus on non-social housing lettings of £4.8m (2018: £4.3m)
- a total of £17.9m of qualifying charitable donations from subsidiaries (2018: £6.1m).

We will continue to use our unrestricted surpluses to ensure that we achieve the objectives of our corporate plan.

Statement of financial position highlights

We maintain a robust financial position, reflecting a strong statement of financial position and cash reserves. These reserves will provide funds for future growth plans.

Key highlights include:

- The value of the Groups housing properties at historic cost totalled £1.64bn (2018: £1.61bn)
- We have drawn down loans of £899m (2018: £848m)
- We hold £40.2m investments in joint ventures (2018: £31.6m)
- Our statement of comprehensive income reserves increased by £10.9m to £410.2m (2018: £399.3m)
- An increase in actuarial losses on our defined benefit pension scheme of £9.27m (2018 decrease of £0.22m) due to the change in the accounting for SHPS as described in note 31.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Look ahead

We are in the midst of a significant change programme called One Future to enable us to become a more effective and modern organisation. This will bring lasting benefits for the future and help ensure that we deliver on our Corporate Plan priorities and an operating margin of 35% by 2023.

Much of our focus over the coming year is investing and implementing new technology to assist us in providing an improved service for our residents and customers. Our aim is to create a seamless and consistent experience for our customers, as well as develop an internal culture where customers are at the heart of all that we do.

Later this year we are launching a new look online self-serve portal. During the winter 2019 we will be implementing the first phase of our new Customer Relationship Management system (CRM), which will improve our customer experience even further. These technologies are all building blocks that we will keep on developing to create a modern customer service offer, giving customers a selection of ways to interact with us, how and when they want to.

To make the best of the new technologies, we also reviewed our operational structure to build stronger customer service teams which can resolve queries at that first point of contact. The impact of this will be felt positively by our customers and residents during the new financial year.

During 2019 we achieved savings as well as increased funding across the Group. Despite the challenging environment resulting in a slowing sales market, we have increased spend on health and safety-related areas to ensure we can maintain high standards of safety for our residents. The increased safety spends, coupled with a constriction in sales and the impairment of four schemes, has meant that we ended the year with a much lower operating margin than we had targeted. However, we remain committed to continuing to build the Group's financial resilience and delivering our Corporate Plan.

The 2019/20 budgeted position has been set quite stringently to deliver efficiency savings whilst increasing spend in health and safety areas.

As part of our Corporate Plan priorities, we are committed to growing our health, care and support services. A new Health, Care & Support 5-Year Strategy was approved for April 2019 to March 2024. Key themes addressed in our strategy include:

- being best in sector - consolidating and improving our offer to deliver best in sector through innovation and best practice
- staff pay - commitment to annual pay reviews and working to paying London's Living Wage
- quality and compliance - enhancing service development for existing schemes and optimising safe set-up of new schemes.
- delivering growth - both our existing development pipeline/care home lease portfolio and achieving additional growth targets.

The coming year will see the opening of four new Baycroft Care Homes, a Season senior living scheme and an assisted senior living scheme for sale. Over the year we are reviewing our NHS Partnership Strategy to ensure readiness for sector changes such as Integrated Care Systems and the development of new integrated products. Having launched innovative services in partnership with the NHS, we are continuing to evaluate the impact of our integrated and psychologically Informed offers.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Look ahead (cont.)

This is also an exciting time for One Housing; in October 2019 we will be co-locating our Chalk Farm Road and Suttons Wharf South offices to Atelier House in Camden. This presents the opportunity for us to move to a single location in a building which is eminently suitable for our business and will deliver an improvement in operational culture and lead to efficiencies, including the redevelopment of the Chalk Farm Road site. We also have proposals to convert Suttons Wharf South to residential use, contributing to our new homes targets and generating an expected profit of approaching £1.5m.

We remain totally committed to ensuring the safety of our residents and will continue to comply with any future regulatory changes and improvements. We are also keen to understand if any retrospective changes will have an impact on our residents and buildings.

Similarly, We have created a dedicated property management team in early 2019/2020 to look after our properties, making sure our homes are safe and well maintained.

We firmly believe that we can and will play a central role in helping to tackle the ever more acute housing crisis. Our new Corporate Plan commits to delivering 5,000 new homes over the next ten years with a renewed emphasis on our core aim of providing more affordable homes for those in greater need. We are a GLA strategic partner and we recently signed an agreement with GLA to provide more supported housing in London. Another key element of our strategy is delivering on two major regeneration programmes.

We are intending to conduct a resident ballot on the regeneration of two housing estates in the London Borough of Camden - Juniper Crescent and Gilbeys Yard. Similarly, we are having discussions about the options for four areas on the Isle of Dogs. Each of these are at different stages, and the intention is to ballot the 25 residents living in Bellamy Close and Byng Street this Autumn.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Principal risks and uncertainties

Our approach

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. It is supported in this role by the Audit and Risk Committee (“ARC”). Risk is a standing item at all ARC and Board meetings, with the Executive Team responsible for identifying, evaluating, managing and reporting any strategic risk. Operational risks are largely the responsibility of directors, but with Executive Team and ARC oversight and challenge.

Risk appetite

The Group operates in a complex and ever-changing economic and political environment. In that context, risk appetite is a powerful tool, not only in our decision-making but also in improving overall performance. The Board discussed and agreed its risk appetite (both quantitative and qualitative) at its July 2018 away day and this informs the organisation’s overall approach to risk.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Strategic risks

The current key strategic risks that we face and how we are managing those risks are set out below.

Risk	Principal Mitigations
<p>UK economic changes, as a result of Brexit uncertainty, cause cost pressures - for build, material and labour costs and interest rates at a time we are trying to reduce our cost base putting significant stress on the OHG business plan and our VFM objectives.</p>	<p>Cost inflation and interest rates are monitored monthly and quarterly.</p> <p>Business plan stress testing of increased borrowing costs assumes market interest rates and real cost inflation at 3% higher than in base plan over the lifetime of the plan.</p> <p>Investment analysis includes impact of higher funding costs throughout the term of facilities.</p> <p>Focus on OHG's People Strategy to retain its attractiveness as an employer.</p>
<p>A falling housing market in London negatively impacts on the OHG sales programme causing liquidity, and therefore potential viability issues.</p>	<p>There is a Treasury Management Policy requirement for OHG to maintain a minimum of £30m available cash and £100m minimum liquidity at all times. The current Treasury Strategy is to hold enough liquidity to cover 18 months operational requirements, assuming no sales are achieved.</p> <p>Cashflow is monitored against triggers monthly and this is reported through the Executive and Committee structure to the Group Board.</p> <p>The financial projections in the business plan are tested against covenants on a six-monthly basis and reported to Group Board.</p> <p>The approval process is set out in the Development and Investment Committee terms of reference and allows offers for capital projects to be declined at bid stage.</p> <p>The financial plan has been stress tested to allow for a 30% drop in sales.</p> <p>There is an emphasis on the first-time buyer market, supported by Help to Buy, until 2021.</p> <p>Options are available to change the tenure type until the market improves to mitigate sales risk.</p> <p>Continuous market monitoring through the Development and Investment Committee.</p>

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Strategic risks

The current key strategic risks that we face and how we are managing those risks are set out below.

Risk

Principal Mitigations

Changes to the welfare system, including the roll out of universal credit, impacts on rental income.

There is a tailored and updated Welfare Reform mitigation plan in place for 2018-19 with a formal project team led by the Assistant Director of Income and Legal Operations. Progress on the action plan is reported to the Customer Services Senior Management Team on a quarterly basis.

The Customer Accounts team works closely with our Employment and Training team to increase residents' employability and access to work.

Income collection, arrears and other welfare reform measures are monitored monthly by senior management and performance is reported to Board on a quarterly basis.

The long-term financial plan has been stress tested for an increase in arrears as a result of Universal Credit and the outcomes reported to Board.

Public affairs work around Universal Credit including discussions with Ministers.

Significant levels of transformational change in the organisational structure and operating model adversely impact business delivery.

There is clear, regular staff engagement and communication on the purpose of restructure.

A formal consultation process (staff and union) is always undertaken, and feedback is taken on board.

The move to and benefits of the Atelier House office and co-location are now being 'socialised' - picture boards set up in both current offices.

Regular oversight of change programmes by the Executive and the 'One Future' Board.

Governance arrangements and resources to provide effective programme management (a programme management office, change champions and programme management team) are in place across the restructure and transformation programmes.

The Chief Executive has been line managing customer services directors pending the appointment of a Chief Operations Officer,

The launch of Life@One - our employee benefits package.

Development of new customer services and resident engagement strategies.

Communications to residents have been increased following feedback from Area Panel members.

Commissioning of a new ordering and payment system to improve financial controls.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Strategic risks

The current key strategic risks that we face and how we are managing those risks are set out below.

Risk

Principal Mitigations

Health & Safety incident at an OHG scheme causes death or injury.

The Asset Compliance Strategy was approved by the Board in March 2017.

The Overarching Health and Safety policy was approved by the Board in May 2016.

The Audit and Risk Committee monitors Health & Safety, Care Quality Commission compliance and Asset Compliance. Detailed scrutiny of CQC reports is carried out by the Care & Support Committee.

The Chief Executive chairs a monthly asset compliance meeting.

There is a workplace inspections programme in place for all staff, including those working in Health, Care and Support.

Deliverables in the Health, Care and Support 5-year strategy are not achieved.

There is an annual review of contracts and business unit viability as part of the budget setting process; each contract is to be financially viable and where not it is to be terminated.

The annual business planning process identifies external risks and areas for development.

The Care and Support Committee has a performance indicator suite through which it monitors income collection and occupancy rates.

Annual market assessment.

Reviews of OHG's offer on price and services to customers.

Regular contract monitoring, management visits and Head of Service inspections.

Internally at OHG there is a CQC Quality Assurance Framework and a CQC Quality Team in place; formal audits are carried out.

There are annual Local Authority and Commissioning Groups Inspections

There is a Board assurance framework and a Quality and Risk Review Group. There is analysis of safeguarding alerts, medication errors, serious incidents, complaints and lessons learned – these are reported to the Care and Support Committee.

There is a Hotspot Reporting system monitored by the Health, Care and Support Senior Management Team and reported to the Care and Support Committee.

Safeguarding reports are sent as necessary to the CQC.

There are robust recruitment and induction processes including making the 'right offer' to staff, a good staff training programme and effective performance management.

Reports on new business and contract changes are considered by the Health, Care and Support Senior Management Team and the Care and Support Committee.

Expert guidance from the Care and Support Committee.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Strategic risks

The current key strategic risks that we face and how we are managing those risks are set out below.

Risk	Principal Mitigations
Tightening in London labour market makes it harder to recruit and retain good staff causing an impact on cost and quality of our offer.	Monitoring of staff turnover by the Executive and Board. The new pay strategy approved in April 2018 includes moving to pay the London Living Wage to staff including in care and support. Procurement of new recruitment service to ensure OHG attracts high quality staff. A new approach to talent resourcing by outsourcing recruitment to Reed to enable better access to talent within the sector.
Labour focus on local authority 'council' housing results in lack of support for HA sector and stalling of regeneration schemes.	Regular review of the financial and business plans in the light of policy changes. Pro-active engagement with local authorities. Public Affairs team working closely with government and local authorities.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Financial and non-financial key performance indicators

The table below shows our financial performance for the past three years.

Group financial results - three year summary

Year ended 31 March:	2019 £m	2018 £m	2017 £m
Statement of comprehensive income			
Turnover	213.3	215.9	255.6
Cost of sales	(58.8)	(46.2)	(80.2)
Operating costs	(123.7)	(117.0)	(112.4)
Surplus on disposal of fixed assets	15.4	13.8	17.6
Operating surplus	46.2	66.5	80.6
Share of surplus in joint ventures	4.3	5.5	5.2
Net interest and financing costs	(31.3)	(25.4)	(28.1)
Movement in fair values of financial assets	0.9	7.7	(11.6)
Movement in fair values of investment properties	(0.1)	(2.2)	40.2
Surplus for the year before tax	20.0	52.1	86.3
Statement of financial position			
Total fixed assets and investments	1,951.7	1,891.2	1,838.8
Current assets	277.6	278.3	302.5
Total creditors including loans and borrowings	(1,817.1)	(1,768.3)	(1,792.9)
Total reserves	412.2	401.2	348.4

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Performance indicators for affordable homes

The Group's key indicators are set out below against target.

	2019	2019	2018
Tenant satisfaction	actual	target	actual
Ensure the safety of our residents through maintaining 100% compliance on gas safety checks	99.99%	100.00%	100.00%
Achieve resident satisfaction of at least 86%	81.40%	86.00%	75.15%
Engage at least 850 staff and residents with our training and employment programme	1,546	850	1,060
Achieve customer satisfaction of at least 88% (Health, Care & Support)	96.25%	88.00%	84.00%
80% of our customers would recommend One Housing homes	92.40%	80.00%	-
Achieve an income collection rate for social lettings of 99.5%	100.29%	99.50%	100.72%
Achieve an average staff satisfaction score of 7	6.7	7.0	-

For two of the KPIs above, data has only been collected from April 2018 onwards.

Gas

At year end, only one property had an outstanding gas safety check. The team worked hard to get to this point but were unable to gain access to the property whilst awaiting a court date.

Resident satisfaction

There has been a 6.25% increase in resident satisfaction from 2018 to 2019. A combination of factors has contributed to the improvement in this area. Repairs satisfaction heavily impacts overall customer satisfaction. Improvements from the One Future service review on repairs in One Direct have contributed to the more positive experience for this customer group. During 2018/19 there was also an increase in staff and a focus on training to communicate better and provide better information. During 2018/19 there was one quarter where there were no housing management-related complaints, a clear indicator of general satisfaction for that customer group on tenancy matters. Also, initial teething problems from the new parking contractor appointed in 2017/18 bedded down and there was much less dissatisfaction in the year post implementation.

While there was an increase in satisfaction between 2018 and 2019, we still fell short of the target of 86% satisfaction. To address resident satisfaction, complaints and other feedback on our services we have completed a restructure of the business operations early in 2019/20 to further improve customer satisfaction. We are anticipating further resident satisfaction following the rollout of an online customer portal and Customer Relationship Management system during the financial year.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Income collection

The year-end target was exceeded. This is a significant achievement as nearly 900 households are now affected by Universal Credit.

Staff satisfaction

Measured in the Best Companies all staff survey in October 2018, staff satisfaction was 6.7 out of 10. The survey considers employee engagement across eight different factors using the Best Companies methodology.

Impairment

Impairment was taken on the following schemes/investment

Scheme	Company	Impairment of Stock	Impairment of investment
		£'000	£'000
White Horse Field	Citystyle Living (White Horse Field) Ltd	1,152	1,152
Nunhead	Citystyle Living (Nunhead) Ltd	260	260
Merchant Taylor	Citystyle Living (Belmont) Ltd	1,062	1,062
Victoria Quarter	One Housing Group Ltd	9,025	-
		11,500	2,475

Pension costs

Details of the Group's pension fund are disclosed in note 31.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Investment in subsidiaries

During the year other investments totalling £16.7m (2018: 114.5m) were as follows:

100% owned subsidiary	Shares of £1	Amount
Citystyle (Site A Nunhead Lane) Living Ltd	1,316,012	£1,316,012
Citystyle Living (High Road Haringey 624 THA) Ltd	1,048,389	£1,048,389
East End Lettings (2) Ltd	4,500,000	£4,500,000
Citystyle Living (Belmont) Ltd	3,835,344	£3,835,344
Citystyle Living (Victoria Quarter) Ltd	1,308,348	£1,308,348
Citystyle Living (North End Farm) Ltd	1,802,507	£1,802,507
Citystyle Living (Shakespeare Orchard) Ltd	442,180	£442,180
Citystyle Living (Polo) Ltd	971,533	£971,533
CHA Ventures Ltd	1,501,001	£1,501,001

The following share reductions took place:

100% owned subsidiary	Shares of £1	Amount
Citystyle Living (Wenlock Road) Ltd	15,099,900	£15,099,900
Citystyle Living (Goldhawk) Ltd	20,000,000	£20,000,000
Citystyle Living (Thurlow Park Road) Ltd	2,931,901	£2,931,901

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Our treasury management

The Group defines its treasury management activities as:

“The management of the organisation’s cash investments and cash flows, its banking, money market, capital markets and derivative transactions, and its security portfolio; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The primary treasury risks the group is currently exposed to resulting from our business activities are: liquidity, market, credit and counterparty, borrowing, refinancing, repricing and security utilisation.

The Treasury and Finance Committee reviews and the Group Board approves the treasury management policy each year to make certain that we always apply best practice and are effectively managing these risks.

The Treasury Strategy is reviewed by the Treasury and Finance Committee and approved by the Group Board each year in line with the business planning cycle to ensure any new or potential risks and opportunities are considered, mitigated and acted upon.

Our Treasury Strategy is built around six core principles which guide the process for achieving the optimal funding for the Group over the long term:

- **Align debt with the Group restructure:** make sure new funding is placed into the correct entity to better ring-fence the social housing assets and activities from commercial activities.
- **Counterparty Diversification:** move away from the reliance on long-term bank debt that is not currently available, to repositioning banking facilities for use in the short term. Continue to source funds as efficiently and cost effectively as possible from all readily available and suitable funding sources.
- **Limit refinancing risk:** ensure new funding does not give rise to significant refinancing risk in any year.
- **Achieve optimal pricing:** ensure new funding is achieved at the best value, noting there is often a trade-off between ‘price’ and desirable commercial terms, flexibilities and structures.
- **Pursue all facilities to be unsecured:** to achieve the most flexible funding for the Group, it is desired that we move towards a fully unsecured position over the longer term.
- **Pursue homogenised terms:** over the medium term, achieve suitable and homogenised terms with all lenders in respect of covenants.

The Treasury management policy, strategy and related procedures which the Treasury and Finance Committee reviews and the Group Board approves annually are designed to deliver and maintain an efficient capital structure while managing the Group’s treasury risks.

The Treasury and Finance Committee of the Group Board is responsible for the oversight of these risks; including those pertaining to interest rates, inflation and liquidity risk and implementation of the strategies and policies.

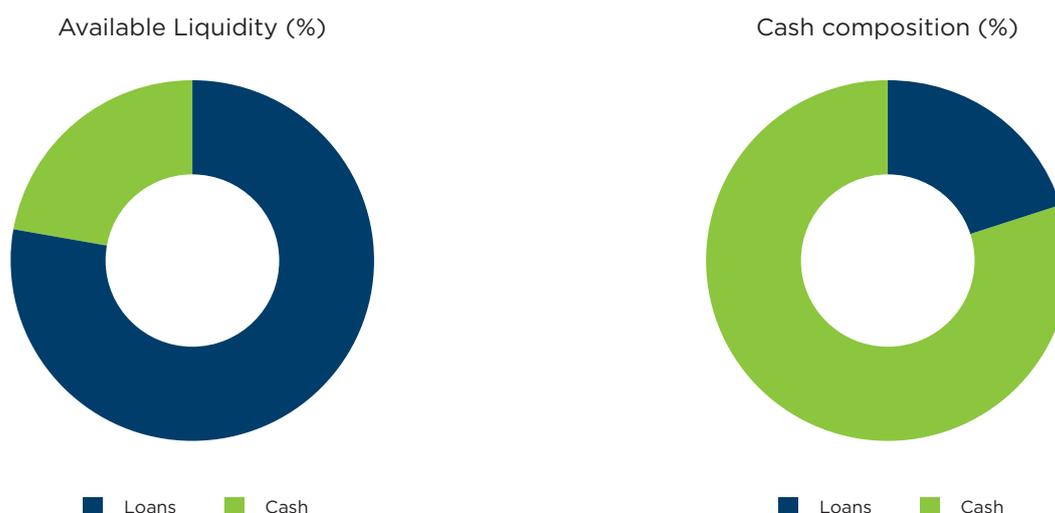
One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Liquid resources

Cash at financial year end was £55.6m (2018: £46.4m). Short-term investments, relating to cash held within bank deposits at financial year end, were £40.6m (2017: £26.4m).



We maintain a minimum of £30.0m of cash and £100.0m liquidity at all times in line with our treasury management policy.

Our liquidity position has been strengthened by additional revolving credit facilities put in place during the year of £195.0m.

As at 31st March 2019 we had a total of £245.3m (2018: £60m) worth of revolving credit facilities. Of this, 52% remained undrawn. Total available liquidity at year end stood at £239.9m as set out in the table below.

Available Liquidity by type (£'m)	
Cash at bank (including deposits)	55.6
Ringfenced cash on deposit	6.5
Undrawn facilities (RCFs)	127.8
Undrawn facilities (term loans)	50.0
Total liquidity	239.9

The value of cash excludes

Counterparty liquidity credit risk management

We actively monitor and manage our liquidity counterparty credit risk. As at 31 March 2019, all our deposits were rated A-1 or above, with over 85% of deposits available within one week and the remainder available within one month.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Debt management

All Group debt is managed centrally by the Treasury Team.

The Group funds itself through free cash flow from operations, committed revolving credit facilities, loans and other facilities from a range of banking and other funding counterparties and government grants.

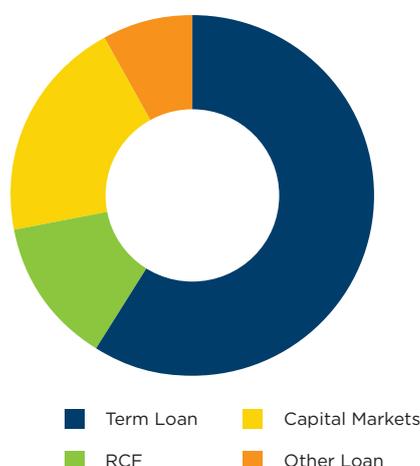
The majority of the Group's debt as at 31 March 2019: 98% (2018: 99%) is borrowed in OHGL and is secured on its housing properties, with the remainder of the debt being borrowed in subsidiaries of One Housing Group Limited.

Most of the Group's subsidiaries are development Special Purpose Vehicles ('SPVs') or joint ventures used to develop private sale or mixed tenure development schemes. We continue to fund these through scheme specific development finance, with equity input from OHGL. The Group managed to put in place £26.3m worth of funding for three such SPVs during the year. Funding in the subsidiary companies is secured on the assets of those entities - the land in the case of the development SPVs. This structure ring-fences the risk to the SPV. The profits of these SPVs are reinvested back into our social housing activities.

Historically, long-term bank loans have been the largest source of funding to the sector and we are no different in this respect with 73% (2018: 67%) of current drawn funding being from this source at financial year end. Over the next five years, the Group is looking to move away from a reliance on bank facilities for long-term funding with the aspiration that, for OHGL, we will look to the bank market to provide shorter term revolving credit facilities with the capital markets providing longer-term funding.

During the year, we put in place £30 million of unsecured funding via RCFs or Term Loans. While we have more debt compared to the previous year, we have moved circa 25% of our loan book to RCFs. As at 31 March 2019, 13% of drawn debt was RCFs.

Funding Composition by type (%)



Available revolving Credit facilities (%)



One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Debt management (cont.)

In line with the Treasury Strategy, OHGL has prepaid a facility after the end of the financial year to allow us to increase borrowing capacity.

We have also recently completed negotiations to renew and update another loan facility to increase the facility by £15m to £75m, extend the maturity to 2024 and move an additional £20m to an RCF.

We have also recently converted £50m of RCFs from secured to unsecured and, in addition, put in place £150m of unsecured term loans, taking our unsecured portion of lending from 3% to 14% of our debt portfolio, in line with our Treasury Strategic principles.

OHGL is also currently looking to secure a further £140m-£180m from the private placement market.

Citystyle Living Limited (CSL) is currently in negotiation with Warrington Borough Council to secure £85m from the council, further freeing up capacity at OHGL.

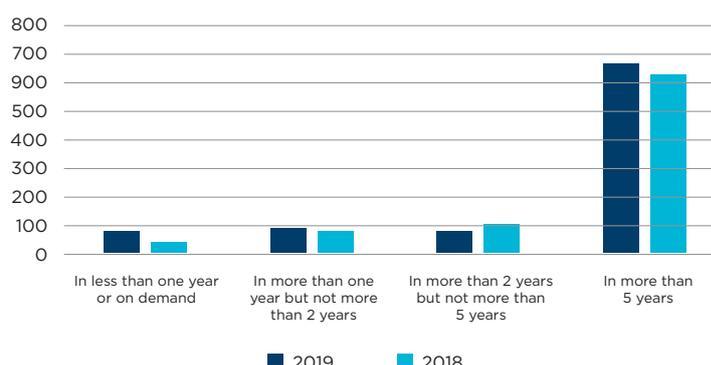
None of these above items are included in the notes to the accounts.

Borrowings are shown in note 28 in the financial statements.

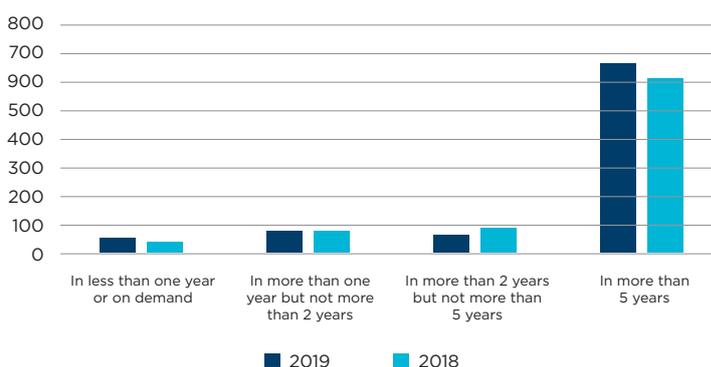
Debt repayment profile

The average life of our fixed debt as at financial year end was 16 years (2018: 13 years). We have actively managed short-term refinancing risk, which has been partially alleviated by the above funding exercises and the treasury strategy is to reduce this risk with further debt exercises in the 2019/20 financial year.

Group debt maturity



Association debt maturity



One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Complying with our covenants

We monitor all Group debt covenants regularly and complied with all covenants as at 31st March 2019.

In addition to the covenants contained within our loan agreements, the Group has a number of internal measures that it monitors and uses to manage the business. We also run regular scenario tests and stress tests of our financial position forecasts and liquidity, including multi-variate 'perfect storm' conditions to ensure that even in the most unlikely combinations of adverse markets conditions or shocks in our business, factoring in our development plans, is not put at risk and an adequate covenant headroom is maintained.

Liability management

As a result of the Group's strategy and active risk management activities, we target a high percentage of the Group's debt interest profile to be fixed to insulate us from sudden movements in interest rates. This is achieved using a mix of interest rate derivatives and fixed-rate debt to minimise exposure to fluctuating interest rates. Our average cost of drawn debt in the year 2019 was 3.89% (2018: 4.09%). As at 31 March 2019 95% (2018: 95%) of total debt outstanding was hedged either by fixed interest rates or index-linked loans or swaps.

Group	2019	2018	2017
Average cost of debt	3.89%	4.09%	4.11%
Fixed Ratio	95%	95%	62%

As at 31 March 2019, the Group had interest rate derivative contracts (interest rate swaps) of £339m (2018: £291m), with a risk-free mark-to-market valuation of £37m (2017: £44m). These contracts are subject to International Swap Dealer Association (ISDA) Agreements between One Housing Group Limited and the bank counterparties and require the posting of collateral for margin calls.

Group	2019	2018	2017
Swap notional outstanding	339.4	290.5	151.7
Fair value	(35.6)	(37.5)	(44.0)

The Group actively monitors its exposure to collateral calls on a weekly basis; this includes a range of stress tests.

As at 31 March 2019, the impact of a 1% parallel shift in both short and long-term interest rates would have increased the collateral calls by £15.2m (2018: £15m), which is covered by unsecured thresholds and existing property collateral allocated to this risk of £73.8m.

We closely monitor funding markets and assess our mix of fixed and variable rate facilities on a regular basis.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Security

The majority of our loans and derivative contracts are secured using property as collateral. During the year, we have arranged £30m of loans on an unsecured basis. As at financial year end, the Group had a total of £241.4m (2018: £252.4m) uncharged and £147.9m (2018: £348.5m) excess security charged on facilities, based on observed or average valuations; this provides the Group a total available security of £389.3m (2018: £600.9m).

Under the ISDA agreements, the Group is required to provide collateral to secure out of the money positions in excess of individual thresholds. The collateral position has increased by £11.3 million from 2018 to protect against the impact of new derivative trades and the continuing market volatility in interest rates.

The Board

The Board is collectively responsible for providing leadership for the Group and concentrates its efforts on strategy, performance, governance and internal control.

Board composition

A Board of ten non-executive members plus the Chief Executive Officer and the Chief Financial Officer currently govern the Group. Day-to-day management is delegated to the Executive Team. There have been a number of changes to the composition of the Board and details of those who served on the Board and Executive Team during the year are detailed on page 6.

Our Board members are recruited for their individual skills and experience and more information about each of our Board members' backgrounds can be found on our website.

Vijay Sodiwala and Carol Yarde both completed eight years' service in 2018. Given their individual expertise, the Board renewed their terms for a further year, taking them to the maximum nine years' service. A succession plan has been developed to replace Ms Yarde and the Board is reviewing whether or not to recruit to the other post.

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.

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 control and risk management.

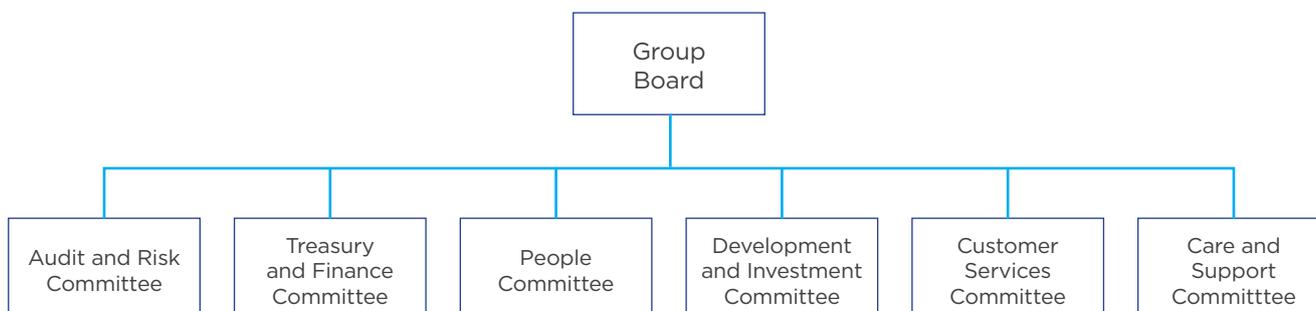
Specific key decisions and matters have been reserved for approval by the Board. These include decisions on the Group's strategy, the annual budget, the approval of the Group's risk appetite and governance issues.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

During the year the Group revised its committee structure and concluded that the optimal committee structure for oversight of the Group's activities was the following:



The major committees supporting the Board in its activities are:

Audit & Risk Committee - supports 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; internal and external audit, including annual accounts; fraud, whistleblowing, probity; and health and safety.

Treasury & Finance Committee - oversees delivery of the Group's Treasury Strategy, compliance with the Treasury Management Policy and other key financial matters. The Committee has delegated authority in relation to treasury and finance activities. Subsidiary companies of OHGL have delegated responsibility for treasury management to OHGL which in turn has delegated these matters to this Committee.

People Committee - supports Group Board in ensuring that workforce policies and practices are consistent with the values of the Group. The Committee is also responsible for leading the process on appointments, ensuring plans are in place for orderly succession to both the board and executive positions and to oversee the development of a diverse pipeline for succession.

Development and Investment Committee - assists Group Board in approving certain development activities and in monitoring the performance of the Group's development and sales programme. Subsidiary companies of OHGL have delegated responsibility for development and investment activity to OHGL (in so far as this aligns with their Articles of Association) which in turn has delegated these matters to this Committee.

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

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

All committees report to the Board meeting held immediately after each committee meeting. Committee membership is drawn from non-executive Board members, members of the Executive Team and, for the Customer Services Committee, Area Panel Chairs. All committees are chaired by a non-executive Board member.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Meetings and attendance

The Board holds meetings at regular intervals, at which standing items such as the Group's performance against the Corporate Plan, financial performance, risk, governance and other strategic matters are reviewed and discussed. There is a comprehensive Board pack and agenda which is circulated beforehand so that Board members have the opportunity to consider the issues to be discussed. Detailed minutes and any actions arising out of the discussions are documented.

Attendance of Board members at Board and committee meetings held during the year ended 31 March 2019 is shown below:

	Board	Audit & Risk Committee	Group Appointments and Remuneration	People Committee	Development & Investment Committee	Treasury & Finance Committee	Care and Support Committee	Customer Services Committee	Group Audit & Control Committee	Governance and Compliance
Carol Yarde	5/5		1/1	2/2				1/1		2/2
Caroline Corby	5/5	3/3				4/4			1/1	2/2
Julie Price	4/5		2/2	2/2						
Kevin Brush	4/5				5/5			1/1	1/1	
Nigel Fee	1/1		1/1		2/2				1/1	
Rommel Pereira	2/3	3/3				4/4				
Sandra Skeet	3/3				2/2			1/1		
Steve Douglas	5/5		2/2	2/2						
Stewart Davenport	4/5				5/5					
Vijay Sodiwala	4/5						1/2			
Wendy Wallace	3/3	2/3					2/2			

Non-Board (Independent) Committee Members

Yvonne Arrowsmith							2/2			
Lee Gibson		3/3				4/4				
Alison Rose-Quirie							2/2			

Chairs of our resident panels are also non-voting members of our Customer Services Committee. Between meetings, the Board has an approved process to decide urgent matters by Written Resolution.

Conflicts of interest

Under the NHF's Code of Conduct which the Board has adopted, Board members have a duty to avoid situations that may give rise to a conflict of interests. 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.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Board effectiveness review

The Board undertakes a formal evaluation of its effectiveness. Each committee does likewise and the Chair reviews individual Board member performance with members. The Board will have a detailed discussion about the outcome of the 2019 effectiveness reviews at its July 2019 away day. An externally-facilitated review will take place in 2020.

Diversity and gender pay gap

One Housing is committed to our recently-adopted new corporate values, which underpin all aspects of our activities, including services to our customers and engaging and developing, a very important one of which is 'We value diversity'. In 2018-19, we have progressed our commitment to promoting diversity in a variety of ways. This has included signing up to the Leadership 2025 commitments so we report diversity statistics regularly to our People Committee and Executive Team, we have set aspirational targets monitored by our Board, we have adopted the Rooney Rule for ethnicity and gender for all senior management recruitment, we are using innovative ways to develop diversity in our leadership pipeline and our Executive and Board are leading by example.

Over the last year, we have been encouraging internal diversity networks, the most active being the WISH (Women in Social Housing) group, which enables female staff from across the organisation to share experiences and support to develop their careers within the sector. Some individuals from this group are now being mentored by more senior staff to build their confidence and skills to maximise their career potential. We also hosted a meeting of the national WISH Network in December 2018, where senior women in the sector explained how they achieved their career success as role models for others. We have initiated a Women in Leadership programme through One Academy which is targeted at both internal and external participants, with a plan to extend this to a wider Diversity in Leadership programme in 2019/20.

One Housing committed to the Leadership 2025 sector diversity initiative in 2017 and since then there has been a significant improvement in the levels of representation on both our Board and Executive Team of women and people from BAME backgrounds, so it reflects more closely the make-up of our workforce and the communities we serve.

Over 130 managers, including all our Directors, attended unconscious bias training during autumn 2018 to equip them with the understanding to overcome bias and to nurture diverse talent in all aspects of building and developing their staff teams. Internally, our Equality, Diversity and Inclusion Steering Group, One for All, leads on diversity initiatives across One Housing and maintains our connections with wider networks, such as the Housing Diversity Network which enables us to share best practice with other social housing organisations. This year, we were delighted to be nominated across five categories in the 24Housing Diversity Awards, including the Best New-Build Accessible Scheme and the Young Person's Award.

One Housing Group Limited

Strategic report

for the year ended 31 March 2019

Diversity and gender pay gap (cont.)

In line with all other organisations that employ more than 250 staff, we published our gender pay gap in April 2019 for the second time. This showed that our mean gender pay gap had increased by 4.2% to 23.04%. The main reason for this increase is the significant expansion of our care schemes over the last year, as these roles traditionally attract many more women than men. At present over 85% of our frontline care workers are female, so the very high proportion of female staff in these lowest 25% paying jobs is a major factor in creating our pay gap. Our pay rates for these roles are typical of those paid nationally and we are confident that we are paying equal pay rates to both men and women in these roles. Other major care providers have reported a rising mean gender pay gap of between 25-35%, so our figure looks reasonable by comparison. We are working to increase the pay of care staff and we now pay the voluntary London Living Wage in three out of six London boroughs in which we operate and hope to offer this in other boroughs in the future. It is worth noting that our Gender Pay analysis showed that of the highest paid 25% of employees, just over half of these are women and of the highest paid 50% of employees, a far more significant number are women, which indicates that One Housing is promoting equality for women across our higher paid jobs.

In recruiting new Executive Directors and Board Members, we strive to ensure that all sections of the community are reached and that we find the highest calibre of candidates. As a consequence of our recruitment policies, we are proud that our Board is gender equal, with half of its members from BAME backgrounds reflecting the diversity of the communities we serve. We have also improved the diversity of our seven-member Executive Team over the last 12 months, from 14% female and 14 % BAME members to 43% female and 28% BAME.

Subsidiary company governance

The Group has a number of subsidiary companies established for specific purposes. Each subsidiary company has its own Board of Directors who meet quarterly. The Development and Investment Committee receives regular reports on the business of the Group's subsidiaries and the Board also receives updates.

Approval

This Strategic report was approved by order of the Board



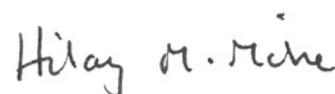
Steve Douglas

Chair



Caroline Corby

Board member



Hilary Milne

Secretary

Date: 12 July 2019

One Housing Group Limited

Independent auditor's report to the members

of One Housing Group Limited for the year ended 31 March 2019

Opinion

- We have audited the financial statements of One Housing Group Limited (“the Association”) and its subsidiaries (“the Group”) for the year ended 31 March 2019 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in equity, the consolidated statement of cash flows 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2019 and of the Group's and 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 Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015/2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

- We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

One Housing Group Limited

Independent auditor's report to the members

of One Housing Group Limited for the year ended 31 March 2019

Conclusions relating to going concern (cont.)

The board are responsible for the other information. 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. In connection with our audit of the financial statements, our responsibility is to read the other information including the Report of the Board and the Strategic Report 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.

One Housing Group Limited

Independent auditor's report to the members

of One Housing Group Limited for the year ended 31 March 2019

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 of management 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 parent Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the parent 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 Group and 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 Group or the Association or to cease operations, or have no realistic alternative but to do so.

One Housing Group Limited

Independent auditor's report to the members

of One Housing Group Limited for the year ended 31 March 2019

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.

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

Use of our report

This report is made solely to the 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.



BDO LLP
Statutory Auditor
Gatwick

Date: 12 July 2019

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

One Housing Group Limited

Consolidated and Association statement of comprehensive income for the year ended 31 March 2019

Year ended 31 March:	Notes	Group		Association	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Turnover	4, 5	213,254	215,894	195,835	190,911
Cost of sales	4, 5	(58,747)	(46,144)	(27,274)	(22,772)
Operating costs	4, 5	(123,697)	(117,018)	(125,968)	(115,225)
Surplus on disposal of fixed assets	11	15,371	13,809	13,584	13,643
Operating surplus	7	46,181	66,541	56,177	66,557
Share of surplus in joint ventures	19	4,338	5,512	-	-
Other interest receivable and similar income	12	428	262	534	1,236
Interest and financing costs	13	(31,682)	(25,683)	(31,865)	(25,637)
Movement in fair value of financial instruments	29	888	7,655	888	7,655
Movement in fair value of investment properties	17	(73)	(2,200)	(1,410)	414
Movement in fair value of listed investment	20	-	(5)	-	(5)
Surplus before taxation		20,080	52,082	24,324	50,220
Taxation on surplus	14	98	439	50	40
Surplus for the financial year		20,178	52,521	24,374	50,260
Actuarial gain on defined benefit pension schemes	31	(9,268)	218	(9,268)	218
Total comprehensive income for year		10,910	52,739	15,106	50,478
Total comprehensive income attributable to:					
Owners of the parent		10,920	52,741	15,106	50,478
Non-controlling interests		(10)	(2)	-	-
		10,910	52,739	15,106	50,478

All activities relate to continuing operations.
The notes on pages 45 to 92 form part of these financial statements.

One Housing Group Limited

Consolidated and Association statement of financial position for the year ended 31 March 2019

Year ended 31 March:	Notes	Group		Association	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Tangible fixed assets					
Tangible fixed assets - housing properties	15	1,642,915	1,609,031	1,658,567	1,625,484
Tangible fixed assets - other	16	28,366	18,636	27,697	17,885
Investment properties	17	240,154	231,788	161,213	158,739
Investments - subsidiaries	18	-	-	191,265	216,000
Investments - joint ventures	19	40,239	31,628	-	-
Investments - listed investments	20	25	109	24	109
		1,951,699	1,891,192	2,038,766	2,018,217
Current assets					
Properties for sale	21	183,955	208,033	68,095	71,751
Debtors	22	31,484	23,902	52,518	61,818
Cash and cash equivalents		62,148	46,375	54,967	34,420
		277,587	278,310	175,580	167,989
Creditors: amounts falling due within one year	23	(143,855)	(113,905)	(163,373)	(176,452)
Net current assets		133,732	164,405	12,207	(8,463)
Total assets less current liabilities		2,085,431	2,055,597	2,050,973	2,009,754
Creditors: amounts falling due after more than one year	24	(1,649,502)	(1,646,562)	(1,622,462)	(1,612,042)
Provision for liabilities	30	(8,192)	(7,612)	(388)	(100)
Pension liability	31	(15,583)	(178)	(15,583)	(178)
Net assets		412,154	401,245	412,540	397,434
Capital and reserves					
Called up share capital	33	-	-	-	-
Income and expenditure reserve		410,179	399,250	412,535	397,420
Restricted reserves		1,938	1,948	5	14
Equity attributable to owners of the parent		412,117	401,198	412,540	397,434
Non-controlling interests		37	47	-	-
Total equity		412,154	401,245	412,540	397,434

The notes on pages 45 to 92 form part of these financial statements.

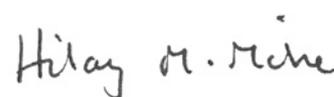
These financial statements were approved and authorised for issue by the Board on 12 July 2019 and signed on its behalf by:



Chair
Steve Douglas



Board member
Caroline Corby



Secretary
Hilary Milne

One Housing Group Limited

Consolidated and Association statement of changes in reserves for the year ended 31 March 2019

Group	Income and expenditure reserve	Restricted reserve	Total
Year ended 31 March 2019	£'000	£'000	£'000
Balance at 1 April 2018	399,250	1,948	401,198
Surplus for the year	20,177	-	20,177
Other comprehensive income: Actuarial gains on pensions	(9,268)	-	(9,268)
Non - controlling interest	10		(10)
Reserves transfers: Restricted reserve to income and expenditure reserve	10	(10)	-
Balance at 31 March 2019	410,179	1,938	412,117

Group	Income and expenditure reserve	Restricted reserve	Total
Year ended 31 March 2018	£'000	£'000	£'000
Balance at 1 April 2017	346,509	1,948	348,457
Surplus for the year	52,521	-	52,521
Other comprehensive income: Actuarial gains on pensions	218	-	218
Reserves transfers: Restricted reserve to income and expenditure reserve	2		2
Balance at 31 March 2018	399,250	1,948	401,198

One Housing Group Limited

Consolidated and Association statement of changes in reserves for the year ended 31 March 2019

Association	Income and expenditure reserve	Restricted reserve	Total
Year ended 31 March 2019	£'000	£'000	£'000
Balance at 1 April 2018	397,420	14	397,434
Surplus for the year	24,374	-	24,374
Other comprehensive income:			
Actuarial gains on pensions	(9,268)	-	(9,268)
Net impact of the initial recognition of multi-employer defined benefit scheme			
Reserves transfers:			
Restricted reserve to income and expenditure reserve	9	(9)	-
Balance at 31 March 2019	412,535	5	412,540

Association	Income and expenditure reserve	Restricted reserve	Total
Year ended 31 March 2018	£'000	£'000	£'000
Balance at 1 April 2017	346,942	14	346,956
Surplus for the year	50,260	-	50,260
Other comprehensive income:			
Actuarial gains on pensions	218	-	218
Reserves transfers:			
Restricted reserve to income and expenditure reserve			
Balance at 31 March 2018	397,420	14	397,434

One Housing Group Limited

Consolidated statement of cash flows

for the year ended 31 March 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
Surplus for the financial year	10,910	52,739
Adjustments for:		
Depreciation of fixed assets - housing properties	15,855	14,751
Depreciation of fixed assets - other	1,508	1,473
Amortised grant	(4,452)	(2,436)
Share of (surplus) / deficit in joint ventures	(4,338)	(5,512)
Net fair value losses recognised in profit or loss	(815)	(5,450)
Interest payable and finance costs	31,682	25,683
Interest received	(428)	(262)
Taxation expense	(98)	439
Add back cost of fixed assets - housing properties	14,773	14,630
Movement in trade and other debtors	(7,582)	(5,820)
Movement in stocks	26,225	(554)
Movement in trade and other creditors	30,551	(4,669)
Movement in provisions	580	(882)
Movement in pension liability	8,283	(1,173)
Cash from operations	122,654	82,957
Taxation paid	(308)	(763)
Net cash generated from operating activities	122,346	82,194
Cash flows from investing activities		
Purchase of fixed assets - housing properties	(61,736)	(82,842)
Purchases of fixed assets - other	(11,237)	(7,944)
Purchases of investment properties	(8,439)	(1,789)
Investment in joint ventures	(7,150)	(11,690)
Distribution of joint venture profits	2,876	4,651
Receipt of grant	(5,128)	(3,762)
Repayment of grant	(26,439)	(4,101)
Interest received	778	386
Purchase of other investments	(24)	-
Sale of other investments	109	-
Net cash used in investing activities	(116,390)	(107,091)
Cash flows from financing activities		
Interest paid	(36,948)	(31,195)
New loans - bank	92,875	58,202
Repayment of loans - bank	(46,122)	(54,813)
Non-controlling interest share capital paid	-	49
Net cash used in financing activities	9,805	(27,757)
Net (decrease) / increase in cash and cash equivalents	15,761	(52,654)
Cash and cash equivalents at beginning of year	46,295	98,949
Cash and cash equivalents at end of year	62,056	46,295

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

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.

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 2014, and 'Accounting by registered social housing providers' 2014, the Accounting Direction for Private Registered Providers of Social Housing 2015.

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 Group's accounting policies.

In the preparation of these financial statements, the requirements set out in: "Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland: Multi-employer defined benefit plans" have been adopted early. This has resulted in changes to the accounting policy for the SHPS multi-employer scheme from the start of the reporting period. This means that accounting for SHPS has not been consistently applied as compared to reporting in prior years. Further information on the impact of early adopting these requirements is set out in note 31

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

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent company would be identical
- No cash flow statement has been presented for the parent company
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated accounts incorporate the financial statements of the Group, its subsidiaries, and joint ventures. The results of subsidiaries are included in the consolidated statement of comprehensive income from the date of incorporation or acquisition. Subsidiaries acquired during the year are consolidated using the acquisition method. Intra-group balances, transactions, income and expenses are eliminated on consolidation.

Investments in joint ventures and associates are accounted for using the equity method per Financial Reporting Standard 9 'Associates and Joint Ventures'. The consolidated statement of comprehensive income includes the Group's share of the undertakings surpluses less deficits while the Group's share of gross assets and liabilities is shown in the consolidated balance sheet.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Business combinations and goodwill

The consolidated financial statements present the results of One Housing Group Limited and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Business combinations

Joint ventures:

An entity is treated as a joint venture where the Group is party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

Income

Income is measured at the fair value of the consideration received or receivable. The Group 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 formally let.

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.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Service charges

The Group adopts the fixed and variable method for calculating and charging service charges to its tenants and leaseholders respectively. 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.

Supported housing schemes

The Group 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 Group 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 Group 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.

Current and deferred 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 on the basis of 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.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred Income Tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Value Added Tax

The Group 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 suffered by the Group 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 the Group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

The Group participates in two LPFA funded schemes. 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. However, as One Housing Group Limited is not itself a party to the scheme and none of its own employees are members of that scheme, no proportion of the scheme is recognised in its individual company financial statements.

The difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group'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 Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

The group participates in the multi-employer defined benefit Social Housing Pension Scheme (SHPS). For financial years ending on or after 31 March 2019, the way in which the defined benefit pension obligation in SHPS is stated in the financial statements has changed. Previously there has been insufficient information available to account for these obligations on a defined benefit basis (i.e. stating assets and obligations). As a result, and as required by FRS 102, the obligation has been accounted for by stating the present value of agreed future deficit repayment contributions. For financial years ending on or after 31 March 2019 sufficient information is available to account for the obligations on a defined benefit basis. The information provided during the year gives the liability at 31 March 2018 however, as this information only became available in the current year and after the financial statements for the prior year had been authorised for issue, the change in accounting has been recorded on the first day of the current year, with no restatement of comparatives, in accordance with the requirements set out in: "Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland: Multi-employer defined benefit plans. Whilst comparative figures have not been restated the information provided about the liability at 1 April 2018 has been included in the pension note as it provides useful information to a reader of the accounts. The true comparative information is represented by the SHPS deficit reduction creditor as set out in the comparatives to the creditors' notes

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

The liability recognised for the present value of the deficit agreement (£7,160k) has been derecognised and the net pension deficit at 31 March 2018 (£12,105k) has been recognised through other comprehensive income in the year.

Under defined benefit accounting the Scheme 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.

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.

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.

When housing properties are developed for sale to another social landlord, the cost is dealt with in current assets under housing properties and stock for sale.

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

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Deemed cost on transition to FRS 102

On transition to FRS 102 the Group took the option of carrying out a one-off valuation exercise of selected items of housing properties and using that amount as deemed cost. To determine the deemed cost at 1 April 2014, the Group engaged an independent valuation specialist valuer to value housing properties on an EUV-SH basis. Housing properties have been subsequently measured at cost less depreciation.

Any difference between historic cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and statement of comprehensive income reserve.

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.

Land is not depreciated on account of its indefinite useful economic life.

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate.

Assets in the course of construction are not depreciated until 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.

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

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Depreciation of housing property (cont.)

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.

Stock swaps

Housing properties acquired from other social landlords in exchange for non-monetary assets, or a combination of monetary and non-monetary assets, are measured at fair value. Where there is government grant associated with housing properties acquired as part of the stock swap, the obligation to repay or recycle the grant transfers to the Group. The fair values of the properties are included within property, plant and equipment and accordingly no grant is disclosed within creditors. In the event of the housing properties being disposed, the Group is responsible for the recycling of the grant. Where there is government grant associated with housing properties disposed of as part of the stock swap, the obligation to repay or recycle transfers to the social landlord to whom they were transferred.

Shared ownership properties and staircasing

Under low cost home ownership arrangements, the Group 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 a 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 grant 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 net realisable value at the time of disposal will be more than the historical cost.

For shared ownership accommodation that the Group 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.

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 or unit basis depending on the appropriateness for each scheme.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

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 Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. 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 so as 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 2014. 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 2014. 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 2014 the useful economic life of the housing property structure has been selected (see table of useful economic lives above).

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Government grants (cont.)

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.

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 Group 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, which it is anticipated 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

We are required to retain receipts from Right to Acquire (RTA) sales in a ring-fenced fund that can only be used for providing replacement housing. The sales receipts less eligible expenses are credited to the Disposal Proceeds Fund. Any sales receipts less eligible expenses held within disposal proceeds fund, which it is anticipated 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'.

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.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Impairment of fixed assets and goodwill

The housing property portfolio for the Group 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 Group 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. No properties have been valued at VIU-SH.

The Group 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.

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 Group 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 Group 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.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Loans, Investments and short-term deposits

All loans, investments and short-term deposits held by the Group 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 Group'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 Group holds floating rate loans which expose the Group 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.

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 profit or loss 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 profit or loss on a straight-line basis over the term of the lease.

The Group 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.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

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 Group has recognised provisions for liabilities of uncertain timing or amounts including those for major repairs on stock transfers and leaseholders, overage for gap funding and restructuring.

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.

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, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units;

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

- The anticipated costs to complete on a development scheme 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, they then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the member's best estimate of sales value based on economic conditions within the area of development;
- 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. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense;
- Whether leases entered into by the Group either as a lessor or a lessee are operating leases or finance leases. These decisions depend 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. OHGL leases several care homes and considers landlord's covenants, break clauses, length of lease and repair and replacement responsibilities in its assessment.
- The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership between current and fixed assets.
- The exemptions to be taken on transition to FRS102;
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset. An assessment is made over whether the property is used for a residential basis or not and whether the asset is to be used in furtherance of OHGL's social purpose.

Other key sources of estimation uncertainty:

Apportionment of costs on a property basis for disposal of properties (see note 11)

When properties have been constructed, scheme costs are apportioned to individual properties based on square footage. The cost remains with the property throughout its life, and is used in estimating surplus on disposal.

Tangible fixed assets (see note 15)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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.

Basis of capitalisation (see note 15)

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.

Investment properties (see note 17)

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

Investments (see notes 18, 19 and 20)

The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through profit and loss. In determining this amount, the Group follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Rental and other trade receivables (debtors) (see note 22)

The estimate for receivables relates to the recoverability of the balances outstanding at year-end. We review on an individual debtor basis to consider whether each debt is recoverable.

One Housing Group Limited
Notes forming part of the financial statements
for the year ended 31 March 2019

4. Turnover, cost of sales, operating costs and operating surplus

Group - particulars of turnover, cost of sales, operating costs and operating surplus

	2019				
	Turnover	Cost of sales	Operating costs	Surplus on disposal of fixed assets	Operating surplus / (deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings	103,371	-	(71,735)	-	31,636
Other social housing activities					
Supporting people contract income	31,092	-	-	-	2,839
Development income and costs not capitalised	33	-	(28,253)		(1,171)
Shared ownership first tranche sales	24,787	(17,209)	(1,204)		7,578
Leaseholders	5,523	-	-		(3,553)
Staircasing activity on low cost home ownership	-	-	(9,076)	11,447	11,447
Sales of properties to other registered providers	-	-	-	368	368
Right to Buy sales	-	-	-	3,556	3,556
Community regeneration	-	-	(1,495)	-	-
	61,435	(17,209)	(40,028)	15,371	19,569
Non-social housing activities					
Sales of properties developed for outright sale	31,956	(41,538)	(20)	-	(9,602)
Market rented lettings	6,112	-	(1,268)	-	4,844
Commercial properties	9,571	-	(10,778)	-	(1,207)
Other	809	-	132	-	941
	48,448	(41,538)	(11,934)	-	(5,024)
Total	213,254	(58,747)	(123,697)	15,371	46,181

The cost of sales of properties developed for outright sale includes £11.5m of impairment in the current year.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Group - particulars of turnover, cost of sales, operating costs and operating surplus

	2018				
	Turnover	Cost of sales	Operating costs	Surplus on disposal of fixed assets	Operating surplus / (deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings	111,528	-	(80,156)	-	31,372
Other social housing activities					
Supporting people contract income	25,545	-	(24,854)	-	691
Development income and costs not capitalised	122	-	(1,307)	-	(1,185)
Shared ownership first tranche sales	35,776	(22,736)	-	-	13,040
Staircasing activity on low cost home ownership				13,596	13,596
Right to Buy sales				213	213
Community regeneration	-	-	(1,145)	-	(1,145)
	61,443	(22,736)	(27,306)	13,809	25,210
Non-social housing activities					
Sales of properties developed for outright sale	30,035	(23,405)	(2)	-	6,628
Market rented lettings	5,942	-	(1,655)	-	4,287
Commercial properties	5,764	(3)	(6,251)	-	(490)
Other	1,182	-	(1,648)	-	(466)
	42,923	(23,408)	(9,556)	-	9,959
Total	215,894	(46,144)	(117,018)	13,809	66,541

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Association - particulars of turnover, cost of sales, operating costs and operating surplus

	2019				
	Turnover	Cost of sales	Operating costs	Surplus on disposal of fixed assets	Operating surplus / (deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings	101,912	-	(73,116)	-	28,796
Other social housing activities					
Supporting people contract income	31,092	-	(28,253)	-	2,839
Development income and costs not capitalised	34	-	(1,204)	-	(1,170)
Shared ownership first tranche sales	24,681	(17,294)	-	-	7,387
Leaseholder	4,473	-	(7,492)	-	(3,019)
Staircasing activity on low cost home ownership	-	-	-	9,658	9,658
Sales of properties to other registered providers	-	-	-	368	368
Right to Buy sales	-	-	-	3,558	3,558
Community regeneration	-	-	(97)	-	(97)
	60,280	(17,294)	(37,046)	13,584	19,524
Non-social housing activities					
Sales of properties developed for outright sale	160	(9,980)	(2,475)	-	(12,295)
Lettings	3,399	-	(1,039)	-	2,360
Commercial properties	9,571	-	(10,779)	-	(1,208)
Gift Aid receipts	17,569	-	-	-	17,569
Management services for group undertakings	2,034	-	(1,513)	-	521
Other	910	-	-	-	910
	33,643	(9,980)	(15,806)	-	7,857
Total	195,835	(27,274)	(125,968)	13,584	56,177

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Association - particulars of turnover, cost of sales, operating costs and operating surplus

	2018				
	Turnover	Cost of sales	Operating costs	Surplus on disposal of fixed assets	Operating surplus / (deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings	109,210	-	(80,445)	-	28,765
Other social housing activities					
Supporting people contract income	25,545	-	(24,925)	-	620
Development income and costs not capitalised	122	-	(1,351)	-	(1,229)
Shared ownership first tranche sales	35,376	(22,426)	-	-	12,950
Staircasing activity on low cost home ownership	-	-	-	12,008	12,008
Right to Buy sales	-	-	-	1,625	1,635
Community regeneration	-	-	(63)	-	(63)
	-	-	-	-	-
	61,043	(22,426)	(26,339)	13,643	25,921
Non-social housing activities					
Sales of properties developed for outright sale	1,235	(346)	-	-	889
Sales of properties to other registered providers	-	-	-	-	-
Lettings	3,096	-	(1,048)	-	2,048
Commercial properties	5,764	-	(6,362)	-	(598)
Gift Aid receipts	6,137	-	-	-	6,137
Management services for group undertakings	3,161	-	(1,031)	-	2,130
Other	1,265	-	-	-	1,265
	20,658	(346)	(8,441)	-	11,871
Total	190,911	(22,772)	(115,225)	13,643	66,557

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

5. Statement of comprehensive income from social housing lettings

Following legal advice on the classification of our supported housing units in the context of compliance with the Welfare Reform & Work Act 2016 (WRWA), we have reclassified most of the units previously reported as supported housing to mainly general housing, as they did not meet the new narrower definition of supported housing. The WRWA and the regulations that were issued alongside it, changed some of the definitions of what should be considered social housing for the purposes of the 1% rent cuts, and this is the definition we have adopted for our social housing stock units in the financial statements. The prior year supported housing units have been restated to align with the current year's classification of units.

Group - particulars of income and expenditure from social housing lettings

	General housing £'000	Shared ownership £'000	2019 £'000	2018 £'000
Income				
Rents receivable net of identifiable service charges	72,896	11,052	83,948	86,022
Service charge income	11,576	3,367	14,943	20,822
Government grants	4,208	183	4,391	4,584
Net rental Income	88,680	14,602	103,282	111,428
Other income	85	3	88	100
Turnover from social housing lettings	88,765	14,605	103,370	111,528
Expenditure				
Management	(14,461)	(895)	(15,356)	(19,170)
Service charge costs	(13,898)	(2,890)	(16,788)	(20,177)
Routine maintenance	(11,088)	(1,497)	(12,585)	(11,210)
Planned maintenance	(3,269)	(292)	(3,561)	(5,256)
Major repairs expenditure	(3,853)	(412)	(4,265)	(5,880)
Bad debts	(564)	(7)	(571)	(547)
Depreciation of housing properties	(15,810)	163	(15,647)	(13,642)
Accelerated depreciation on component write-offs	(487)	-	(487)	(881)
Depreciation of other fixed assets	(142)	-	(142)	(433)
Property lease charge	(2,325)	(7)	(2,332)	(2,960)
Operating costs on social housing lettings	(65,897)	(5,837)	(71,734)	(80,156)
Operating surplus / (deficit) on social housing lettings	22,868	8,768	31,636	31,372
Void losses	(2,739)	(17)	(2,756)	(2,478)

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Association - particulars of income and expenditure from social housing lettings

	General housing £'000	Shared ownership £'000	2019 £'000	2018 £'000
Income				
Rents receivable net of identifiable service charges	72,891	9,563	82,454	84,550
Service charge income	11,571	3,427	14,998	20,011
Amortised government grants	4,208	164	4,372	4,540
Net rental Income	88,670	13,154	101,824	109,101
Other income	84	4	88	109
Turnover from social housing lettings	88,754	13,158	101,912	109,210
Expenditure				
Management	(14,874)	(974)	(15,848)	(19,596)
Service charge costs	(13,872)	(2,954)	(16,826)	(19,767)
Routine maintenance	(11,903)	(1,529)	(13,432)	(11,332)
Planned maintenance	(3,267)	(271)	(3,538)	(5,364)
Major repairs expenditure	(3,847)	(444)	(4,291)	(5,860)
Bad debts	(569)	(16)	(585)	(541)
Depreciation of housing properties	(15,810)	176	(15,634)	(13,711)
Accelerated depreciation on component write-offs	(487)	-	(487)	(881)
Depreciation of other fixed assets	(142)	-	(142)	(433)
Property lease charge	(2,324)	(9)	(2,333)	(2,960)
Operating costs on social housing lettings	(67,095)	(6,021)	(73,116)	(80,445)
Operating surplus / (deficit) on social housing lettings	21,659	7,137	28,796	28,765
Void losses	(2,723)	(16)	(2,739)	(2,481)

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

6. Housing stock

Homes managed:

	Group		Association	
	2019 No.	2018 No.	2019 No.	2018 No.
Social housing - General needs housing				
Social	9,448	7,800	9,425	7,799
Affordable	975	770	975	770
Leaseholder	3,242	3,062	2,198	2,341
Shared ownership	2,086	1,986	1,766	1,660
Supported housing	2	1,967	2	1,967
Rent to HomeBuy	7	9	7	8
Care homes	36	-	36	-
Total social housing	15,796	15,594	14,409	14,545
Non-social housing				
Market rent	373	351	183	178
Care homes	139	139	139	139
Total non-social housing	512	490	322	317
Total	16,308	16,084	14,731	14,862
Housing under development	596	1,294	400	1,294
Homes owned but not managed	526	531	526	531

7. Operating surplus / (deficit)

The surplus for the year is stated after charging:

	Group		Association	
	2019 No.	2018 No.	2019 No.	2018 No.
Depreciation on housing properties				
annual charge	15,857	15,045	15,857	15,043
accelerated depreciation on component replacements	-	(294)	-	(294)
Depreciation on other tangible fixed assets	1,508	1,473	1,137	1,102
Operating lease charges	2,056	1,387	1,270	872
Auditors' remuneration (excluding VAT) :				
fees payable to the groups auditor for the audit of the group's annual accounts	115	119	58	63
Defined contribution pension costs	2,051	646	1,591	499

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for the year ended 31 March 2019

8. Employee information

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

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Wages and salaries	46,919	40,049	36,840	32,327
Social security costs	5,090	3,910	3,626	3,098
Cost of defined benefit schemes	104	414	104	414
Cost of defined contribution schemes	2,051	646	1,591	499
	54,164	45,019	42,161	36,338

Pension costs recognised in other comprehensive income

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Derecognition of SHPS pension deficit funding liability	(7,160)		(7,160)	
Initial recognition of SHPS pension liability	12,105		12,105	
Initial recognition of LGPS Lewisham pension liability	173		173	
Actuarial loss on SHPS pension	3,796		3,796	
Actuarial loss/(gain) on LGPS pension	354	(218)	354	(218)
	9,268	(218)	9,268	(218)

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:

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Administration	140	118	140	118
Health, care and support (HCS)	785	706	785	706
Developing or selling housing stock	40	41	40	41
Managing or maintaining housing stock	455	420	188	158
Social mobility	28	24	-	24
	1,448	1,309	1,153	1,047

The increase in the number of employees working in HCS is largely due to two new private care homes which opened at the end of the prior year.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

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 are disclosed on page 4.

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

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Executive directors emoluments	1,373	1,215	1,373	1,119
Compensation for loss of office	70	89	70	89
Contributions to defined benefit pension schemes	10	9	10	48
Contributions to money purchase schemes	92	48	92	9
	1,545	1,361	1,545	1,265

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

	Group		Association	
	2019 No.	2018 No.	2019 No.	2018 No.
£60,000 - £70,000	45	28	34	20
£70,001 - £80,000	16	3	14	2
£80,001 - £90,000	-	6	-	6
£90,001 - £100,000	9	8	9	6
£100,001 - £110,000	1	3	1	3
£110,001 - £120,000	4	3	4	3
£120,001 - £130,000	-	3	-	2
£130,001 - £140,000	1	-	1	-
£140,001 - £150,000	2	1	2	1
£150,001 - £160,000	4	-	4	-
£160,001 - £170,000	4	-	4	-
£170,001 - £180,000	-	2	-	2
£180,001 - £190,000	-	1	-	1
£220,001 - £230,000	1	1	1	1
£230,001 - £240,000	1	-	1	-
£250,001 - £260,000	-	1	-	1
	88	60	75	48

One Housing Group Limited

Notes forming part of the financial statements

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10. Non-executive Board members

Board member	Remuneration	Expenses
Carol Yarde	12,000	-
Vijay Sodiwala	15,000	355
Anthony Mayer	931	*5,400
Nigel Fee	4,161	258
Kevin Brush	15,000	-
Roger Davis	2,500	-
Caroline Corby	15,000	-
Stewart Davenport	15,000	2,339
Julie Price	14,500	130
Steve Douglas	18,600	-
Rommel Pereira	7,579	30
Wendy Wallace	7,911	133
Sandra Skeete	6,329	-

Independent Committee member	Remuneration	Expenses
Yvonne Arrowsmith	5,000	-
Alison Rose-Quire	5,000	537
Lee Gibson	5,000	57

*This figure was for secretariat support (some of which fell in the prior year 17/18 - £2,400) provided to Mr Mayer, with respect to the role he carried out whilst with OHG.

11. Surplus on sale of fixed assets

Group	Shared ownership	Other housing properties	Total	Total
	2019 £'000	2019 £'000	2019 £'000	2018 £'000
Housing properties:				
Disposal proceeds	21,347	9,637	30,984	26,341
Cost of disposal	(9,900)	(5,713)	(15,613)	(12,532)
Surplus on disposal of housing properties	11,447	3,924	15,371	13,809

Association	Shared ownership	Other housing properties	Total	Total
	2019 £'000	2019 £'000	2019 £'000	2018 £'000
Housing properties:				
Disposal proceeds	17,626	9,637	27,263	25,442
Cost of disposal	(7,968)	(5,711)	(13,679)	(11,799)
Surplus on disposal of housing properties	9,658	3,926	13,584	13,643

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

12. Interest receivable and income from investments

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank and other interest	428	262	392	177
Interest receivable from group undertakings	-	-	142	1,059
	428	262	534	1,236

13. Interest payable and similar charges

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank loans and overdrafts	22,761	21,047	22,618	20,795
Bonds and private placements	8,074	6,751	8,074	6,751
Derivatives	3,786	3,886	3,786	3,886
Interest payable to group undertakings	-	-	326	-
Other interest payable	320	97	320	97
Loan breakage costs	1,834	1,754	1,834	1,754
Loan arrangement and facility fees	(353)	(2,598)	(353)	(2,644)
Net interest on defined benefit liability	307	174	307	174
	36,729	31,111	36,912	30,813
Interest capitalised on construction of housing properties	(5,047)	(5,428)	(5,047)	(5,176)
	31,682	25,683	31,865	25,637
Capitalisation rate used to determine the finance costs capitalised during the period	4.11%	4.11%	4.11%	4.11%

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Notes forming part of the financial statements

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14. Taxation

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
UK Corporation Tax				
Current tax on surplus / (deficit) for the year	1,111	8	(50)	(40)
Total current tax	1,111	8	(50)	(40)
Deferred tax				
Origination and reversal of timing differences (note 32)	(1,209)	(506)	-	-
Changes to tax rates	-	59	-	-
Taxation on surplus/ (deficit)	(98)	(439)	(50)	(40)

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. Current year group taxation charge includes reversal of charges arising in Citystyle Living Limited and Citystyle (Wenlock and Goldhawk) Limited in 2018.

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Surplus on ordinary activities before tax	20,080	52,082	24,324	50,220
Surplus multiplied by 19% (2017: 19%) standard rate of UK Corporation Tax	3,815	9,896	4,622	11,609
Effects of:				
exemption of charitable activities	(2,151)	(9,145)	(2,663)	(19,852)
movement in fair value of financial instruments	(169)	(1,454)	(169)	7,655
movement in investment properties	14	374	268	414
(Over)/under provision for prior year	(398)	(370)	(2,108)	134
Relief on losses carried forward	-	707		
Current tax charge for the year	1,111	8	(50)	(40)

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for the year ended 31 March 2019

15. Tangible fixed assets: housing properties

Group	Housing property		Shared ownership		Total £'000
	under construction £'000	completed and available for letting £'000	under construction £'000	completed and available for letting £'000	
Cost / valuation					
At 1 April 2018	171,700	1,339,936	79,686	159,198	1,750,520
Additions: construction	28,793	2,306	19,759	3,265	54,123
Additions: works to existing properties	-	-	-	276	276
Additions: components	-	12,385	-	-	12,385
Tenure change	-	(5,929)	-	5,929	-
Completions in year	(11,838)	11,838	(18,692)	18,692	-
Disposals	-	(3,884)	-	(9,391)	(13,275)
Component write-offs	-	(1,947)	-	-	(1,947)
Transfer to current assets	-	-	(11,857)	-	(11,857)
Transfer from current assets	-	1,311	-	8,953	10,264
Adjustment to first tranche percentage	-	-	-	(554)	(554)
Transfer from another housing association	-	1,740	-	-	1,740
Transfer to another housing association	-	(4,501)	-	-	(4,501)
At 31 March 2019	188,655	1,353,255	68,896	186,368	1,797,174
Depreciation					
At 1 April 2018	-	(141,013)	-	(476)	(141,489)
Charged in the year	-	(15,854)	-	-	(15,854)
Component write-offs	-	1,367	-	-	1,367
Disposals	-	1,702	-	15	1,717
Adjustment	-	(461)	-	461	-
At 31 March 2019	-	(154,259)	-	-	(154,259)
Net book value					
At 31 March 2018	188,655	1,198,996	68,896	186,368	1,642,915
At 31 March 2019	171,700	1,198,923	79,686	158,722	1,609,031

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Group	Housing property		Shared ownership		Total £'000
	under construction £'000	completed and available for letting £'000	under construction £'000	completed and available for letting £'000	
Cost / valuation					
At 1 April 2018	174,343	1,362,412	32,242	197,973	1,766,970
Additions: construction	26,281	2,306	19,759	3,263	51,609
Additions: components	-	12,383	-	-	12,383
Tenure change	-	(5,671)	-	5,671	-
Completions in year	(15,134)	15,134	(18,692)	18,692	-
Disposals	-	(3,884)	-	(7,513)	(11,397)
Component write-offs	-	(1,947)	-	-	(1,947)
Transfers from group undertakings	-	1,311	-	9,043	10,354
Transfer to current assets	-	-	(11,857)	-	(11,857)
Adjustment to first tranche percentage	-	-	-	(516)	(516)
Transfer from another housing association	-	1,740	-	-	1,740
Transfer to another housing association	-	(4,501)	-	-	(4,501)
At 31 March 2019	185,490	1,379,283	21,452	226,613	1,812,838
Depreciation					
At 1 April 2018	-	(141,471)	-	(15)	(141,486)
Charged in the year	-	(15,855)	-	-	(15,855)
Component write-offs	-	1,367	-	-	1,367
Disposals	-	1,702	-	-	1,702
At 31 March 2019	-	(154,257)	-	(15)	(154,272)
Net book value					
At 31 March 2019	185,490	1,225,026	21,452	226,598	1,658,566
At 31 March 2018	174,343	1,220,941	32,242	197,958	1,625,484

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Housing properties comprise:	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Freeholds	1,512,107	1,477,613	1,538,005	1,504,923
Long leaseholds	130,808	131,418	120,561	120,561
	1,642,915	1,609,031	1,658,566	1,625,484

The Group adopted the deemed cost option on transition to FRS 102 and increased its housing asset. If housing property had been accounted for under historical accounting rules, the properties would have been measured as follows:

Housing properties comprise:	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Historic cost	1,642,895	1,650,700	1,658,563	1,667,153
Accumulated depreciation	(154,258)	(143,478)	(154,274)	(143,475)
	1,488,637	1,507,222	1,504,289	1,523,678

Interest capitalisation:	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Interest capitalised in the year	5,047	5,145	5,047	5,145
Cumulative interest capitalised	70,326	60,134	70,326	60,134
	75,373	65,279	75,373	65,279
Rate used for capitalisation	4.11%	4.11%	4.11%	4.11%

Works to properties:	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Improvements to existing properties capitalised	12,658	4,459	12,382	4,459
Major repairs expenditure to income and expenditure account	3,562	5,256	3,538	5,364
	16,220	9,715	15,920	9,823

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Total Social Housing Grant received or receivable to date is as follows:	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Capital grant - housing properties	640,678	715,283	640,678	715,283
Recycled Capital Grant Fund	9,708	25,175	7,915	20,031
Disposals Proceeds Fund	1,155	6,654	1,156	6,654

Finance leases

The net book value of housing properties for the Group includes an amount of £nil (2018 - £nil) in respect of assets held under finance leases and hire purchase contracts. The company had no assets held under such leases at either year end.

Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Impairment

The Group considers individual schemes to represent separate cash generating units (CGU's) when assessing for impairment in accordance with the requirements of FRS102 and SORP 2014. During the current year, the Group and association have recognised an impairment loss of nil (2018 - £nil) in respect of general needs housing stock.

Properties held for security

One Housing Group Limited - Registered social housing provider had property with a net book value of £1.18bn pledged as security at 31 March 2019.

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16. Other tangible fixed assets

Group	Freehold offices £'000	Leasehold offices £'000	Furniture & equipment £'000	Computer equipment £'000	Information systems £'000	Motor vehicles £'000	2019 Total £'000
Cost							
At 31 March 2018	9,071	680	5,990	4,054	9,657	84	29,536
Additions	211	740	1,242	305	8,739	-	11,237
Disposals	-	-	(1,879)	(2,153)	(1,789)	(55)	(5,876)
At 31 March 2019	9,282	1,420	5,353	2,206	16,607	29	34,897
Depreciation							
At 31 March 2018	(2,014)	-	(2,921)	(3,051)	(2,838)	(76)	(10,900)
Disposals	-	-	1,879	3,943	-	55	5,877
Charge for year	(212)	-	(766)	(522)	-	(8)	(1,508)
At 31 March 2019	(2,226)	-	(1,808)	370	(2,838)	(29)	(6,531)
Net book value							
As at 31 March 2019	7,056	1,420	3,545	2,576	13,769	-	28,366
As at 31 March 2018	7,057	680	3,069	1,003	6,819	8	18,636

Association	Freehold offices £'000	Leasehold offices £'000	Furniture & equipment £'000	Computer equipment £'000	Information systems £'000	Motor vehicles £'000	2019 Total £'000
Cost							
At 31 March 2018	9,071	680	3,918	598	7,870	29	22,166
Additions	211	740	1,149	108	8,741	-	10,949
At 31 March 2018	9,282	1,420	5,067	706	16,611	29	33,115
Depreciation							
At 31 March 2018	(2,014)	-	(910)	1,502	(2,838)	(21)	(4,281)
Charge for year	(212)	-	(722)	(195)	1	(9)	(1,137)
At 31 March 2019	(2,226)	-	(1,632)	1,307	(2,837)	(30)	(5,418)
Net book value							
As at 31 March 2018	7,056	1,420	3,435	2,013	13,774	(1)	27,697
As at 31 March 2017	7,057	680	3,008	2,100	5,032	8	17,885

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17. Investment properties

Group	Market rented £'000	Commercial £'000	Total £'000
At 1 April 2018	160,355	71,433	231,788
Additions	7,166	2,369	9,535
Tenure change	(1,365)	269	(1,096)
Revaluations	930	(1,003)	(73)
At 31 March 2019	167,086	73,068	240,154

Association	Market rented £'000	Commercial £'000	Total £'000
At 1 April 2018	87,032	71,707	158,739
Additions	2,595	2,388	4,983
Tenure change	(1,368)	269	(1,099)
Revaluations	(407)	(1,003)	(1,410)
At 31 March 2019	87,852	73,361	161,213

The Group'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	8.25%
Annual inflation rate	3.50%
Level of long term annual rent increase	4.00%

The deficit on revaluation of investment property arising of £73k (Association - £1,410k) has been debited to the statement of comprehensive income for the year.

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

Investment properties at historic cost:	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Historic cost	75,430	89,662	55,645	56,000
Accumulated depreciation	(14,575)	(9,769)	(12,294)	(8,993)
	83,292	78,893	43,351	47,006

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18. Investments: subsidiaries

Association investments in subsidiaries:	2019 £'000	2018 £'000
At 1 April	216,000	101,469
Additions	16,725	114,531
Disposals	(38,032)	-
Amortisation of additional investment on acquisition	(953)	-
Impairment	(2,475)	-
At 31 March	191,265	216,000

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
Arlington Futures	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
East End Lettings (2) Limited	100%	Rental of properties at market rent	Incorporated company
One Direct Maintenance Limited	100%	Property maintenance services	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

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Citystyle Living (Thurlow Park) 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
Citystyle Living (White Horse Field) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Stone) Limited	100%	Property development for outright sale	Incorporated company
Citystyle Living (Slough Station) Limited	100%	Property development for outright sale	Incorporated company
Pembury Road Care Ltd	100%	Care Homes	Incorporated company

All subsidiaries are incorporated or registered in England.

19. Investments: joint ventures

The Group holds an indirect interest in the following joint ventures:

Name	Ordinary share capital held	Nature of business	Nature of entity
New Ladderswood LLP	50%	Property development	Limited liability partnership
Dollar Bay Developments LLP	50%	Property development	Limited liability partnership
New Granville LLP	50%	Property development	Limited liability partnership

The equity value of investments was:

	2019 £'000	2018 £'000
At 1 April	31,628	19,077
Additions	7,150	11,690
Share of profit / (deficit) for the year	4,337	5,513
Distributions received in the year	(2,876)	(4,652)
At 31 March	40,239	31,628

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20. Investments: listed investments

Housing properties comprise:	31 March 2019		31 March 2018	
	Cost £'000	Fair value £'000	Cost £'000	Fair value £'000
UK Treasury Gilts 8%	-	-	103	109
Share subscription	24	24	-	-
	-	-	103	109

The Gilt previously held under the Housing Securities Limited Loan matured in January 2019. The coupon amount along with accrued interest were redeemed.

21. Properties for sale

Group	First tranche shared ownership properties	Outright market sales	Total	Total
			2019 £'000	2018 £'000
Properties for sale:				
Work in progress	17,678	113,172	130,849	195,590
Completed properties	3,002	49,828	52,830	12,290
	20,680	163,000	183,679	207,880
Materials	-	-	276	153
	20,680	163,000	183,955	208,033

Group	First tranche shared ownership properties	Outright market sales	Total	Total
			2019 £'000	2018 £'000
Properties for sale:				
Work in progress	17,678	45,970	63,648	64,276
Completed properties	4,447	-	4,447	7,475
	22,125	45,970	68,095	71,751

Impairment

During the current year, the Association has recognised an impairment loss of £9,025k (2018: £nil) in respect of work in progress, outright sales. The Group has recognised a total impairment loss on outright market sales of £11,500k (2018: £728k); in respect of completed properties (£1,062k) and work in progress (£10,438).

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22. Debtors

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Rent arrears	13,804	12,061	13,373	11,833
Less provision for bad and doubtful debts	(6,650)	(6,380)	(6,501)	(6,224)
	7,154	5,681	6,872	5,609
Amounts due from group companies	-	-	29,141	38,742
Other debtors	17,382	11,681	9,557	10,927
Prepayments and accrued income	5,067	4,659	5,067	4,659
Loan security deposits	1,728	1,728	1,728	1,728
Amounts due from leaseholders	153	153	153	153
	31,484	23,902	52,518	61,818

23. Creditors: amounts falling due within one year

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank overdraft (note 28)	90	80	-	32
Housing and short term loans (note 28)	73,381	46,122	53,536	45,762
Trade creditors	952	8,511	919	7,262
Social Housing Grant repayable (note 25 & 26)	27,651	20,954	23,544	16,684
Amounts due to group undertakings	-	-	55,926	74,303
Other taxation and social security	771	2,320	231	964
Other creditors	5,575	3,457	5,097	3,194
Accruals and deferred income	26,079	22,711	15,105	18,871
Rent and service charges paid in advance	7,525	6,917	7,219	6,602
Property deposits and sinking fund	1,751	1,619	1,716	1,564
SHPS pension deficit contribution	80	1,214	80	1,214
	143,855	113,905	163,373	176,452

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

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank loans (note 28)	602,758	622,188	602,758	614,686
Bond (note 28)	88,500	89,900	88,500	89,900
Loans previously measured at fair value (note 28)	103,776	114,179	103,776	114,179
Private placement (note 28)	85,000	85,000	85,000	85,000
Other loans (note 28)	48,888	4,953	48,888	4,953
Derivative financial instruments (note 28)	46,922	37,408	46,922	37,408
Loan issue costs (note 28)	(12,954)	(9,236)	(12,949)	(9,236)
Loan premium (note 28)	(1,926)	(2,034)	(1,926)	(2,034)
Deferred capital grant (note 25)	663,159	673,351	640,678	649,860
RCGF (note 26)	9,708	8,292	7,914	7,416
DPF (note 27)	1,155	2,584	1,155	2,584
Sinking fund balances	14,516	13,989	11,746	11,338
SHPS pension deficit contribution	-	5,988	-	5,988
	1,649,502	1,646,562	1,622,462	1,612,042
	2	2	2	2

25. Deferred capital grant

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
At 1 April	673,351	672,627	649,861	648,272
Grants received during the year	1,519	4,754	1,517	4,754
Grants utilised	685	3,578	685	3,578
Grants transferred to RCGF and DPF	(5,167)	(3,260)	(4,432)	(2,717)
Grant transfer to RP's on disposal	(2,776)	-	(2,776)	-
Released to income during the year	(4,452)	(4,776)	(4,177)	(4,454)
Adjustment	-	428	-	428
At 31 March	663,160	673,351	640,678	649,861

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26. Recycled capital grant fund

Group Funds pertaining to activities within areas covered by	2019			2018		
	Homes England	GLA	Total	Homes England	GLA	Total
At 1 April	681	29,119	29,800	630	36,197	36,827
Inputs to fund:						
Grants recycled from deferred capital grants	53	5,463	5,516	22	514	536
Grants recycled from statement of comprehensive income	-	2,654	2,654	-	-	-
Interest accrued	2	313	315	29	79	108
Recycling of grant:						
New build	-	(677)	(677)	-	(3,570)	(3,570)
Other	-	(6,987)	(6,987)	-	-	-
Repayment of grant to Homes England/GLA	-	(20,913)	(20,913)	-	(4,101)	(4,101)
At 31 March	736	8,972	9,708	681	29,119	29,800
Amounts three years or older where payment may be required	69	7,846	7,915	-	9,942	9,942

Association Funds pertaining to activities within areas covered by	2019			2018		
	Homes England	GLA	Total	Homes England	GLA	Total
At 1 April	69	19,962	20,031	41	28,094	28,135
Inputs to fund:						
Grants recycled from deferred capital grants	-	4,791	4,791	28	2,340	2,368
Grants recycled from statement of comprehensive income	-	314	314	-	-	-
Interest accrued	-	285	285	-	62	62
Recycling of grant:						
New build	-	(677)	(677)	-	(3,570)	(3,570)
Other	-	(22)	(22)	-	-	-
Repayment of grant to Homes England/GLA	-	(16,808)	(16,808)	-	(6,965)	(6,965)
At the end of the year	69	7,845	7,914	69	19,961	20,030
Amounts three years or older where payment may be required	-	7,451	7,451	-	-	-

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27. Disposal proceeds fund

	Group		Association	
	GLA 2019 £'000	GLA 2018 £'000	GLA 2019 £'000	GLA 2018 £'000
At 1 April	6,662	5,901	6,662	5,901
Inputs to fund:				
RTA receipts	-	592	-	592
SHB receipts	-	153	-	153
Interest accrued	35	16	35	16
Use/allocation of funds:				
New build	(16)	-	(16)	-
Repayment of grant to the RSH/GLA	(5,526)	-	(5,526)	-
At 31 March	1,155	6,662	1,155	6,662
Amounts three years or older where payment may be required	1,120	3,366	1,120	3,366

The fund has no balances with Homes England (2018: £nil).

28. Loans and borrowings

Group	Bank overdrafts	Bank loans	Other loans	Sub-total	Fair value adj.	Total
	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000
In one year or less, or on demand	-	41,444	32,026	73,470	3,190	76,660
In more than one year but not more than two years	-	58,299	23,633	81,932	3,190	85,122
In more than two years but not more than five years	-	69,094	5,153	74,247	9,569	83,816
In more than five years	-	367,865	301,102	668,967	87,828	756,795
	80	536,702	361,914	898,616	103,777	1,002,393

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Group	Bank overdrafts	Bank loans	Other loans	Sub-total	Fair value adj.	Total
	2018 £'000	2018 £'000	2018 £'000	2018 £'000	2018 £'000	2018 £'000
In one year or less, or on demand	80	46,461	913	47,454	3,563	51,017
In more than one year but not more than two years	-	77,587	688	78,275	3,563	81,838
In more than two years but not more than five years	-	94,568	2,369	96,937	10,688	107,625
In more than five years	-	448,828	176,796	625,624	96,365	721,989
	80	667,444	180,766	848,290	114,179	962,469

Association	Bank overdrafts	Bank loans	Other loans	Sub-total	Fair value adj.	Total
	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000
In one year or less, or on demand	-	23,903	29,633	53,536	3,190	56,726
In more than one year but not more than two years	-	58,299	23,633	81,932	3,190	85,122
In more than two years but not more than five years	-	69,094	5,153	74,247	9,569	83,816
In more than five years	-	367,865	301,102	668,967	87,827	756,794
	-	519,161	359,521	878,682	103,776	982,458

Group	Bank overdrafts	Bank loans	Other loans	Sub-total	Fair value adj.	Total
	2018 £'000	2018 £'000	2018 £'000	2018 £'000	2018 £'000	2018 £'000
In one year or less, or on demand	32	44,851	913	45,796	3,563	49,359
In more than one year but not more than two years	-	77,227	688	77,915	3,563	81,478
In more than two years but not more than five years	-	93,488	2,369	95,857	10,688	106,545
In more than five years	-	443,967	176,796	620,763	96,367	717,130
	32	659,533	180,766	840,331	114,181	954,512

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

The mark to market values of free standing SWAPs as at 31 March 2019 was £39.3m out of the money (2018 - £37.3m out of the money).

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29. Financial instruments

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Financial assets				
Financial assets measured at historical cost				
Trade receivables	7,155	5,681	6,872	5,609
Other receivables	24,331	18,221	45,644	56,208
Cash and cash equivalents	62,148	46,375	54,967	34,420
Total financial assets	93,634	70,277	107,483	96,237
Financial liabilities				
Financial liabilities measured at amortised cost				
Loans payable	898,614	848,093	878,682	840,297
Financial liabilities measured at historical cost				
Trade creditors	952	8,511	919	7,262
Other creditors	69,522	38,318	109	95,860
Derivative financial instruments designated as hedges of variable interest rate risk	39,160	37,407	39,160	37,407
Total financial liabilities	1,008,248	932,329	918,870	980,826

Forward starting swaps represent hedging activity entered into in line with the Group's treasury management policy based on the forecast debt profile to protect against future interest rate increases.

To hedge the potential volatility in future interest cash flows arising from movements in LIBOR, the Group has entered into cancellable standalone floating to fixed interest rate swaps with a nominal value of £339.4m (2017: £291m) equal to initial borrowing and similar terms as the loans. The interest re-pricing dates are identical to those of the variable rate loans and the SWAPS have a risk-free mark-to-market valuation of £39.3m (2017: £37.5m).

Loans are secured by specific charges on the housing properties of the Group

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

30. Provision for liabilities

Group	Deferred taxation £'000	Other £'000	Total £'000
At 1 April 2018	7,512	100	7,612
Charged to income and expense			
Additions	-	388	388
Released	-	(100)	(100)
Utilised in year	292	-	292
Origination and reversal of timing differences			
At 31 March 2019	7,804	388	8,192

Association	Other £'000	Total £'000
At 1 April 2018	100	100
Charged to income and expense		
Additions	388	388
Utilised in year	(100)	(100)
At 31 March 2019	388	388

Other provisions consist of amounts provided in respect of disputes.

31. Pension obligations

Social Housing Pension Scheme (SHPS)

The Group participates in the following defined benefit pension schemes. The employees in the LGPS schemes have been TUPE'd from local authorities and are closed to new members. The defined benefit SHPS scheme closed to future accrual during the year.

Group	SHPS £'000	LGPS £'000	Total £'000
Net pension scheme liability			
Fair value of plan assets	42,371	9,870	52,241
Present value of plan liabilities	(57,245)	(10,579)	(67,824)
At 31 March 2019	(14,874)	(709)	(15,583)

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Defined contribution scheme

A defined contribution scheme is operated by the Group 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 Group to the fund and amounted to £1,986k (2018: £640k). Contributions totalling £393k (2016: £258k) were payable to the fund at the year end and are included in creditors.

Social Housing Pension Scheme (SHPS)

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

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical

Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Group 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 has not been possible for the Group to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group 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 Group to account for the Scheme as a defined benefit scheme.

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Group's fair share of the Scheme's total assets to calculate the Group's net deficit or surplus at the accounting period start and end dates.

The information presented for 2018 in relation to SHPS scheme reflects the initial position recognised at 1 April 2018.

Financial assumptions

	2019 %	2018 %
Discount rate	2.33	2.59
Salary increase rate	3.28	3.16
Inflation - RPI	3.28	3.16
Inflation - CPI	2.28	2.16
Allowance for commutation of pension for cash at retirement	75%	75%

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Mortality assumptions

The average future life expectancies at age 65 are summarised below.

	2019 years	2018 years
Retiring in 2019		
- male	21.8	21.8
- female	23.5	23.5
Retiring in 2039		
- male	23.2	23.2
- female	24.7	24.7

Future pensioners assume the average age of members at the last formal valuation date was 45.

Reconciliation of present value of plan liabilities	2019 £'000
At 1 April	51,016
Current service cost	(21)
Expenses	34
Interest cost	1,299
Employee contributions	66
Benefits paid	(1,769)
Remeasurement - change in financial assumptions	4,100
Remeasurements - experience	2,362
Remeasurements - demographic assumptions	158
At 31 March	57,245

Reconciliation of fair value of plan assets	2019 £'000
At 1 April	38,911
Interest income on plan assets	1,002
Employee contributions	66
Employer contributions	1,337
Benefits paid	(1,769)
Experience on plan assets - gain	2,824
At 31 March	42,371

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Net pension scheme liability	2019 £'000	2018 £'000
Fair value of plan assets	42,371	38,911
Present value of plan liabilities	(57,245)	(51,016)
	(14,874)	(12,105)

Amounts recognised in comprehensive income	2019 £'000
Current service cost	(21)
Expenses	34
Net interest expense	297
	310

Analysis of actuarial loss recognised in other comprehensive income	2019 £'000
Remeasurements - change in financial assumptions	(4,100)
Remeasurements - experience	(2,362)
Remeasurements - demographic assumptions	(158)
Experience on plan assets	2,824
	(3,796)

Composition of plan assets	2019 %	2018 %
Equities	7,129	7,686
Property	954	1,791
Absolute return	3,666	4,753
Distressed opportunities	770	376
Credit relative value	776	-
Alternative risk premia	2,444	1,476
Fund of hedge funds	191	1,282
Emerging markets debt	1,462	1,569
Risk sharing	1,280	360
Insurance linked securities	1,215	1,022
Infrastructure	2,222	998
Private debt	569	346
Corporate bond fund	1,977	1,598
Long lease property	623	-
Secured income	1,517	1,442
Liability driven investment	15,495	14,176
Net current assets	81	36
Total plan assets	42,371	38,911

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

32. Deferred taxation

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Deferred tax liabilities				
Investment property revaluations	6,595	7,563	-	-
	6,595	7,563	-	-

33. Share capital

Reconciliation of fair value of plan assets	2018 £	2017 £
Allotted, issued and fully paid shares of £1 each		
At 1 April	8	7
Issued in year	5	4
Redeemed/cancelled in the year	(3)	(3)
At 31 March	10	8

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.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

34. Contingent liabilities

At 31 March 2019, the Group and Association had contingent liabilities in respect of litigation and claims arising in the ordinary course of business of £4.4m (2018: £680k).

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 £11.2m (2018 £11.6m). 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. As a result of other transfers from social landlords there is a contingent liability of £2.8m.

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 are therefore included in brought forward reserves.

As at 31 March 2019, the Group and Association had written off to reserves grant representing a contingent liability of £40.3m (2018 £40.3m). This contingent liability will be realised if the assets to which the written off grant relates are disposed.

As at 31 March 2019, three subsidiaries had external debt facilities. As part of the terms of these external debt facilities, we have entered into an agreement whereby OHGL would fund any shortfall arising from the difference in the expected sales value of units and that realised. As at 31st March 2019, there was no value attributable to this liability.

35. Operating leases

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

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts payable as lessee				
Not later than one year	5,627	2,711	5,570	2,479
Later than one year and not later than five years	21,839	19,817	21,839	19,756
Later than five years	187,978	198,170	187,978	198,170
	215,444	220,698	215,387	220,405

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.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts receivable as lessor				
Not later than one year	10,711	10,589	9,145	9,145
Later than one year and not later than five years	46,729	46,193	39,895	39,895
Later than five years	251,067	248,187	214,347	214,347
	308,507	304,969	263,387	263,387

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

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Commitments contracted but not provided for				
Construction	59,596	85,051	39,754	54,932
Joint ventures	28,679	13,419	-	-
Commitments approved by the Board but not contracted for				
Construction	403,507	212,744	62,670	48,205
Joint ventures	311,339	110,631	-	-
	803,121	421,845	102,424	103,137

Capital commitments for the group and association will be funded as follows:

	Group		Association	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Social housing grant	20,320	4,289	20,320	4,289
New loans	160,778	270,006	19,900	50,000
Sales of properties	219,864	101,174	7,236	14,428
Existing reserves	62,141	46,376	54,968	34,420
Total financial assets	463,103	421,845	102,424	103,137

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 profit or loss.

Joint ventures include commitments relating to joint ventures, including its share in the capital commitments that have been incurred jointly with other joint venture partners, as well as its share of the capital commitments of the joint ventures themselves.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

37. Related party disclosures

The ultimate controlling party of the Group is One Housing Group Limited. There is no ultimate controlling party of One Housing Group Limited.

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:

2019	Management fees £'000	Interest £'000	Gift Aid £'000	Other £'000	Total £'000
By regulated entities					
TPHA Limited	95	-	3,143	13	3,251
Social housing total	95	-	3,143	13	3,251
By non-regulated entities					
Arlington Futures	-	-	-	90	90
CHA Ventures Limited	-	100	4,105	-	4,205
Citystyle Living (Belmont) Limited	-	-	-	1	1
Citystyle Living (Close) Limited	-	-	1,186	1	1,187
Citystyle Living (Goldhawk Road) Limited	-	-	(464)	-	(464)
Citystyle Living (Kidwells) Limited	-	-	3	-	3
Citystyle Living (Polo) Limited	-	-	126	-	126
Citystyle Living (Thurlow Park) Limited	-	-	125	-	125
Citystyle Living (Victoria Quarter) Limited	-	-	4	-	4
Citystyle Living (Wenlock Road) Limited	-	-	91	-	91
Citystyle Living Limited	61	42	1,574	76	1,753
East End Lettings (2) Limited	11	-	679	-	690
One Direct Maintenance Limited	1,868	-	-	-	1,868
Renovo Facilities & Services Limited	199	-	-	-	199
Citystyle Living (Acton Town Hall) Limited	-	-	484	3	487
Citystyle Living (St Ann's) Limited	-	-	57	11	68
Non-social housing total	2,139	142	7,970	182	10,433
Grand total	2,234	142	11,113	195	13,684

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

2018	Development staff-time £'000	Management fees £'000	Interest £'000	Gift Aid £'000	Other £'000	Total £'000
By regulated entities						
TPHA Limited	-	82	-	3,026	9	3,117
Social housing total	-	82	-	3,026	9	3,117
By non-regulated entities						
Arlington Futures	-	-	-	-	2	2
CHA Ventures Limited	1,200	-	1,059	5,664	-	7,923
Citystyle Living (Belmont) Limited	-	-	-	-	-	-
Citystyle Living (Close) Limited	-	-	-	648	1	649
Citystyle Living (Goldhawk Road) Limited	-	418	-	2,320	21	2,759
Citystyle Living (Kidwells) Limited	-	-	-	836	-	836
Citystyle Living (Polo) Limited	-	-	-	352	-	352
Citystyle Living (Thurlow Park Limited	-	88	-	16	-	104
Citystyle Living (Victoria Quarter) Limited	-	-	-	72	-	72
Citystyle Living (Wenlock Road) Limited	-	6	-	255	-	261
Citystyle Living Limited	-	118	-	3,511	73	3,702
East End Lettings (2) Limited	-	35	-	322	-	357
One Direct Maintenance Limited	-	1,261	-	-	-	1,261
Renovo Facilities & Services Limited	-	193	-	-	-	193
Non-social housing total	1,200	2,119	1,059	13,996	97	18,471
Grand total	1,200	2,201	1,059	17,022	106	21,588

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Payable by the Association:

2019	Sales £'000	Management services £'000	Management Fees £'000	Interest £'000	Other £'000	Total £'000
To non-regulated entities						
Arlington Futures	-	-	-	13	42	55
CHA Ventures Limited	38,128	-	-	-	-	38,128
Citystyle Living (Close) Limited	-	-	-	4	-	4
Citystyle Living (Goldhawk Road) Limited	-	-	-	132	-	132
Citystyle Living (Kidwells) Limited	-	-	-	3	-	3
Citystyle Living (Polo) Limited	-	-	-	-	426	426
Citystyle Living (Wenlock Road) Limited	-	-	-	92	-	92
Citystyle Living Limited	-	-	-	7	-	7
One Direct Maintenance Limited	-	24,411	5,028	-	-	29,439
East End Lettings (2) Limited	-	-	-	1	-	1
Citystyle Living (Haringey) Limited	-	-	-	16	-	16
Citystyle Living (Acton Town Hall) Limited	-	-	-	12	-	12
Citystyle Living (St Ann's) Limited	-	-	-	1	-	1
Citystyle Living (Thurlow Park) Limited	-	-	-	19	-	19
Non-social housing total	38,128	24,411	5,028	300	468	68,335
Grand total	38,128	24,411	5,028	300	468	68,335

2018	Sales £'000	Management services £'000	Property rental £'000	Interest £'000	Other £'000	Total £'000
To non-regulated entities						
Arlington Futures	-	-	-	7	12	19
CHA Ventures Limited	48,675	-	-	-	-	48,675
Citystyle Living (Close) Limited	-	-	-	5	-	5
Citystyle Living (Goldhawk Road) Limited	-	-	-	33	-	33
Citystyle Living (Kidwells) Limited	-	-	-	3	-	3
Citystyle Living (Polo) Limited	-	-	-	-	426	426
Citystyle Living (Wenlock Road) Limited	-	-	-	57	-	57
Citystyle Living Limited	-	-	-	1	-	1
One Direct Maintenance Limited	-	22,784	4,375	-	-	27,159
Non-social housing total	48,675	22,784	4,375	106	438	76,378
Grand total	48,675	22,784	4,375	106	438	76,378

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Transactions with subsidiaries use the following basis of allocation:

Property development fees:

CHA Ventures Limited applies a mark-up of 7.5% on development administrative services supplied to the Association.

Property development fees:

CHA Ventures Limited applies a mark-up of 2.0% (2018: 7.5%) on development administrative services supplied to the Association.

Maintenance Services

One Direct Maintenance Limited provides repair, maintenance, void, improvement, refurbishment and major capital works services to OHGL and its subsidiaries at cost.

Management fees:

The Association provides management and administrative services to subsidiaries. The most significant element of this is staff costs, including director's emoluments, 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.

Other:

Legal - the Association provides conveyancing and related services for property sales across the Group. A flat rate is charged to subsidiaries for standard work, and an appropriate rate for non-standard work.

Leases - Citystyle Living Limited leases a number of units from the Association. The amounts charged by the Association equates to the income stream of those units.

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Balances

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

31 March 2019	One Housing Group Limited			TPHA Limited		
	Assets £'000	Liabilities £'000	Total £'000	Assets £'000	Liabilities £'000	Total £'000
TPHA Limited						
One Housing Group Limited	-	-	-	6,542	(343)	6,199
TPHA Limited	343	(6,542)	(6,199)	-	-	-
Social housing total	343	(6,542)	(6,199)	6,542	(343)	6,199
Arlington Futures	950	(3,691)	(2,741)	-	-	-
CHA Ventures Limited	8,511	-	8,511	-	-	-
Citystyle (Site A Nunhead Lane) Living Limited	93	-	93	-	-	-
Citystyle Living (Acton Town Hall) Limited	484	(13,718)	(13,234)	-	-	-
Citystyle Living (Bangor Wharf) Ltd	-	(6,691)	(6,691)	-	-	-
Citystyle Living (Belmont) Limited	-	(1,659)	(1,659)	-	-	-
Citystyle Living (Close) Limited	4	(110)	(106)	-	-	-
Citystyle Living (Goldhawk Road) Limited	36	(2,069)	(2,033)	-	-	-
Citystyle Living (High Road Haringey 624 THA) Limited	1,186	(11,234)	(10,048)	-	-	-
Citystyle Living (Kidwells THA) Limited	3	(45)	(42)	-	-	-
CSL (Polo) Limited	56	(26)	30	-	-	-
Citystyle Living (Slough Station) Limited	-	(330)	(330)	-	-	-
Citystyle Living (St Ann's) Limited	57	(4,202)	(4,145)	-	-	-
Citystyle Living (Sutton Court Road) Limited	672	-	672	-	-	-
Citystyle Living (Thurlow Park) Limited	75	(80)	(5)	-	-	-
Citystyle Living (Wenlock Road) Limited	109	(150)	(41)	-	-	-
Citystyle Living (White Horse Field) Limited	16	-	16			
Citystyle Living (Shakespeare Orchard) Limited	41	-	41			
Citystyle Living Limited	11,666	(47)	11,619	-	-	-
East End Lettings (2) Limited	572	(550)	22	-	-	-
Renovo Limited	249	-	249			
One Direct Maintenance Limited	15,177	(12,293)	2,884			
Non-social housing total	39,957	(56,895)	(16,938)	-	-	-
Grand total	40,300	(63,437)	(23,137)	6,542	(343)	6,199

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

Balances

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

31 March 2018	One Housing Group Limited			TPHA Limited		
	Assets £'000	Liabilities £'000	Total £'000	Assets £'000	Liabilities £'000	Total £'000
Social housing						
One Housing Group Limited	-	-	-	418	(627)	(209)
TPHA Limited	627	(418)	209	-	-	-
Social housing total	627	(418)	209	418	(627)	(209)
Non-social housing						
Arlington Futures	208	(3,787)	(3,579)	-	-	-
CHA Ventures Limited	18,215	(2,656)	15,559	-	-	-
Citystyle (Site A Nunhead Lane) Living Limited	42	-	42	-	-	-
Citystyle Living (Acton Town Hall) Limited	1,747	-	1,747	-	-	-
Citystyle Living (Bangor Wharf) Ltd	-	(7,378)	(7,378)	-	-	-
Citystyle Living (Belmont) Limited	795	-	795	-	-	-
Citystyle Living (Close) Limited	649	(1,187)	(538)	-	-	-
Citystyle Living (Goldhawk Road) Limited	4,475	(26,208)	(21,733)	-	-	-
Citystyle Living (High Road Haringey 624 THA) Limited	90	-	90	-	-	-
Citystyle Living (Kidwells THA) Limited	836	(837)	(1)	-	-	-
Citystyle Living (North End Farm) Limited	1,477	-	1,477	-	-	-
CSL (Polo) Limited	851	-	851	-	-	-
Citystyle Living (Slough Station) Limited	9	-	9	-	-	-
Citystyle Living (St Ann's) Limited	1,379	(30)	1,349	-	-	-
Citystyle Living (Sutton Court Road) Limited	1,473	-	1,473	-	-	-
Citystyle Living (Thurlow Park) Limited	16	(3,303)	(3,287)	-	-	-
Citystyle Living (Victoria Quarter) Limited	1,308	-	1,308	-	-	-
Citystyle Living (Wenlock Road) Limited	399	(16,006)	(15,607)	-	-	-
Citystyle Living (White Horse Field) Limited	-	(38)	(38)	-	-	-
Citystyle Living (Shakespeare Orchard) Limited	-	(29)	(29)	-	-	-
Citystyle Living Limited	1,844	(761)	1,083	-	-	-
East End Lettings (2) Limited	1,271	-	1,271	-	-	-
Renovo Limited	970	-	970	-	-	-
Non-social housing total	38,054	(62,220)	(24,166)	-	-	-
Grand total	38,681	(62,638)	(23,957)	418	(627)	(209)

One Housing Group Limited

Notes forming part of the financial statements

for the year ended 31 March 2019

38. Capital and reserves

The statement of comprehensive income reserve for the Group includes £100.6m (2018: £100.7m) in respect of investment properties that have been revalued and were previously disclosed separately in a revaluation reserves.

The Association's statement of comprehensive income reserve includes £103.6m (2018: £104.9m) in respect of investment properties.



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

One Housing Group Limited

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